

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION No. 2577601
BY HYUNDAI MOTOR COMPANY
TO REGISTER HYUNDAI EON IN CLASS 12**

AND

OPPOSITION THERETO UNDER NO. 102228 BY E.ON AG

DECISION

1. This is an appeal against a decision of Mr C J Bowen, the Hearing Officer for the Registrar, dated 14 November 2012, BL O/446/12, in which he upheld an opposition to the registration of the mark 'HYUNDAI EON'. The applicant was the Hyundai Motor Company ("HMC") and the opponent E.ON AG ("E.ON").

Background

2. On 6 April 2011, HMC applied to register 'HYUNDAI EON' ("HMC's Mark") for a range of goods in class 12 namely:
Passenger cars, trucks, trailers, vans; engine for land vehicles; transmissions for land vehicles; differential gears for land vehicles; axles for land vehicles; clutches for land vehicles, steering wheels for automobiles, and wheels for automobiles.
3. On 29 July 2011, E.ON AG filed a notice of opposition against all of the goods in the application, based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act"). For 5(2)(b) it relied upon its CTM 8700536, ("the CTM"):

The logo for E.ON, featuring the letters 'e.on' in a stylized, lowercase, red font. The 'e' is lowercase and the 'on' is lowercase, with a period between them.

O-313-13

The CTM is registered in red, for a variety of goods but E.ON relied only upon those in Class 12: 'vehicles; apparatus for locomotion by land, air or water; electric vehicles.' The CTM has effect from 20 November 2009. For the purposes of section 5(3), E.ON relied upon an international mark designating the EU, No 0887251, which is for the same stylised word, without reference to colour, and is registered for the 'supply and distribution of electricity' in Class 39 and the 'generation of electricity' in Class 40.

4. Both parties filed evidence. No hearing was requested and the Hearing Officer decided the case on the papers. He found in favour of E.ON in relation to the section 5(2)(b) objection and as a result found it unnecessary to deal with the section 5(3) objection.
5. HMC now appeals. E.ON complains, with some justification I think, that it is not altogether easy to discern the basis of the appeal from the Grounds of Appeal. However, the essential Grounds of Appeal appear to me (especially in the light of HMC's written submissions on the appeal) to be as follows:
 - a) the Hearing Officer failed to give proper weight to the well-known name Hyundai as part of HMC's Mark or to the allusive nature of the word "eon" therein;
 - b) the Hearing Officer failed to appreciate that any distinctiveness of the CTM lay in its stylisation/colour - it was not inherently distinctive;
 - c) similarly, the Hearing Officer failed when assessing visual similarity to give sufficient weight to the stylisation of the CTM;
 - d) the Hearing Officer failed when assessing aural similarity to give sufficient weight to the accepted tendency for people to slur the ends of words;
 - e) the Hearing Officer erred in assessing conceptual similarity; and
 - f) the Hearing Officer erred in assessing the likelihood of confusion, because
 - i) he should have found a low level of similarity overall;
 - ii) he ignored the impact of the name Hyundai, which is well-known for the relevant goods,

- iii) he misapplied *Medion*, and
- iv) he misunderstood HMC's argument about sub-brands.

6. Both sides asked that I should decide the appeal on paper, and both supplied me with helpful written submissions.

Standard of review

7. It was common ground between the parties that this appeal is by way of a review not a rehearing. *Reef Trade Mark* [2003] RPC 5 ("*Reef*") and *BUD Trade Mark* [2003] RPC 25 ("*BUD*") show that neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision, suffice to justify interference in this sort of appeal. Instead, I need to be satisfied that there is a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (*Reef*). As Robert Walker LJ (as he then was) said:

"...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle" (*Reef*, para. 28).

8. Those principles have since been affirmed by the House of Lords in *Datec Electronics Holdings Ltd & Ors v. United Parcels Services Ltd* [2007] UKHL 23, [2007] 1 WLR 1325. Mr Daniel Alexander QC sitting as the Appointed Person in case BL O/471/11, *Petmeds*, 14 December 2011, summarised the position:

"*Datec* and other cases since *REEF* and *BUD* all reinforce the need for caution before overturning a finding of the tribunal below of the kind in issue in this case. Difference of view is plainly not enough and, to that extent, the applicant's submissions are correct. However, those cases and the practice of appellate tribunals specifically to trade mark registration disputes show that the degree of caution should not be so great as to permit decisions based on genuine errors of approach to go uncorrected."

