

**O/1087/22**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF APPLICATION NO. 3558616  
IN THE NAME OF OM RECORDS LLC FOR THE TRADE MARK**

**Om Records**

**IN CLASSES 9, 38 AND 41**

**AND**

**THE OPPOSITION THERETO UNDER NUMBER 424283  
BY OM DEVELOPPEMENT**

**AND**

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 1597261  
IN THE NAME OF OM DEVELOPPEMENT FOR THE TRADE MARK**



**IN CLASSES 9, 16, 18, 21, 25, 35, 36 AND 41**

**AND**

**THE OPPOSITION THERETO UNDER NUMBER 428089  
BY OM RECORDS LLC**

## Background and pleadings

1. On 20 November 2020, Om Records LLC (“LLC”) filed an application for the trade mark Om Records (number 3558616) for goods and services in classes 9, 38 and 41. The application has a priority date of 10 October 2020 by virtue of a trade mark filed at the European Union Intellectual Property Office. The application was published on 5 February 2021 and opposed by OM Developpement (“Developpement”) on 5 May 2021 under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). Developpement relies upon a single earlier international trade mark registration (“IR”) to oppose LLC’s goods and services in classes 9 and 41. The earlier mark is as follows:

IR 1597261



11 February 2021: International registration date and date protection requested in the UK, claiming a French priority date of 26 September 2020.

2. The IR covers goods and services in classes 9, 16, 18, 21, 25, 35, 36 and 41 but Developpement only relies upon some of its class 9 goods and class 41 services for its opposition. Developpement claims there is a likelihood of confusion because the marks are similar and the goods and services are identical or similar.

3. LLC filed a defence and counterstatement, stating that it denied that the opponent’s IR was an earlier right because LLC had an earlier right by virtue of goodwill arising from its use of Om Records in relation to entertainment goods and services. LLC stated that it would be filing an opposition against Developpement’s IR on this basis.

4. LLC’s opposition to Developpement’s IR was filed on 9 November 2021 under section 5(4)(a) of the Act. LLC claims it has used the sign Om Records throughout the UK since 1995 in relation to:

- Class 9: CDs, DVDs and other digital recording media; audio recordings; sound and video recordings; downloadable audio and video files.
- Class 16: paper goods; photographs; stationery; posters; stickers.
- Class 18: handbags; shoulder bags; backpacks.
- Class 25: clothing (t-shirts, sweatshirts, sweaters, sweatpants); headgear (caps, beanies).
- Class 35: advertising, promotion and marketing of third parties i.e. recording artists; online retail services of sound, music or video recordings.
- Class 41: entertainment services; producing music; organising music and entertainment events; organising music festivals and concerts; services relating to music and video recording.

5. LLC opposes all the goods and services of the IR except for those in classes 21 and 36. LLC claims that, owing to its goodwill, a substantial number of the public will be deceived by the use of Developpement's mark, causing damage to LLC's goodwill. It claims that the use of Developpement's mark is liable to be prevented under the law of passing off.

6. Developpement filed a defence and counterstatement, denying LLC's claims. At this point, the two sets of proceedings were consolidated.

7. Both parties filed evidence, and Developpement filed written submissions during the evidence rounds. Both parties attended a hearing by video conference on 3 October 2022. Developpement was represented by Adrian de Froment, of Counsel, instructed by Murgitroyd & Company. LLC was represented by David Ivison, of Counsel, instructed by Cadence Solicitors LLP. I make this decision after careful consideration of the papers and the parties' submissions, referring to them as necessary.

8. I will start with LLC's opposition against the IR to determine whether, and to what extent, Developpement may rely upon the IR for its opposition against LLC's application.

### **Section 5(4)(a) of the Act**

9. Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

10. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

11. The three elements which LLC must show are well known. In *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC), Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

12. In a case where the contested mark is unused, it is the date when the application was made for the contested mark (in this case, 11 February 2021 claiming a French priority date of 26 September 2020) which is the relevant date for the purposes of section 5(4)(a) of the Act. However, if the contested mark has been used prior to the date of application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about. If an applicant for registration was not passing off when it commenced use of the sign, a continuation of the same trade under the same sign is unlikely to amount to passing off at the application date.<sup>1</sup> Developpement has not filed evidence that it has used its IR, which means that the relevant date is 26 September 2020. LLC must show that it had sufficient goodwill at that date to bring the claim.

### Evidence

13. LLC filed evidence in the form of two witness statements from Chris Smith, LLC’s founder and CEO.<sup>2</sup> Mr Smith gives evidence about LLC’s business. The second statement was in response to Developpement’s written submissions, to confirm that

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<sup>1</sup> *Advanced Perimeter Systems Limited v Multisys Computers Limited* [2012] R.P.C. 14, Mr Daniel Alexander KC, sitting as the Appointed Person.

<sup>2</sup> The first of Mr Smith’s witness statements is dated 11 April 2022, with one exhibit. The second witness statement is dated 14 July 2022. Ms Cokell’s witness statement and exhibit are dated 11 April 2022.

the evidence relates to use in the UK, as stated in Mr Smith's first statement. A third witness statement comes from Camilla Cokell, who worked for Cadence Solicitors at the time she made her statement.<sup>3</sup> Her evidence relates to LLC's use of its mark on digital music platforms.

14. Developpement has filed a short witness statement and exhibit from Christian Finn, its trade mark attorney. The purpose of Mr Finn's evidence is to show that he did a search for Om Records on YouTube on 8 June 2022 and found that at that date, LLC had 772 videos and the account was created on 31 December 2006. He states that this is shown in Exhibit CF1. I cannot see a reference to the number of videos, but I can see from the exhibit that LLC had 28,700 subscribers to its YouTube channel and 24,545,964 views. Mr Finn also states that, on 6 June 2022, he conducted a search on statistica.com for the words 'Spotify subscribers'; Exhibit CF2 shows the growth of Spotify users from between 2015 and 2022. The figures are global, not UK-specific, so seem without relevance to the issues I have to decide. Mr Finn's evidence was not referred to at the hearing, other than the fact of its existence.

#### Ownership of goodwill

15. During the hearing, it transpired that Developpement wished to take a point regarding LLC's claim to own the goodwill in the business distinguished by the sign Om Records. This was not foreshadowed in Developpement's skeleton argument, but had been the subject of an email to LLC's representatives shortly before the hearing. It appeared that Developpement had only latterly given instructions to Counsel to raise the issue. Mr Ivison gave a response at the hearing to Mr de Froment's submissions regarding ownership of goodwill. I also directed that LLC would have a further ten days after the hearing to file written submissions and that Developpement would have ten days after that to file a response to what Mr Ivison had said and to any written submissions made by LLC. Both parties subsequently filed written submissions which I have taken into account.

16. At paragraph 3 of his first witness statement, Mr Smith states:

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<sup>3</sup> 11 April 2022.

“I founded and began operating Om Records in 1995, initially trading through a third party company called Pyramid Interactive, Inc. On 19 April 2018 Om Records LLC was formed in the USA and it subsequently acquired brands, trademarks and websites from Pyramid Interactive, Inc. including “Om Records” and www.omrecords.com (see assignment of rights documents at pages 1-18).”

17. The assignment of rights documents comprise the following:

(i) A document entitled “Action by Written Consent of the Shareholders of Pyramid Interactive, Inc (Approval of Transfer of Trademarks; Copyrights; Websites; Windup and Dissolution of Company)”. This includes the following: “NOW, THEREFORE BE IT RESOLVED, that the transfer of ownership to the company’s founder Christopher Smith of the Company’s trademarks and websites listed on Schedule “A” hereto for the price of \$1.00 is hereby ratified, approved and adopted.” The document goes on to state that all copyright interests in master recordings and musical compositions were also transferred to Christopher Smith (listed in Schedule B), and that the windup and dissolution of the company was ratified, approved and adopted. Om Records is listed in Schedule A under “Company’s Trademarks”. This was signed by the shareholders on various dates in June 2018.

