

Sar And Phillips Win Fourth Circuit Victory: Obx Is Not A Valid Trademark

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Brooks Pierce partners David Sar and Reid Phillips, working with Pam Bresnahan and Liz Simon of the Washington, DC firm, Vorys, Sater, Seymour & Pease, obtained an appellate court victory at the Fourth Circuit Court of Appeals. The Fourth Circuit affirmed a summary judgment ruling won by them in a trademark infringement case about the ubiquitous "OBX" seen on oval decals (pictured below) decorating automobiles, t-shirts and other consumer goods throughout the Southeast.

Sar and Phillips, with co-counsel, argued that "OBX" and the plaintiff's seven federal registrations for OBX were unenforceable because of the wide-spread use of the term as an abbreviation of the Outer Banks region of North Carolina. In June 2006, Judge Terrence Boyle agreed, writing that OBX had become "geographically descriptive or a generic term for the Outer Banks." The Motion for Summary Judgment filed by the firm for its client Bicast, Inc. was granted, and the case was dismissed.

The plaintiff appealed, and on February 27, 2009, the Fourth Circuit affirmed in a reported decision. Judge Niemeyer wrote that Bicast had produced "overwhelming evidence" in the district court demonstrating that OBX had entered the "'linguistic commons' as an often-used everyday abbreviation of 'Outer Banks.'" The Court further cited deposition questioning in which Sar elicited admissions from Jim Douglas, the man who had coined OBX and founded the plaintiff's sticker business. Douglas conceded not only that OBX stood for the Outer Banks and that OBX signified a geographic location, but also that from the time he coined the term, he hoped consumers seeing OBX stickers would think of the Outer Banks, and that his product was not the oval logo stickers, rather it was "actually the OBX in general." The Court wrote that his purpose had its effect: OBX became a commonly accepted abbreviation for "Outer Banks." The Court further determined that this geographically descriptive abbreviation lacked trademark "secondary meaning" with respect to the plaintiff's products and thus was not a valid trademark.

This decision is another important victory in the field of intellectual property law won by the firm's attorneys.