9. In Mr Alexander's decision in *Digipos* [2008] Bus LR 1621 he had said:

"... appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation. In the context of appeals

from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference. I approach this appeal with that in mind.”

10. Similarly, Floyd J (as he then was) said in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) which was a similar appeal as to the Hearing Officer’s assessment of the similarity of the marks and as to the likelihood of confusion:

“The hearing officer was engaged in a multifactorial assessment which her expertise ideally qualified her to undertake. This is not a fruitful field in which to discover an error of principle. I am unable to see any error of principle in her legal approach, or in the way in which she applied it to the comparison in this case. She reached a conclusion which she was entitled to reach”.

11. The approach which I need to adopt, therefore, is to decide whether there are errors of principle or material errors which amount to “genuine errors of approach” in the Hearing Officer’s decision. If so, the decision should be set aside, even if the error relates to the assessment of the likelihood of confusion; if not, even if I would not have reached the same conclusion as the Hearing Officer, the decision should not be set aside.

12. With that background I turn to consider the relevant parts of the decision under appeal.

The decision below

13. The Hearing Officer summarised the evidence, in which each side emphasised the reputation of its brand, Hyundai on the one hand and E.on on the other. He then considered the usual principles in relation to section 5(2)(b).

14. The next two sections of the decision dealt with the average consumer/nature of the purchasing process and the comparison of the goods. No criticism is made of his

conclusions that the average consumer of the goods at issue is either a member of the general public or a business user who will select the goods by predominantly visual means and who will pay a high level of attention when doing so and the competing goods are either identical or similar.

15. As for the comparison of the trade marks, so far as relevant the Hearing Officer held:

“25. ... In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

26. HMC’s trade mark consists of two elements. Both parties agree that the first element i.e. the word HYUNDAI is invented, and that the second element, EON, means “a long period of time”. In my view, both elements are, when considered in relation to the goods in respect of which registration is sought, distinctive, although in view of its positioning as the first element in HMC’s application, it is the word HYUNDAI which is, in my view, the more dominant element of HMC’s trade mark.

27. Turning to E.ON’s trade mark, this consists of a lower case letter “e” and the word “on” separated by a dot. The letters are presented in red in a slightly unusual but unremarkable font. Although E.ON claims the colour red as an element of its mark, as HMC’s trade mark is presented in black and white this does not, for the reasons given by Mann J in *Specsavers International Healthcare Ltd v Asda Stores Ltd* (No. 2) [2011] FSR 1, assist in distinguishing the competing trade marks. Consisting of only three letters none of which is highlighted or emphasised in any way, and irrespective of the dot which appears between the letters “e” and “o”, there are, in my view, no distinctive or dominant elements in E.ON’s trade mark; the distinctiveness lies in the totality which, ... is distinctive for the goods upon which E.ON relies in these proceedings.

Visual similarity

28. HMC’s trade mark consists of two words containing seven and three letters respectively, whereas E.ON’s trade mark consists of only three letters, the first and second letter of which is separated by a dot.

[After summarising the parties’ submissions he continued]

30. The inclusion of the word HYUNDAI in HMC’s trade mark and the differences in presentation between the word EON in HMC’s application and the letters e.on in E.ON’s earlier trade mark, results, in my view, in only a low level of visual similarity between the competing trade marks.

Aural similarity

...

33. The fact that both parties’ trade marks consist of or contain an identifiable element which will, in my view, be pronounced by the average consumer as E-ON results, overall, in a reasonable degree of aural similarity between them.

Conceptual similarity

...

36. Consisting as it does of an invented word, the HYUNDAI element of HMC's trade mark will not send any conceptual message to the average consumer. Although E.ON's trade mark is presented in the manner shown above, and notwithstanding HMC's submissions regarding the presentation of E.ON's trade mark and the use of the letter E as an abbreviation for electronic, in my view, the average consumer is more likely to construe E.ON's trade mark as the word eon and to that extent at least the competing trade marks are conceptually identical.