(ii) A document entitled “Ownership Transfer Agreement (Approval of Sale and Transfer of Brands, Trademarks, Catalog Assets & Websites to Om Records LLC)”. This document referred to the first agreement (above) and transferred the items referred to in Schedule A to the second agreement from Christopher Smith to Om Records LLC: Brands, Trademarks, Websites. The items in Schedule B were also sold by Mr Smith to Om Records LLC (certain master recordings, musical compositions and all copyright interests) for the price of \$1.00, with Mr Smith transferring ownership to Om Records LLC of all the items in Schedules A and B. This agreement was signed on 31 August 2018. Om Records is listed in Schedule A under “Brands and Trademarks”.

18. Although Mr de Froment said at the hearing that the ownership of goodwill was not his main point (the main point being that any goodwill was trivial), he submitted that the transfer of goodwill to LLC had not been proven because the documents do not specify or refer to transfer of goodwill. Mr de Froment referred to the rule against transfers in gross; i.e. it is not possible to transfer goodwill without the underlying business.

19. It was extremely late in the day to have raised this issue. Mr Ivison submitted that paragraph 12 of Developpement's written submissions had also not properly challenged transfer of goodwill:

“Pages 1-18 of Exhibit CS1 set out an assignment detailing the transfer of rights, including trade marks, copyright and website domain names, from Pyramid Interactive Inc. to Om Records LLC. This document does not demonstrate Om Records' claimed goodwill and reputation for its goods and services in the United Kingdom, and the purpose of submitting this document is unclear.”

20. I think the above paragraph, as a challenge, is equivocal. Whether or not ownership of goodwill had been properly challenged in paragraph 12 of Developpement's written submissions, I do not think the point helps Developpement. *Wadlow on the Law of Passing-Off 6<sup>th</sup> Ed.* says, of transmissibility of goodwill:

“3-403 An assignment of goodwill does not have to be in writing or any particular form, and need not mention goodwill by name. A transaction intended to assign a business as a whole necessarily passes the goodwill to the assignee. A transaction which purports to deal with specific brands or marks may be interpreted as dealing with the goodwill of the business in which they are used. It should be remembered that in construing commercial agreements the golden rule is to give effect to the common intention of the parties as expressed in the words they have chosen to use, and to that extent words such as “goodwill” may be used in a variety of ways at variance with their strict legal meaning.



3-404 In *Wood v Hall*<sup>641</sup> the defendant, a wine and spirit merchant, assigned his business and property (including the goodwill) to a trustee for the benefit of his creditors and the trustee sold the brands and trade marks to the plaintiff. The goodwill was not mentioned by name. After being employed by the plaintiff for a period, the defendant set up in business on his own account again and claimed he was entitled to use his old trading name because the plaintiff had only purchased specific marks and not the goodwill in the former business as a whole. Younger J found for the plaintiff.

<sup>641</sup> (1915) 33 R.P.C. 16 (Younger J).”

21. Mr Smith founded Om Records, trading through a third party, Pyramid Interactive, Inc. When that company was wound up, its trade marks, copyrights and websites were transferred to Mr Smith, including the mark Om Records. Mr Smith then transferred brands, trade marks, catalogue assets and a website to LLC. Mr Smith is LLC’s founder and its CEO. This seems to me to sit squarely with the passage above from *Wadlow*. The assets/rights of the business which was founded by Mr Smith, were clearly then assigned to Mr Smith, who then assigned them to LLC, of which he is the founder and CEO. The transaction dealt with specific brands and marks and although goodwill was not mentioned by name (it does not have to be, according to *Wadlow*), I interpret the specific mention of brands and trademarks (including the specified Om Records) as including the goodwill previously attached to the business distinguished by those brands and trade marks. I agree with Mr Ivison’s written submissions:

“17 It is understood that Party A [Developpement] suggests that the 2018 Assignments were merely an assignment in gross, in that the rights pertaining to the Om Records name were assigned but not the underlying business. This is entirely without foundation:

(a) there is no evidence of any transfer of the Om Records business (or, indeed, any other rights or assets) separately from the assets referred to in the 2018 Assignments; and

(b) it would have made no sense for Pyramid to assign rights associated with the Om Records name without also transferring the underlying business, since it was being wound up.”

### Sufficient goodwill

22. Mr Smith states that LLC is an independent record company based in the USA, releasing electronic music, dance music, rock and hip hop. Mr Smith states that the evidence he gives focusses on the activities of LLC and its predecessors in the UK. There is a single exhibit, CS1, comprising 164 pages.

23. Pages 19 to 46 comprise a complete list of all UK releases on the Om Records label. Mr Smith draws attention to four artists: Kaskade, Groove Armada, Mark Farina and People Under the Stairs. Kaskade and Mark Farina are DJs. Mr Smith gives details of these artists’ listening figures on Spotify, and appearances on e.g. BBC Radio 1 and BBC Radio 6 shows, and Glastonbury Festival, but there are no dates given for these details.

24. The list of releases spans 1995 to 2020. The majority of the catalogue references start with ‘OM’. I note that some of the release titles include ‘Om’, such as:

- 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2006, 2007, 2012, 2013 ‘Om Lounge’ (various artists)
- 1998 and 2000 ‘Sounds of OM: House Compilation 01’ (various artists)
- 1999, 2000, 2001 ‘OM Records’ Sampler (promo – various artists)
- 2002 ‘Sounds of OM – 3<sup>rd</sup> Edition’ (Kaskade)
- 2002 ‘OM\_100: A Celebration of the 100<sup>th</sup> Release of Om Records (various artists)
- 2004 ‘Sounds of OM V.4’ (DJ Fluid)
- 2004, 2005 and 2007 ‘OM Remixed’ (various artists)
- 2004 ‘Live at Om’ (Derrick Carter and Mark Farina)
- 2004 ‘ Mark Farina – Live at OM’ (Mark Farina)
- 2004 ‘ Derrick Carter – Live at OM’ (Derrick Carter)

- 2005 'House Of OM' (Kaskade)
- 2005 'Om: Beached' (various artists)
- 2005 'Om: Discovery' (various artists)
- 2005 'OM: Ibiza 2005' (various artists)
- 2005 'House of Om – DJ Sneak (various artists)
- 2005 'Sounds of OM V.5' (DJ Fluid)
- 2005 and 2006 'Om: 10 A Decade of Future Music' (various artists)
- 2006 'Om: Miami 2006' (DJ Fluid)
- 2006 'House of OM' – DJ Heather
- 2006 'OM: Winter Sessions (Justin Martin and Johnny Fiasco)
- 2006 'Om: Summer Sessions' (DJ Fluid)
- 2006 'OM: 10 A Decade of Future Dance' (various artists)
- 2007 'Om: Miami 2007 (various artists)
- 2007 'OM Summer Sessions' (DJ Heather and Onionz)
- 2007 'Om: Hip Hop Volume One' (various artists)
- 2007 and 2008 'Om: Chilled' (various artists)
- 2007 'House of OM' (Mark Farina)
- 2007 'OM: Dubai' (various artists)
- 2007 'OM: Ibiza 2007' (various artists)
- 2008 'The OM Remixes' (Kaskade)
- 2008 'OM Hip Hop Soul Sessions' (various artists)
- 2008 'The Om Years' (People Under the Stairs)
- 2008 'OM: Miami 08' (various artists)
- 2008 'Sounds of OM V.6' (various artists)
- 2008 'The OM Remixes' (Kaskade)
- 2008 'OM: Ibiza 2008' (various artists)
- 2009 'Om: Miami 09' (DJ Fluid)
- 2009 Om: Dance Essentials (various artists)
- 2009 'Om Lounge (15 Year Anniversary Edition)' (various artists)
- 2009 'OM 15: Celebrating 15 Years of OM Records' (various artists)
- 2010 'Om: Miami 2010 (various artists)
- 2010 'OM Masters' (Fred Everything)

- 2011 'Sounds of OM – Two Thousand and Eleven'
- 2011 and 2013 'Om Yoga – Modern Music for Vinyasa/Flow' (various artists)
- 2012 'Om: Miami 2012' (various artists)
- 2015 'Om: the Beautiful Sounds of Enjoyment' (various artists)
- 2020 'OM Records – 25 Years' (various artists)

25. The last release on the list, OM Records – 25 Years, was a 4 x LP compilation album, which Mr Smith states was released on 10 July 2020 in both physical and digital formats. A selection of artwork released in the UK is shown. For example, page 47 is a screenshot of a 2013 Kaskade album called It's You, It's Me on a digital platform, with the following logo in the top left-hand corner:



Juan Atkin's 2001 'Legends' release, Kaskade's 2001 'What I Say' release and Soulstice's 2001 'Lovely' release had the following logo in the top left-hand corner (pages 49, 50 and 51) :



26. The album cover for OM Records – 25 Years was as follows (page 56):



27. Mr Smith states that Om Records has also been used on physical merchandise available for purchase in the UK, citing as examples pages 57 to 61 of his exhibit. I note that the prices of the clothing items on the website screenshots are in US dollars. Although the website can be accessed and theoretically orders can be made from the UK, there is no evidence of any sales made in the UK or orders from customers based in the UK.

