

O-498-15

TRADE MARKS ACT 1994

**INTERNATIONAL TRADE MARKS (UK) 1188963 AND 1193527
BY HYUNDAI MOTOR COMPANY
TO PROTECT THE TRADE MARKS**



AND

HYUNDAI EQUUS

IN CLASS 12

AND

**THE CONSOLIDATED OPPOSITIONS THERETO UNDER NOS. 402396 & 402661
BY LIMEX GLOBAL INDUSTRIES LTD**

Background and pleadings

1. Hyundai Motor Company (“the holder”) registered International trade marks 1188963 and 1193527 on 9 August 2013 and 12 August 2013, respectively. On those dates, the holder designated the UK as a territory in which it sought to have the marks protected. The marks are international trade marks (UK) for the purposes of The Trade Marks (International Registration) Order 2008. The marks are shown below:

1188963



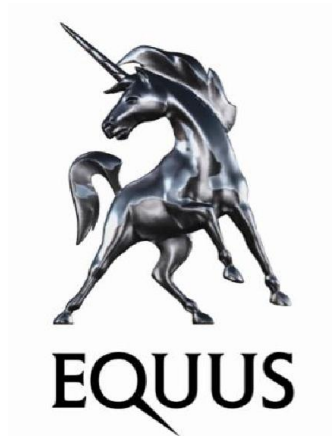
1193527

HYUNDAI EQUUS

2. The holder seeks protection for the following goods in Class 12 for both marks:

Passenger cars [automobiles]; passenger cars for more than 7 passengers; lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses; two-wheeled motor vehicles; parts and accessories for automobiles; air bags [safety devices for automobiles]; bumpers for automobiles; automobile bodies; automobile chassis; undercarriages for automobiles; wheels for automobiles; balance weights for automobile wheels; electric cars; ski carriers for vehicles; covers for vehicle steering wheels; caps for wheel rims; camping cars; pickup trucks; braking systems for vehicles and parts thereof; non-skid devices for vehicle tires; braking devices for vehicles; automobile engines; motive power machines for land vehicles; engines for land vehicles; power transmissions and gearings for land vehicles; speed change gears for land vehicles; transmissions for land vehicles; transmission mechanisms for land vehicles; gears for vehicles; motors for land vehicles.

3. The marks were published for opposition purposes on 2 May 2014 and 13 June 2014, respectively. Protection of the marks is opposed by Limex Global Industries Ltd (“the opponent”) on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon all the goods of its earlier Community Trade Mark, as follows:



Class 12: *Automobiles.*

Filing date: 18 October 2010; date registration procedure completed: 1 March 2011.

3. The opponent claims that there is a likelihood of confusion because the marks are similar and the goods either identical or similar. In particular, the opponent claims that EQUUS has at least normal distinctiveness, is dominant in the earlier mark and retains an independent distinctive role in the international marks.

4. The holder denies the ground of opposition, claiming that there would be no likelihood of confusion because of the overall differences between the marks and the goods, the nature of the goods, and because the marks have been used for a long time, are internationally well known and are strongly associated with the holder's business.

5. The opponent is now represented by Withers & Rogers LLP¹, and the holder is represented by Dehns. The holder filed evidence and written submissions. The opponent filed submissions prior to seeing the holder's evidence, which simply consisted of a denial of the holder's claim to have used or have a reputation in its marks. Neither side requested a hearing and neither side filed written submissions in lieu of a hearing.

Evidence

6. The holder's evidence comes from Ashley Benjamin, who is an attorney with Dehns. Mr Benjamin exhibits a print (Exhibit AB2) from Wikipedia which says that the holder is the fourth largest vehicle manufacturer in the world. Exhibit AB3 is a copy of Interbrand's 15th annual Best Global Brands Report, dated 9 October 2014. Hyundai is shown as being in 40th place in the top 100 brands, rising three places from the previous years' ranking.

7. Exhibit AB4 is also extracted from Wikipedia. The print is not dated, although August 2014 is mentioned in the text. The extract says that the Hyundai Equus is a

¹ Previously represented by Mintz Levin Cohn Ferris Glovsky and Popeo LLP.

luxury car sold in South Korea, Russia, China, the United States, Canada, Central America and South America. Exhibit AB5 is a copy of the 2015 Hyundai Equus brochure downloaded from the holder's US website.

8. Exhibit AB6 consists of pages from the UK version of eBay, all dating from March 2015. The listings are for a die-cast model of a Hyundai Equus; for the badge from the car which corresponds the device in one of the holder's marks, as does another listing for the emblem on the car's hub caps, and an emblem which sit upon the car bonnet.