Distinctive character of E.ON's earlier trade mark

37. ... Although E.ON has provided evidence, there is nothing within it which shows that it has used its trade mark on the goods upon which it relies in these proceedings. In those circumstances, I can only assess its trade mark's inherent characteristics. Having done so, and bearing in mind my conclusion above that it has no meaning for the goods upon which it relies, E-ON's trade mark is, in my view, a trade mark possessed of a fairly high degree of inherent distinctive character."

16. The Hearing Officer then went on to consider the likelihood of confusion. He referred to the interdependency principle, summarised his findings above and referred to and cited paragraphs 29-36 of the judgment of the CJEU in Case C-120/04, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*. He went on

"42 ... the word EON in HMC's trade mark is a distinctive element which retains an independent distinctive role within HMC's composite trade mark. Although I have found that the competing trade marks are visually similar to only a low degree, this is because HMC's trade mark also contains the word HYUNDAI as its first element. However, notwithstanding the presence of this additional element in HMC's trade mark, I still found the competing trade marks to be aurally similar to a reasonable degree and, insofar as the EON/e.on elements are concerned, conceptually identical. In its submission HMC say:

"That is, in the vehicle market, any use of HYUNDAI EON is more likely to be associated with the well known HYUNDAI brand, rather than be associated with the E.ON brand from another unrelated service sector, particularly as consumers are used to the use of sub-brands in the automobile industry. For example HYUNDAI IX35, HYUNDAI SANTA FE, KIA PICANTO, KIA SPORTAGE. ..."

43. HMC's submissions are borne out by my own experience of trade marks in this area of trade. However, rather than assisting HMC, in my view, this "common trend" (as HMC puts it), supports rather than negates the likelihood of confusion. In my view, an average consumer familiar with this trend (and regardless of the degree of care taken when selecting the goods at issue) will consider HMC's trade mark to consist of the primary trade mark HYUNDAI and the sub-brand EON. When considered in this context, the word EON (which

retains an independent distinctive role within HMC's trade mark) is, in my view, visually highly similar to E.ON's trade mark and aurally and conceptually identical. Given the manner in which sub-brands are used in this area of trade, the average consumer will, in my view, assume the identical and similar goods at issue in these proceedings come from undertakings which are economically linked. As a consequence of that conclusion, E.ON's opposition based upon section 5(2)(b) of the Act succeeds."

Merits of the appeal:

- a) **the Hearing Officer failed to give proper weight to the well-known name Hyundai as part of HMC's Mark or to the allusive nature of the word "eon" therein**

17. In paragraph 26 of the decision, the Hearing Officer held that it was the name Hyundai which is the dominant element of HMC's Mark. He appears to me to have taken this into account in assessing similarity in paragraphs 30, 33 and 36. Indeed, in paragraph 43 he described HMC's Mark as combining "the primary trade mark Hyundai and the sub-brand EON." It does not seem to me, therefore, that it can be said that he failed to give proper weight to the name Hyundai or to its established reputation.

18. Hyundai argued that use of the word 'eon' reflects its reputation for making reliable products and hence was allusive. This was not a point made below so it does not seem to me that the Hearing Officer can be criticised for not having considered it. But in any event, it does not seem to me to be a valid point in the absence of evidence (and there was no evidence) that use of the word 'eon' would be seen by the average consumer as making that allusion. There is no material error or error of principle on this point.

- b) **the Hearing Officer failed to appreciate that any distinctiveness of the CTM lay in its stylisation/colour - it was not inherently distinctive**

19. I do not accept this criticism of the Hearing Officer's decision. He properly sought to identify the dominant element(s) of the CTM in paragraph 27 of his decision and

concluded in paragraph 37 that E.ON has no meaning for the goods for which the CTM is registered and so has a very high degree of inherent distinctive character. Hence, the Hearing Officer specifically turned his mind to the important question of whether the CTM was inherently distinctive for the relevant goods. Whilst Hyundai may have argued and may continue to argue that any distinctiveness of the CTM lay in its stylisation/colour, the Hearing Officer was plainly entitled to come to his conclusion on this point. This is not a material error or error of principle.