28. Mr Smith states that, from 1995 to 2008, Om Records' physical records were distributed in the UK through Pinnacle Distribution, the largest independent record label distribution company in the UK at that time. Om Records releases (CDs, cassettes and vinyl) were distributed to UK high street record shops and retailers, such as HMV, and to independent record stores. Pinnacle Distribution went out of business in 2008 and LLC moved its business to a primarily digital record label. Digital release takes place via LLC's digital distributor, Ingrooves, which sends the tracks to online music retailers such as iTunes, Spotify and Amazon. Mr Smith provides the following sales data:<sup>4</sup>

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<sup>4</sup> Page 63.

<b>Year</b>	<b>Sales Units</b>	<b>Income (£)</b>
2009	249	£114.41
2010	705,323	£5,852.25
2011	980,651	£33,988.33
2012	781,633	£42,261.73
2013	1,423,067	£37,164.32
2014	2,229,719	£34,362.71
2015	2,310,795	£31,324.99
2016	3,189,603	£25,174.08
2017	5,282,822	£26,862.54
2018	1,328,706	£7,288.27
2019	184,246	£1,029.54
2020	415,312	£3,302.00
2021	429,161	£3,332.54
<b>TOTAL</b>	<b>19,261,287</b>	<b>£252,058</b>

29. Mr Smith explains that these figures come from Ingrooves which provides LLC with monthly sales figures, including digital sales from all online retailers such as Amazon Music, Spotify, Apple Music, YouTube, iTunes, Tidal and Google Play. Mr Smith states that this is a summary of streams and downloads and that it is not possible to exhibit full sales data for artists released on the Om Records label as streams and downloads alone exceed 18,500,000 units. Another summary of iTunes sales between 2006 and 2010 is provided on page 64 of the exhibit:

<b>Year</b>	<b>Quantity</b>	<b>Income (£ GBP)</b>
2006	9252	£ 10,101.99
2007	13949	£ 16,821.07
2008	16687	£ 19,647.56
2009	15371	£ 16,770.87
2010	11497	£ 12,974.44
<b>TOTAL</b>	<b>66,756.00</b>	<b>£ 76,315.93</b>

30. Page 65 comprises a summary of income derived from digital streams and downloads purchased from customers in the UK directly from LLC's website store from 2012 to 25 September 2020:

<b>Year</b>	<b>Quantity</b>	<b>Income (USD)</b>
2012	343	USD 2,906.08
2013	1649	USD 8,407.80
2014	958	USD 6,966.39
2015	1107	USD 8,389.36
2016	1045	USD 6,878.51
2017	1078	USD 6,963.52
2018	1121	USD 5,110.64
2019	1216	USD 6,174.81
2020	2058	USD 23,041.22
<b>TOTAL</b>	<b>10575</b>	<b>USD 74,838.33</b>

31. Traffic from the UK to the website omrecords.com is detailed on page 73. Between 1 January 2014 and 7 April 2022 (the latter six months of this period is after the relevant date) there were 8,304 visits from the UK. Analytics reports are shown at pages 74 to 78 detailing the number of UK followers on social media accounts, such as Twitter (911.23% of followers), YouTube (7% of followers), Soundcloud (78,200 plays), Instagram (4.4% of followers) and Facebook (3,228 followers). Mr Smith states that he selected a number of Om Records recording artists and generated a report from Spotify which shows the UK audience of users of each artist within the 28 days prior to the date of his witness statement:<sup>5</sup>

- Bassnectar – 43,475 listeners
- Groove Armada – 458,659 listeners
- J Boogie’s Dubtronic Science – 3,262 listeners
- Kaskade – 370,502 listeners
- Mark Farina – 14,584 listeners
- People Under the Stairs – 52,147 listeners
- The Jazzual Suspects – 5,177 listeners

32. Mr Smith gives some evidence about a PR company which the LLC used, but this evidence dates from the early to mid-2000s. More recently, LLC has used Sliding Doors Publicity to assist with PR for UK releases, and an invoice dated 19 June 2019 is shown at page 114 for “PR Campaign on forthcoming Shiny Objects album on Om Records”. LLC has also been involved in UK music events, some of which date from

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<sup>5</sup> Pages 79 to 85.

some years ago. Page 115 of the exhibit appears to be a flyer for an event in London on 18 October 2007 at a venue called 'Plastic People'. The line-up is a list of DJs identified as from Om Records in the title bill. The flyer refers to Om Records being at the cutting edge of electronic music: house, hip hop, drum and bass and down-tempo. The flyer also notes the success of the first Om Records residency in London in September 2007. Mr Smith states that Om Records had a residency at the Plastic People nightclub from 2008 to 2009. There was another event on 24 May 2008 at Corsica Studios, in London:



33. This event was the subject of an article dated 22 May 2008 in the London newspaper, *Metro*, showing the capacity for this event was 500:



# Hot spot for heady house

## CLUBS

Om Friends & Family  
Tayo's Tracksuit Party  
Living In A Disco  
Lake Of Stars Launch Party

► One of 2008's key club trends has been the rise of reasonably priced, intimate parties beyond obvious Zone One hot spots. For example, this Saturday esteemed San Francisco house label Om's **Friends & Family** party takes over a 500-capacity warehouse space with A-list guests including We Love... Space resident Paul Woolford, with his tough and heady house workout, and Mike Monday's angular electro house. Room Two is hosted by Freerange Records, with label boss Jimpster playing cerebral sensual house, techno and electro, and man of the moment Charles Webster – who has a mix out on Defected – with soulful, electronic dance.

Sat. Om Friends & Family, Corsica Studios, Elephant Road SE17, 10pm to 6am, £12 adv, £15 door. Tel: 0870 060 0100. Tube: Elephant & Castle