20. The Hearing Officer appears to have considered that the extent of E.ON's reputation in relation to the supply of electricity, etc was irrelevant to the issue which he had to decide under s 5(2)(b) because the CTM is registered in relation to vehicles, etc. That point seems to me clearly to have been correct and cannot detract from his central conclusion on this point - that E.ON is inherently distinctive for the Class 12 goods. E.ON seeks to rely on its reputation in its submissions on the appeal, but in my view its reputation in relation to services in Class 39 or 40 is irrelevant to the s 5(2)(b) argument and the Hearing Officer appears to have proceeded accordingly.

c) the Hearing Officer failed when assessing visual similarity to give sufficient weight to the stylisation of the CTM

21. Again, I do not accept this criticism of the Hearing Officer's decision. He referred specifically to the differences in presentation between the word 'eon' in HMC's Mark and in the CTM. Moreover, he came to the conclusion that there was only a low level of visual similarity between the marks. As the appellant claims that there is a 'very low degree of visual similarity between the trade marks' at most the appellant is seeking to make some semantic difference between a 'low' degree of similarity and a 'very low' degree of similarity. This is (as Mr Purvis QC put it in BL O/277/12, *Ella trade mark*) a matter of semantics. It is not a material error or error of principle.

d) the Hearing Officer failed when assessing aural similarity to give sufficient weight to the accepted tendency for people to slur the ends of words

22. It is generally accepted that the first syllable(s) of marks are of more significance than the last, because people in the UK have a tendency to slur the ends of words. HMC rightly says that the Hearing Officer did not specifically refer to the rule. However, although in paragraph 32 of his decision he referred to HMC's submissions which made that point. Moreover, although HMC makes this point in paragraph 13 of the Grounds of Appeal, it does not state what conclusion it says should have been reached by the Hearing Officer. In its written submissions, however, it suggests that he should have found only a low degree of similarity between the marks, not the "reasonable degree" of similarity. Again, this may be nothing more than a matter of semantics.
23. It does not seem to me that the Hearing Officer's failure specifically to advert to the point indicates that there is any material error or error of principle in his conclusion at paragraph 33 that there was a reasonable degree of aural similarity between the marks because of the existence of the same identifiable element 'eon' in each of them.

e) the Hearing Officer erred in assessing conceptual similarity

24. HMC complains that in assessing conceptual similarity the Hearing Officer failed to give sufficient weight to the presence in HMC's Mark of the well-known Hyundai name. It also suggests that he erred in not considering whether the 'e' element of E.ON might be seen as referring to electronic or energy, so as to reduce the likelihood that the CTM would be seen as the word 'eon,' which led to his conclusions on partial conceptual identity of the marks. In the Grounds of Appeal HMC complained that the Hearing Officer imposed his own views on how the average consumer would perceive the CTM, without any evidence or proper basis on which to do so.

25. Turning first of all to the question of whether the Hearing Officer was entitled to find that the CTM would be seen as consisting of the word 'eon' I do not consider that this is a matter on which the Hearing Officer required evidence in order to reach a conclusion. In matters of this kind, a Hearing Officer is, in my judgment, entitled to put himself in the shoes of the average member of the public, to consider how the average consumer might pronounce the CTM. Once he had found that it would be pronounced as if it were the word 'eon,' it appears to me that even if he had accepted that the separation of the letter 'e' by the dot before 'on' might lead to some emphasis on the 'e' in pronunciation, or might be taken by the average consumer as a reference to electronics, electricity or energy, he was entitled to find that the average consumer would be more likely than not to construe the CTM as comprising the word 'eon.' As E.ON's attorneys submit, that is all the more reasonable a conclusion, given that there is a real distinction made between a word like 'e-mail' which has a clear meaning and 'e.on' which does not. It does not seem to me that his finding to that effect can be said to amount to a material error or error of principle.
26. As to the second point, on the impact from a conceptual point of view of the word Hyundai in HMC's Mark, I was concerned on first reading the decision that the Hearing Officer's analysis of conceptual similarity in paragraph 36 arguably failed to give sufficient weight to the presence in HMC's Mark of 'Hyundai'. This is, after all, a well-known name for Class 12 goods which to my mind could either reduce or negate any conceptual similarity between the marks. However, in paragraph 38 where he summarised his findings, the Hearing Officer clarified his thinking on the point; he said "the presence in both parties' trade marks of an element that will be construed as the word EON results, insofar as *that element* of the competing trade marks is concerned, in conceptual identity." It is clear from that comment (in which I have emphasised the words "that element") and from paragraph 42 of the decision where the Hearing Officer again refers to the conceptual identity of those elements of the marks, that he was not saying that the marks were conceptually similar *overall*, but only that those *parts* of the marks were conceptually similar. That seems to be a conclusion which the Hearing Officer was fully entitled to reach, regardless of

whether I would have reached the same conclusion, and I do not consider that it reflects any error of principle on his part.