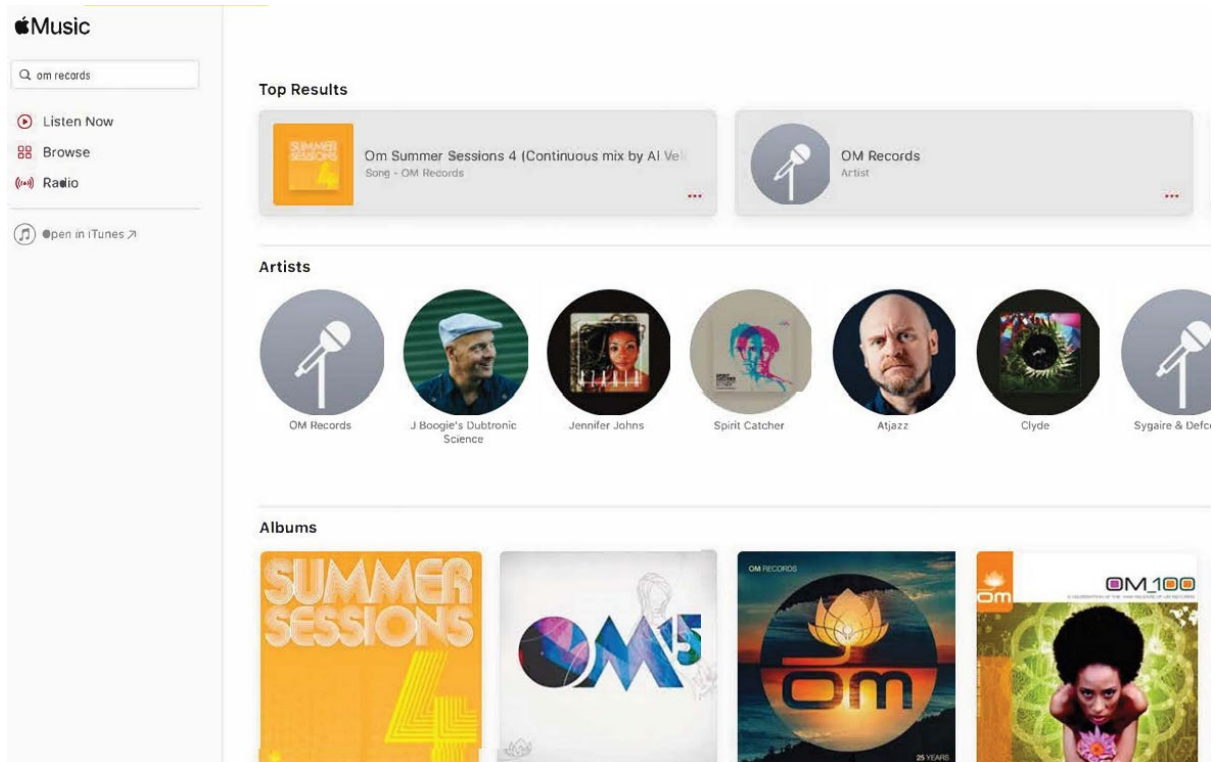
118

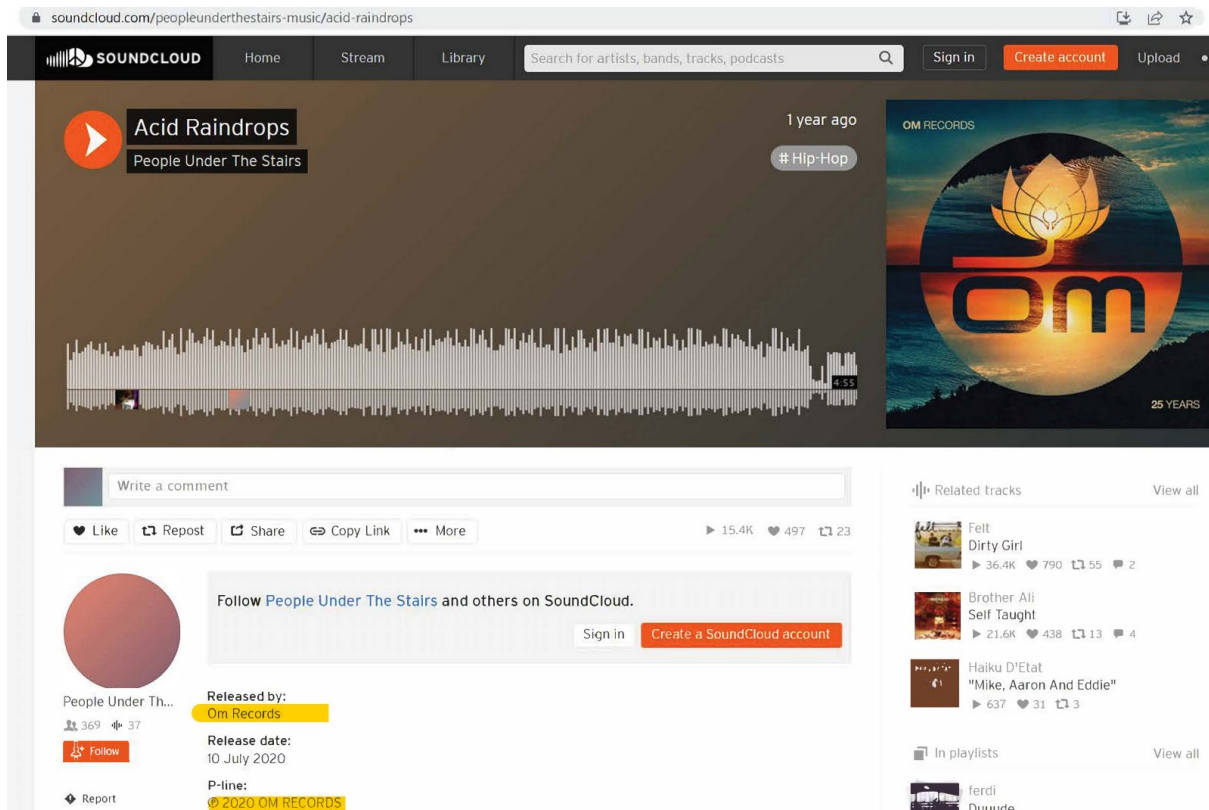
34. Another flyer relates to an exhibition of vinyl art in London in 2020, showcasing OM Records album sleeves, bearing the Om Records name. Various press cuttings are shown from pages 121 to 132 of the exhibit, from UK music publications, about Om Records. They seem to be largely aimed at professional DJs. For example, an article in *International DJ*, from December 2002, refers to “Mushroom Jazz’ is out now on Om Records.” Another article from 2003, in *Breakin Point Magazine*, gives a write-up of Om Records and some of its artists. The most recent of the press articles dates from 2005.

35. Mr Smith states that LLC licensed its artists’ master recordings for third-party compilation albums for UK release. For example, pages 133 and 134 comprise a copy of an agreement dated 5 March 2014 between LLC and the Ministry of Sound requesting the licensing of two tracks for a compilation album to be released on the Hed Kandi label in the UK and Eire.

36. Ms Cokell’s evidence includes a sample of Om Records’ artists’ music released between 2005 and 26 September 2020 on Spotify, Apple Music, Amazon Music and Soundcloud. She states that she has “no reason to think that the samples selected

are not broadly representative of the way OM Records' music is made available via digital music services in the UK." Examples from Ms Cokell's Exhibit CC1 are:





37. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

38. LLC relies upon goodwill in relation to:

- Class 9: CDs, DVDs and other digital recording media; audio recordings; sound and video recordings; downloadable audio and video files.
- Class 16: paper goods; photographs; stationery; posters; stickers.
- Class 18: handbags; shoulder bags; backpacks.
- Class 25: clothing (t-shirts, sweatshirts, sweaters, sweatpants); headgear (caps, beanies).

- Class 35: advertising, promotion and marketing of third parties i.e. recording artists;
- Class 41: entertainment services; producing music; organising music and entertainment events; organising music festivals and concerts; services relating to music and video recording.

39. There is no, or insufficient, evidence of the establishment of goodwill in relation to any goods or services except for CDs and other digital recording media; audio recordings; sound and video recordings; downloadable audio and video files; online retail services of sound, music or video recordings; and producing music. There is no evidence of UK custom via the US-based website in relation to goods which would fall in classes 16, 18 and 25. UK custom is essential and a reputation without UK custom will not suffice.<sup>6</sup> There is no evidence of promotion and marketing of artists in the UK, and no evidence that it was LLC that organised the music events at which OM Records artists appeared.

40. Developpement submits that the evidence points to trivial, not protectable goodwill, criticising individual pieces of the evidence. I will look at the evidence in the round to decide what overall picture emerges and whether that indicates protectable or trivial goodwill in relation to the sign relied upon for CDs and other digital recording media; audio recordings; sound and video recordings; downloadable audio and video files; and producing music.

41. Developpement also criticises the evidence as showing miniscule trade in the huge UK music market. The evidence shows that OM Records' music releases are of a particular genre, electronic club music, and a niche rather than mainstream form of music. That does not exclude it from having a protectable goodwill in relation to the custom it does generate, which had taken place over 25 years in the UK, according to the list of releases which I have set out earlier in this decision. Moreover, the evidence shows that professional DJ's are part of the relevant public (e.g. articles in DJ magazines), not just the general music-listening public.

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<sup>6</sup> *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31.

42. Developpement submits that any goodwill is vested in the artists themselves, not the record label OM Records. Although the public will buy music based upon artists that they like, the evidence shows that the music is released not only by individual artists, but as music emanating from Om Records as an umbrella brand; e.g. in the form of compilations and ‘sounds’ of Om Records, such as:

- 2007 ‘House of OM’ (Mark Farina)
- 2008 ‘The OM Remixes’ (Kaskade)
- 2009 ‘OM 15: Celebrating 15 Years of OM Records’ (various artists)
- 2020 ‘OM Records – 25 Years’ (various artists)

43. The list of releases set out earlier in this decision all have Om/OM in their titles, and the album cover for the 2013 Kaskade album includes ‘om’:



44. This is the logo that appears on the cover of the album “OM Records – 25 Years” (4 x LP), released in July 2020. The traffic figures for LLC’s social media sites are not particularly high, and the digital music purchases by UK customers from LLCs website averaged £6,000 to £8,000 per year. Many more tracks were streamed from Spotify, Amazon Music, Apple Music and other such services, although the income stream from these services was not large, declining from about £30,000 in 2015 to £3,302 in 2020. However, I bear in mind that a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant’s goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant’s sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast

majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, “*very limited*”, the claimant’s goodwill was found to be sufficient to entitle it to restrain the defendant’s trade under LUMOS. Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *Intime Express Logistik GmbH v In Time Express Europe SL*, BL O/588/22, observed:

“28. Consistently with those observations it is appropriate to test for the existence of goodwill by reference to the incidence of people in the United Kingdom booking / purchasing / receiving the claimant trader’s goods or services and to do so with due regard for the proposition that a small (but not trivial) goodwill can be sufficiently ‘**significant**’ to qualify for protection: see Wadlow The Law of Passing Off 6th Edn (2021) paras. 3-31 to 3-36 and 3-196 to 3-207. The general tenor of the case law on this point is summed up by Professor Wadlow in the proposition: ‘**If the claimant can prove as a matter of fact that he has more than a trivial number of customers in England then the question of whether he owns goodwill is resolved in his favour**’ (para. 3-204).”<sup>7</sup>

45. The evidence shows a picture of a small, but consistent business in the UK, releasing music of a niche genre which have included OM/Om and OM Records, and which have borne various logos, all of which have included Om/Om as the distinctive part of Om Records. Although the evidence is indicative of a small trade, I do not consider the goodwill to be trivial and I consider it to have been more than nominal at the relevant date.<sup>8</sup> It is far removed from *Hart v Relentless Records*.<sup>9</sup> LLC had acquired sufficient goodwill under the sign Om Records to be able to protect that name at the relevant date in relation to CDs and other digital recording media; audio

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<sup>7</sup> See also *Claire Stone v Alexandra Wenman* [2021] EWHC 2546 (IPEC).

<sup>8</sup> *CBD Wellness Limited v Lyphe Subco Limited*, BL O/777/21, Ms Emma Himsworth QC, sitting as the Appointed Person.

<sup>9</sup> [2002] EWHC 1984 (Ch): a record company had issued about 1600 promotional records over a few years to about 500 DJs in the hope that they would play the music in their clubs. There was no evidence of any commercial sales or that the name of the company had been mentioned in association with any of the music.

recordings; sound and video recordings; downloadable audio and video files; online retail services of sound, music or video recordings; and producing music.

### Misrepresentation

46. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

47. Developpement's IR is shown below:



48. Although the mark contains a large device element, it is visually and aurally similar to LLC's sign, Om Records, which is contained within Developpement's IR. The parties' IR and sign both contain the concept of records, and of Om, if that is understood as signifying a mantra symbol.

49. LLC claims misrepresentation in respect of the following of Developpement's goods and services:

Class 9: Eyewear, spectacles, eyeglasses, sunglasses, goggles for sports, eyeglass cases; eye protection masks and goggles, eyeglass chains, ski masks, protective helmets, helmets for sports, covers and cases for mobile phones, tablets, computers; chargers, earpieces, headphones, audio headsets, 3D masks and virtual reality headsets, smartwatches, applications for mobile phones, mouse pads, protective face masks, protective breathing masks other than for artificial respiration; apparatus for recording, transmission or reproduction of sound or images; video or audio recording media, video and audio tapes; audio recordings; audio disks; compact disks, DVDs and other digital recording media; downloadable electronic publications; sound and video recordings; downloadable audio and video files, downloadable ring tones, downloadable music, MP3 files, downloadable electronic publications, music creation software; video games, video game consoles, musical equipment especially mixing desks, record players; microphones, video cameras, cameras [photography].

Class 16: Signs, posters, labels, albums, almanacs, calendars, notebooks, copybooks, binders, catalogs, newspapers, books, magazines, photographs, stickers, magnets; postcards, greeting cards, musical greeting cards, subscription cards, sheet music, pens, pencils, writing instruments, stationery, office requisites (except



furniture); flags, pennants, paintings, paper party decorations, table linen of paper; pen cases.

Class 18: Leather and imitations of leather; fur (animal skins); handbags, shoulder bags, backpacks, beach bags, wheeled bags, clutch bags (handbags), school bags, satchels; straps and bands for bags, shopping bags (bags), trunks, valises, travelling bags, travelling trunks, suitcases, suitcases with wheels, garment bags for travel, toiletry bags (empty), vanity cases; wallets, coin purses, key cases, briefcases, card cases, leather boxes, leather bags and envelopes for packaging, umbrellas, sunshades, parasols, leather cords, saddlery articles.

Class 25: Clothing particularly coats, blousons, raincoats, rain capes, parkas, suits, jackets, blouses, trousers, jeans, shorts, Bermuda shorts, dresses, skirts, petticoats; T-shirts, tank tops, sweaters, pullovers, shirts, vests, sweatshirts; sweatpants, tracksuit jackets; combination (clothing), one-piece play suits; bathing suits, beachwear, pareos, lingerie, underwear, pajamas, house coats, dressing gowns, kimono (clothing); socks, tights, scarves, sashes for wear, stoles, poncho, neckties, belts (clothing), suspenders, headbands (clothing), gloves (clothing), headgear, caps; beanies, footwear, beach, ski or sports footwear, rain boots, clogs, shoes, indoor slippers, slippers; baby bibs.

Class 35: Advertising and promotion services for the benefit of third parties and especially artists, organizing exhibitions and events for commercial or advertising purposes; online sale, mail order sale, retail sale service of sound, music or video recordings, of audio material; sponsorship search and sponsoring, business advice, business research, administrative and commercial copyright management.

Class 41: Producing music, producing films, music label services, music composition services, artist agent services, artist promotion services, producing shows, concerts; record production; editing sound, audiovisual and multimedia programs; entertainment, organizing music festivals and concerts; organizing events for cultural or entertainment purposes, ticket agency services and booking of seats for shows; music lessons, music academy; recording studio services, providing audio, music recording; music library services, entertainment services in the nature of television or

radio programs; organization of contests; training in the field of music, and songwriting; publishing, particularly electronic publishing of books, journals, magazines and periodicals; online publication on a computer network of cultural, educational or entertainment information, online game services.