f. the Hearing Officer erred in assessing the likelihood of confusion, because

i) he should have found a low level of similarity overall

27. This point in effect sweeps up the points which I have already dealt with at (a) to (e) above. For the reasons which I have already given, I do not accept that there are grounds to appeal on this basis.

ii) he ignored the impact of the name Hyundai, which is well-known for the relevant goods

28. Again, this complaint reiterates points which I have already discussed and rejected above.

iii) he misapplied *Medion*

29. Paragraph 22 of the Grounds of Appeal, which suggests that Case C-120/04 *Medion* [2005] E.C.R. I-8551; [2005] C.E.C. 720; [2006] E.T.M.R. 13 should not have been applied by the Hearing Officer in this case, again relies upon the impact of the well-known Hyundai name as part of HMC's Mark.

30. The argument which HMC wishes to make in this regard is not, I am afraid, wholly clear to me. *Medion* owned the trade mark LIFE, and sued for trade mark infringement by use of the name THOMSON LIFE. The CJEU, in the passage cited by the Hearing Officer, held that an earlier mark comprised in a composite later mark may maintain an "independent distinctive role" in the composite sign without necessarily constituting the dominant element of it. I believe that HMC seeks to distinguish *Medion* broadly because the additional word in HMC's Mark is so well-known. However, as the Hearing Officer specifically found in paragraph 42 of his decision that the word 'eon' in HMC's mark retained an independent distinctive role within that composite mark, it seems to me that he was right to consider *Medion*.

For the reasons which I have given above, the conclusion that 'eon' in HMC's mark had that impact was one which it was open to the Hearing Officer to reach, without misapplying *Medion*, or committing any other error of principle.

iv) he misunderstood HMC's argument about sub-brands.

31. HMC argued that the public is familiar with the use of sub-brands for vehicles together with the main or 'house' brand and that the impact of this familiarity would be to negate any likelihood of confusion: the average consumer would be more likely to associate HMC's Mark with the Hyundai brand "rather than be associated with the E.ON brand from another (unrelated) service sector."
32. The Hearing Officer accepted that the public would be familiar with the use of sub brands by car manufacturers but reached the opposite conclusion thinking that this would support rather than negate the likelihood confusion. He concluded that consumers would see the word 'eon' as just such a sub-brand which would increase the likelihood of confusion with the CTM.
33. In my view, it is significant that the argument put forward to the Hearing Officer by HMC based upon this sub-brand point relied not just upon the average consumer's knowledge of the Hyundai brand for vehicles, but also upon his knowledge of the E.ON brand for the supply/distribution of electricity. That was not the correct test in relation to the opposition based on section 5(2)(b), because the CTM is not registered for the supply/distribution of electricity, but for vehicles, etc. It is an unused mark with no reputation in relation to vehicles. A somewhat similar point was made in HMC's written submissions on the appeal, referring to the parties operating in 'different fields.' This formed no part of the Grounds of Appeal, and appeared to compare the parties' respective businesses rather than (as was necessary) the specifications of the marks in issue. To the extent that this is the gist of the complaint about the Hearing Officer's findings on the sub-brand point, it is in my view unsustainable. If, however, the point is essentially that the Hearing Officer ought to have rejected the possibility of any likelihood of confusion by reason of the

O-313-13

sub-brand point, the difficulty in my view is that HMC has not identified any material error or error of principle in the Hearing Officer's conclusions, but effectively asks me simply to come to the opposite conclusion. That is not in my view something which I am entitled to do on an appeal of this nature.

34. For all of these reasons, I am unable to see any error of principle in Mr Bowen's legal approach, or in the way in which he applied it to the comparison in this case. He reached a conclusion which she was entitled to reach.
35. I therefore dismiss the appeal and I will order HMC to pay a contribution towards E.ON's costs of the appeal in the sum of £750, to be paid within 14 days of today.

Amanda Michaels
The Appointed Person

1 August 2013