50. There is no requirement under section 5(4)(a) that the goods and services be similar, although the further the distance between them, the more of a task an opponent faces to prove misrepresentation and damage. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millett L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

'...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant':

*Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency)* [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego* case Falconer J. likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

'even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.' "

51. In *LUMOS*, Lord Justice Lloyd observed:

"If the same mark is used in relation to goods of two entirely different natures, of kinds which no ordinary person would suppose could be connected, then the use of the mark by one party is unlikely to be found to amount to a representation that its goods are from the same trade origin as those of the other user. If the Defendants had used the mark LUMOS in relation to, let us say, electric lights or light fittings, then it might be fair to say that no-one would suppose that the use of the same mark suggested that such goods came from the same source as the Claimant's skincare products. (Compare the unsuccessful attempt by Granada Television to prevent Ford from selling a car under the name Granada: *Granada Group Ltd v Ford Motor Company Ltd* [1973] RPC 49.) The Defendants sought to show that the skin care and nail care sectors of the beauty industry are quite distinct, but they cannot be said to be so distinct and separate that no-one could suppose that the use of the same mark in both sectors carried a representation of common origin or business association. For one thing, that is belied by the evidence that some well-known brand names are used in both sectors, as already mentioned."

52. I find that a substantial number of LLC's customers and potential customers will believe that Developpement's IR is a variation on a sign or logo used by LLC and attribute the provision of Developpement's goods and services listed below to LLC:

Class 9: Apparatus for recording, transmission or reproduction of sound or images; video or audio recording media, video and audio tapes; audio recordings; audio disks; compact disks, DVDs and other digital recording media; downloadable electronic publications; sound and video recordings; downloadable audio and video files, downloadable ring tones, downloadable music, MP3 files, downloadable electronic publications, music creation software; musical equipment especially mixing desks, record players; microphones.

Class 16: Signs, posters, albums, almanacs, calendars, catalogs, books, magazines, photographs, stickers, magnets, sheet music; postcards, greeting cards, musical greeting cards; flags, pennants.

Class 18: Handbags, shoulder bags, backpacks.

Class 25: Clothing; T-shirts, vests, sweatshirts; headgear, caps, beanies.

Class 35: Advertising and promotion services for the benefit of third parties and especially artists, organizing exhibitions and events for commercial or advertising purposes; online sale, mail order sale, retail sale service of sound, music or video recordings, of audio material; sponsorship search and sponsoring, business advice, business research, administrative and commercial copyright management.

Class 41: Producing music, producing films, music label services, music composition services, artist agent services, artist promotion services, producing shows, concerts; record production; editing sound, audiovisual and multimedia programs; entertainment, organizing music festivals and concerts; organizing events for cultural or entertainment purposes, ticket agency services and booking of seats for shows; recording studio services, providing audio, music recording; publishing, particularly electronic publishing of books, journals, magazines and periodicals; online publication on a computer network of cultural or entertainment information.

53. That is the case even though LLC's goodwill is small. In *Lumos Skincare Limited v Sweet Squared Limited and others*, Lord Justice Lloyd commented on what was said in *Neutrogena*:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

54. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

55. My reasons for finding misrepresentation in relation to the goods and services listed above are as follows:

- *Video or audio recording media, video and audio tapes; audio recordings; audio disks; compact disks, DVDs and other digital recording media; downloadable electronic publications; sound and video recordings; downloadable audio and video files, downloadable music, MP3 files, downloadable electronic publications* are all products or goods of a record label;
- *Apparatus for recording, transmission or reproduction of sound or images; music creation software; musical equipment especially mixing desks, record players; microphones.* The particular type of music for which LLC's Om Records business is known is electronic dance/club music, which has DJ mixing

at its heart. Several of its artists are professional DJs (the evidence shows that Mr Smith's alias is DJ Fluid). There will be a belief that if Developpement's mark is used in relation to these goods that they are economically connected with LLC; for example as an extension of its core commercial operation to enable professional DJs to mix tracks and spin LPs in the same way that Om Records professional DJs mix tracks and spin LPs for release and/or when performing at clubs;

- *Downloadable ring tones, signs, posters, albums, almanacs, calendars, catalogs, books, magazines, photographs, stickers, magnets, sheet music; postcards, greeting cards, musical greeting cards; flags, pennants; handbags, shoulder bags, backpacks; clothing; T-shirts, vests, sweatshirts; headgear, caps, beanies* are all goods which lend themselves to merchandise, a key feature of the music business.
- *Advertising and promotion services for the benefit of third parties and especially artists, organizing exhibitions and events for commercial or advertising purposes; online sale, mail order sale, retail sale service of sound, music or video recordings, of audio material; sponsorship search and sponsoring, business advice, business research, administrative and commercial copyright management; producing music, producing films, music label services, music composition services, artist agent services, artist promotion services, producing shows, concerts; record production; editing sound, audiovisual and multimedia programs; entertainment, organizing music festivals and concerts; organizing events for cultural or entertainment purposes, ticket agency services and booking of seats for shows; recording studio services, providing audio, music recording; publishing, particularly electronic publishing of books, journals, magazines and periodicals; online publication on a computer network of cultural or entertainment information* are all services notionally provided by record labels.

56. Mr Smith's evidence includes material which he states shows that there has been confusion between the parties' marks/signs. Mr Smith states that he first became aware of Developpement using OM Records in the late summer of 2020. LLC was


repeatedly tagged on social media once it had been announced that Developpement had agreed to work with an entity called BMG Rights Management. Pages 150 to 151 of the exhibit show screenshots of such posts, some of which are in French. Pages 154, 155 and 156 show Twitter posts:



Damn BMG, could've picked a better name for a label than copy the iconic dance label [Om Records](#)



**BMG JOINS FORCES WITH OLYMPIQUE DE MARSEILLE FOR NEW LABEL**



**BMG** has agreed to a strategic partnership with French **Ligue 1** football club **Olympique de Marseille (OM)**, including the launch of **OM Records**, a new label for hip-hop, rap and R&B.

Olympique de Marseille has the highest brand recognition of any sports team in France and has been one of the nation's favorite clubs for over 25 years. It remains the only French team to have won the **Champions League** and has undergone a further renaissance since its acquisition in 2016 by U.S. businessman **Frank McCourt**.





57. Pages 158 and 159 show the following emails:

[Print](#) | [Close Window](#)

**Subject:** Form Submission - New Form - Copycat  
**From:** Squarespace <[no-reply@squarespace.info](mailto:no-reply@squarespace.info)>  
**Date:** Tue, Sep 29, 2020 6:21 am  
**To:** [customerservice@om-records.com](mailto:customerservice@om-records.com)

**Name:** Ben Duf

**Email Address:** [REDACTED]

**Subject:** Copycat

**Message:** Hello,

Have you read this news : <https://www.traxmag.com/olympique-de-marseille-lance-son-label-om-records/> ? Apparently, BMG has launched a label in France with the same name as you. Is it you or not?

(Sent via [OM RECORDS](#))

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[Print](#) | [Close Window](#)

**Subject:** Form Submission - New Form - identity theft  
**From:** Squarespace <[no-reply@squarespace.info](mailto:no-reply@squarespace.info)>  
**Date:** Thu, Sep 24, 2020 9:57 am  
**To:** [customerservice@om-records.com](mailto:customerservice@om-records.com)

**Name:** Djei dhai

**Email Address:** [REDACTED]

**Subject:** identity theft

**Message:** Hi,

U need to Know a french football club (Olympique de Marseille) as recently founded a music label who they called "om records" Here is their twitter account [@om\\_records](#)

Its something very official.

So i Wonder how 2 "om records" could exist together. Especially when YOU ARE one of the greatest electro label ever existed. Its a disgrace to copy your brand name...

Best regards

J.

(Sent via [OM RECORDS](#))

58. None of these show misrepresentation that has caused deception: they all acknowledge two different entities. It is not clear, apart from the UK magazine Decoded, from which country the posts and emails were sent. Only two appear to show confusion and it is not obvious which country the enquirer is in (pages 160 and 161):

**Subject:** Form Submission - New Form - Music  
**From:** Squarespace <[no-reply@squarespace.info](mailto:no-reply@squarespace.info)>  
**Dated:** Fri, Sep 25, 2020 1:19 am  
**To:** [customerservice@om-records.com](mailto:customerservice@om-records.com)

**Name:** Ismaila Safari

**Email Address:** [REDACTED]

**Subject:** Music

**Message:** Hello I contact you to know if we could this come back to present you with 2 artists from Marseille that I started to manage there soon in a year

(Sent via [OM RECORDS](#))

[Print](#) | [Close Window](#)

**Subject:** Form Submission - New Form - Label  
**From:** Squarespace <no-reply@squarespace.info>  
**Date:** Fri, Sep 25, 2020 10:47 am  
**To:** customerservice@om-records.com

**Name:** Theo Martin

**Email Address:** [REDACTED]

**Subject:** Label

**Message:** Hey!

I'm Lucif, and i'm a french rap singer! I search a label for production, do you interesting?

Peace❤️

(Sent via [OM RECORDS](#))

59. This evidence does not take LLC any further forward than the evidence about its own use of its sign in the UK.

### Damage

60. I conclude that damage will follow as an inevitable consequence of misrepresentation.<sup>10</sup> To adopt the phrasing of Slade LJ in *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] R.P.C. 189, at p.202, that damage will be caused in the following ways:

(a) by diverting trade from LLC to Developpement;

(b) by potentially injuring the trade reputation of LLC if there were any failings in the goods and services of Developpement;

(c) “by the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly connected with that business.”

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<sup>10</sup> *W.S. Foster & Son Limited v. Brooks Brothers UK Limited* [2013] EWPC 18, paragraph 55.

## **Outcome of LLC's opposition**

61. Developpement is liable to be prevented from use of the IR in relation to the goods and services listed above under the law of passing off and so LLC's section 5(4)(a) ground succeeds in relation to these goods and services. It fails in relation to the other goods of Developpement's IR, which may be relied upon for Developpement's opposition against LLC's application (as far as they are pleaded), to which I now turn.

## **Developpement's opposition under section 5(2)(b) of the Act**

62. Section 5(2)(b) states:

“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.”

63. Section 5A states:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”<sup>11</sup>

64. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the Court of Justice

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<sup>11</sup> This section also applies to the grounds raised under sections 5(3) and 5(4)(a) of the Act.

of the European Union (“CJEU”) 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.<sup>12</sup>

## 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;

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<sup>12</sup> Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### Comparison of goods and services

65. In its notice of opposition, Developpement relies upon some of its goods and services in classes 9 and 41 to oppose only the class 9 and 41 goods and services of LLC's application. The wording in the notice of opposition of the goods and services relied upon does not exactly match the specification of the IR; for example, the IR says 'mixing desks', whereas the notice of opposition says 'mixing tables'. Nothing turns on that particular example because LLC has successfully opposed mixing desks. The

only goods which are listed in the notice of opposition in class 9 which Developpement may rely upon are:

*Video games, video games consoles; video cameras, cameras [photography].*

66. The notice of opposition says ‘cameras’ without the qualification of ‘[photography]’ which is the wording in the IR’s specification. These goods must be considered with the qualification of ‘[photography]’ because that is the wording in the specification of goods of the IR.

67. The notice of opposition also lists ‘drones’. This is not specified in the list of goods of the IR. I do not consider drones to be covered by the term ‘video cameras’. Even if covered by ‘apparatus for...transmission...of...images’, these goods were successfully opposed by LLC. Developpement may not rely upon ‘drones’.

68. Developpement’s class 9 and 41 goods and services against which LLC’s opposition failed and which are relied upon are shown in the table below:

<b>Developpement’s goods and services</b>	<b>LLC’s goods and services</b>
Class 9: <i>Video games, video games consoles; video cameras, cameras [photography].</i>	Class 9: <i>Recorded content; Information technology and audio-visual, multimedia and photographic devices.</i>
Class 41: <i>Music lessons, music academy; music library services, entertainment services in the nature of television or radio programs; organization of contests; training in the field of music, and songwriting; online publication on a computer network of educational information, online game services.</i>	Class 41: <i>Ticket reservation and booking services for education, entertainment and sports activities and events; Education, entertainment and sport services; Publishing, reporting, and writing of texts; Education, entertainment and sports.</i>

69. The law requires that goods/services be considered identical where one party's description of its goods/services encompasses the specific goods/services covered by the other party's description (and vice versa).<sup>13</sup> The following goods and services in LLC's application are either identical on this basis or because the term is the same or almost so in both parties' specifications.

70. *Recorded content* is identical to Developpement's video games. *Information technology and audio-visual, multimedia and photographic devices* are identical to Developpement's video games consoles; video cameras, cameras [photography]. *Education* is identical to Developpement's music lessons, music academy; training in the field of music, and songwriting. *Entertainment services* are identical to Developpement's entertainment services in the nature of television or radio programs. *Publishing, reporting, and writing of texts* is identical to online publication on a computer network of educational information. *Sport services; sports* is identical to Developpement's organization of contests, which covers organisation of sporting contests.

71. The remaining services, *Ticket reservation and booking services for education, entertainment and sports activities and events* are not identical, requiring an assessment to be made as to whether the respective goods and services are similar and, if they are, how similar. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

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<sup>13</sup> *Gérard Meric v OHIM*, Case T-33/05, General Court.



72. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the users and channels of trade of the respective goods or services.

73. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court of the European Union (“GC”) stated that “complementary” means:

“82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”.<sup>14</sup>

74. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

75. In *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16, Jacob J. stated that:

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<sup>14</sup> In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods and services.

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

76. The nature and purpose of *Ticket reservation and booking services for entertainment and sports activities and events* differs from Developpement’s goods and services. However, a consumer wishing to attend an entertainment performance or sporting event may use the provider of such events to obtain tickets and reserve seats. There is a low degree of similarity between LLC’s *Ticket reservation and booking services for entertainment and sports activities and events* and Developpement’s entertainment services in the nature of television or radio programs; organization of contests. Developpement does not have educational services in its specification of the sort that would entail the need for ticket reservation and booking services. There is no similarity between Developpement’s goods and services and LLC’s *Ticket reservation and booking services for education activities and events*.

#### Average consumer and the purchasing process

77. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

78. Some of the goods and services will be bought by the general public and some by business or professional users. None of the goods and services are bought with little care; at least a medium degree of attention will be paid to the purchasing process. For business users choosing e.g. video production services, a reasonable amount of attention will be paid to the selection. The purchase is likely to be primarily visual, but I do not ignore the potential for an aural aspect to the selection process, such as recommendations regarding recordings and oral references to entertainment events.


Comparison of marks

79. 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 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 CJEU 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.”

80. 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.

81. The marks to be compared are:

<b>Developpement’s IR</b>	<b>LLC’s mark</b>
	<b>Om Records</b>

82. LLC’s mark is comprised of two elements, Om and Records. Although Records is three times as long as Om, it is not the dominant part of the mark in the overall

impression because Om is read first and Records is either non-distinctive or of low distinctive character for at least some of the goods and services. Both elements of the mark contribute to the overall impression.

83. The IR is comprised of the elements OM RECORDS and a circular device containing an elaborate letter M, all on a black square. The words appear at the bottom of the mark and are considerably smaller than the device, which dominates the overall impression of the mark. The black square carries little weight in the overall impression as it is a simple background, which is black to show the white elements of the mark.

84. The marks coincide visually and aurally in OM RECORDS/Om Records, which are identical, the casing of the letters making no difference.<sup>15</sup> The device in the IR is proportionately large and has no counterpart in LLC's mark. The marks are visually similar to a medium degree.

85. The only elements of the IR which are likely to be articulated are OM RECORDS. This makes the IR and LLC's mark identical, aurally. The device is an elaborate M, or possibly an O encircling an elaborate M. However, it seems unlikely that the IR would be articulated as "O M OM RECORDS" or "M OM RECORDS". If it were, the marks would be aurally similar to a medium degree.

86. Letters do not have a concept. The only part of the IR which has a concept is OM RECORDS. RECORDS is an everyday word denoting recorded music, typically in vinyl format, but colloquial use of the word would indicate an artist's 'new record', which could be in CD or digital format. OM will either be seen as initials, an invented word, or understood as signifying a mantra symbol. Either way, OM RECORDS and Om Records are conceptually identical.

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<sup>15</sup> *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, Professor Ruth Annand, sitting as the Appointed Person: "16. A word trade mark registration protects the word itself (here BENTLEY) written in any normal font and irrespective of capitalisation and, or highlighting in bold (see e.g. Case T-66/11, Present-Service Ullrich GmbH & Co. KG v. OHIM, EU:T:2013:48, para. 57 and the cases referred to therein, BL O/281/14, )."

### Distinctive character of the IR

87. 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.<sup>16</sup> Developpement has not filed any evidence that it has used its IR, so I have only the inherent level of distinctiveness to consider.

88. RECORDS is of low to medium distinctive character for the goods and services upon which Developpement may rely. OM is a two letter invented word, or initials, or means a mantra symbol. Two letter words and initials are not highly distinctive. As a mantra symbol, OM has a medium degree of distinctive character for the goods and services. The IR also contains a device element which is not descriptive or allusive of the goods and services. However, this is of less relevance because the level of distinctive character of the IR is only likely to increase the likelihood of confusion to the extent that it resides in the elements of the marks that are identical or similar to LLC's mark; i.e. OM RECORDS.<sup>17</sup> Overall, I find that the IR has a medium degree of distinctive character.

### Likelihood of confusion

89. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. There is no similarity in respect of LLC's *Ticket reservation and booking services for education activities and events* and Developpement's goods and services. Since there is no similarity, there is no likelihood of confusion in relation to these services.<sup>18</sup> The remainder of the parties' goods and services are identical or similar to a low degree.

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<sup>16</sup> *Sabel BV v Puma AG*, Case C-251/95.

<sup>17</sup> *Kurt Geiger v A-List Corporate Limited*, Mr Ian Purvis QC, sitting as the Appointed Person, BL O/075/13.

<sup>18</sup> *Canon*, paragraph 22.

90. It is unlikely that the marks will be directly confused, which occurs where marks are mistaken for one another. This type of confusion flows from the principle that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them which has been retained in the mind.<sup>19</sup> Taking account of the primarily visual purchasing process, I find that the large and elaborate device in the IR, even where identical goods and services are concerned, and even though the IR has a medium degree of distinctive character, means that there will be no likelihood of direct confusion.

91. Direct confusion is one way in which a likelihood of confusion arises; the other is where the average consumer is 'indirectly' confused. This type of confusion was explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *Back Beat Inc v L.A. Sugar (UK) Limited*, BL O/375/10:

“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

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<sup>19</sup> *Lloyd Schuhfabrik Meyer*, at [26].

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 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).”

92. That the three categories in that case are non-exhaustive has recently been confirmed by the Court of Appeal in *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others*.<sup>20</sup> Arnold LJ said, of the explanation given about how indirect confusion arises in *LA Sugar*:

“12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition. For example, one category of indirect confusion which is not mentioned is where the sign complained of incorporates the trade mark (or a similar sign) in such a way as to lead consumers to believe that the goods or services have been co-branded and thus that there is an economic link between the proprietor of the sign and the proprietor of the trade mark (such as through merger, acquisition or licensing).”

93. LLC’s mark is wholly contained within the IR, a component of the IR which is of medium distinctive character. The device will not feature in aural perception of the marks during the selection process. Even where the purchasing process is visual, which will most often be the case, the device in the IR is a separate element which will

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<sup>20</sup> [2021] EWCA Civ 1207

be perceived as an embellishment or brand variation on the plain word mark OM RECORDS, the common, distinctive element. There is a likelihood of confusion in relation to all of the goods and services which I have found to be identical or similar.

### **Overall outcome of the consolidated proceedings**

94. LLC has been partially successful in its opposition against IR 1597261, protection of which is refused for:

*Class 9: Apparatus for recording, transmission or reproduction of sound or images; video or audio recording media, video and audio tapes; audio recordings; audio disks; compact disks, DVDs and other digital recording media; downloadable electronic publications; sound and video recordings; downloadable audio and video files, downloadable ring tones, downloadable music, MP3 files, downloadable electronic publications, music creation software; musical equipment especially mixing desks, record players; microphones.*

*Class 16: Signs, posters, albums, almanacs, calendars, catalogs, books, magazines, photographs, stickers, magnets, sheet music; postcards, greeting cards, musical greeting cards; flags, pennants.*

*Class 18: Handbags, shoulder bags, backpacks.*

*Class 25: Clothing; T-shirts, vests, sweatshirts; headgear, caps, beanies.*

*Class 35: Advertising and promotion services for the benefit of third parties and especially artists, organizing exhibitions and events for commercial or advertising purposes; online sale, mail order sale, retail sale service of sound, music or video recordings, of audio material; sponsorship search and sponsoring, business advice, business research, administrative and commercial copyright management.*

*Class 41: Producing music, producing films, music label services, music composition services, artist agent services, artist promotion services, producing shows, concerts; record production; editing sound, audiovisual and multimedia programs;*



*entertainment, organizing music festivals and concerts; organizing events for cultural or entertainment purposes, ticket agency services and booking of seats for shows; recording studio services, providing audio, music recording; publishing, particularly electronic publishing of books, journals, magazines and periodicals; online publication on a computer network of cultural or entertainment information.*

95. IR 1597261 may be protected for:

*Class 9: Video games, video games consoles; video cameras, cameras [photography].*

*Class 21: Kitchen utensils and containers; tableware; glassware; corkscrews; candle holders (candlesticks); decanters; decanter coasters not of paper; ice buckets; containers for domestic use as a trinket bowls, pepper shakers, salt shakers; mugs; cups; bowls.*

*Class 36: Financing services especially of artists, advice and information relating thereto; financing artists' music labels, financing company creation projects (incubators).*

*Class 41: Music lessons, music academy; music library services, entertainment services in the nature of television or radio programs; organization of contests; training in the field of music, and songwriting; online publication on a computer network of educational information, online game services.*

96. Developpement has been partially successful in its opposition against LLC's application. Application number 3558616 is refused for:

*Class 9: Recorded content; Information technology and audio-visual, multimedia and photographic devices.*

*Class 41: Ticket reservation and booking services for entertainment and sports activities and events; Education, entertainment and sport services; Publishing, reporting, and writing of texts; Education, entertainment and sports.*

97. Application number 3558616 may proceed to registration for:

Class 38: *Provision and rental of telecommunications facilities and equipment; Telecommunication services.*

Class 41: *Ticket reservation and booking services for education activities and events.*

## **Costs**

98. Both parties have achieved some success, with LLC being the more successful, although not greatly so. Costs are usually based upon the scale of costs published in Tribunal Practice Notice 2/2016, the scale allowing for the range of procedural and substantive issues that are generally found in cases before this Tribunal. In these proceedings, there was the added factor of Developpement's late raising of ownership of goodwill. LLC submits it should have its costs for dealing with the matter after the hearing. Developpement submits that LLC is not entitled to such costs because it had notice of the challenge in paragraph 12 of Developpement's written submissions and had referred to the issue in Mr Ivison's skeleton argument, at paragraph 30. Although there is merit in these submissions, the fact remains that there was no indication that the point would be dealt with in Mr de Froment's skeleton argument and it was raised with LLC via an eleventh-hour communication.

99. Applying a broad brush approach, I award LLC costs as a contribution towards it having the larger share of success and as a contribution towards the effort and expense of dealing with the ownership of goodwill point outside of the hearing. The breakdown is as follows, taking into account a level of duplication in the pleadings, and the consolidation:

Filing the opposition and considering  
the counterstatement against Developpement's IR:     £350

Statutory fee                                                             £200

Considering Developpement's opposition and

filing the counterstatement:	£300
Preparing evidence and considering Developpement's evidence	£1400
Preparing for and attending a hearing	£800
Total, less 40% @ £1220 to reflect partial success	£1830
Contribution to extra written submissions	£400
<b>Total</b>	<b>£2230</b>

100. I order OM Developpement to pay to Om Records LLC the sum of **£2230**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 9<sup>th</sup> day of December 2022**

**Judi Pike**  
**For the Registrar**