9. Exhibit AB7 consists of copies of ten articles from various online publications:

- A review on autoexpress.co.uk from 6 January 2004. The end of the article says: "With the unpopular XG30 axed earlier this year, Hyundai is now without a plush flagship in the UK, but there are no plans to bring the Equus here for now."
- A review on autoexpress.co.uk from 9 May 2006 which says that the Hyundai Equus has been designed for the holder's home market and the US. It also says: "The firm's UK operation says it has no plans to introduce the model here, but if demand is high, that situation could change."
- A review on autoexpress.co.uk dated 1 October 2009. It refers to the new Equus as having just been launched in South Korea. It also says: "With the Equus primarily aimed at the Korean market, it is unlikely to make it as far as UK shores. Hyundai has, however, said that other markets are currently being considered."
- An undated review on autocar.co.uk referring to the fact that the Hyundai Equus will cost £70,000 when it goes on sale in South Korea. The online comments about the article all date from October 2009.
- An article dated 2 October 2009 from the Independent's website entitled "Most expensive Hyundai won't come to the UK".
- An article on autoexpress.co.uk dated 15 January 2013. The report is from the Detroit motor show and the writer lists his top ten favourite cars from the show. At number 7 is the Hyundai HCD-14 Concept, beneath which the writer refers to the Hyundai Equus enjoying record sales in America.
- A review on topgear.com/uk from 25 September 2013, entitled "640bhp worth of modern day American muscle packed into the silhouette of a classic Mustang". This article does not appear to be about Hyundai's Equus, but instead the photographs refer to an Equus Bass 770 Ford Mustang, priced at £156,000.
- A review on nytimes.com dated 16 January 2014: "What's in a name? The Equus Bass770. DETROIT – Equus is Latin for horse. It's also English for a certain Hyundai model, but don't tell that to Equus Automotive. Michael

Qualid, a spokesman for the company, said that Equus didn't know the name had been in use on Hyundai's premier luxury model when Equus opened in 2006, but he expressed hope that the Korean automaker would not come after a niche marquee over its name." This explains the reference to the Equus Bass 770 in the topgear.com/uk article.

- A review on carmagazine.co.uk dated 14 March 2014. Although the review is about the Equus, and refers to its US success, in relation to the UK the article refers to the forthcoming UK launch of a different car, called the Genesis.
- A review on honestjohn.co.uk dated 23 October 2014, referring to the history of the Hyundai Equus; launched in October 2009 with a price of £70,000 to £80,000. The review finishes: "The Equus is primarily aimed at Hyundai's domestic Korean market. Potential export markets are currently being assessed, but the car is unlikely to be imported to the UK officially."

Decision

10. Section 5(2)(b) of the Act states that:

"(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."

11. The following principles are gleaned from the decisions of the EU courts 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.

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;

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

Comparison of goods

12. In its counterstatement, the holder refers to the differences between the goods applied for and those for which the earlier mark is registered. It does not admit that any of the goods are identical. The counterstatement also refers to the nature of the parties' goods, but does not explain further. The holder's fifteen pages of submissions do not address the similarities or differences between the parties' goods.

13. The parties' specifications are:

Earlier mark	Holder's marks
Class 12: <i>Automobiles.</i>	Class 12: <i>Passenger cars [automobiles]; passenger cars for more than 7 passengers; lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses; two-wheeled motor vehicles; parts and accessories for automobiles; air bags [safety devices for automobiles]; bumpers for automobiles; automobile bodies; automobile chassis; undercarriages for automobiles; wheels for automobiles; balance weights for automobile wheels; electric cars; ski carriers for vehicles; covers for vehicle steering wheels; caps for wheel rims; camping cars; pickup trucks; braking systems for vehicles and parts thereof; non-skid devices for vehicle tires; braking devices for vehicles; automobile engines; motive power machines for land vehicles; engines for land vehicles; power transmissions and gearings for land vehicles; speed change gears for land vehicles; transmissions for land vehicles; transmission mechanisms for land vehicles; gears for vehicles; motors for land vehicles.</i>

14. The average UK consumer would regard automobiles as cars. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-33/05, the General Court ("GC") stated that:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

Some of the holder's goods are identical to the opponent's *automobiles: passenger cars [automobiles]; passenger cars for more than 7 passengers; electric cars.*

15. A dump car does not appear to be a car; it seems to be a US term for a utility vehicle which tips. A camping car is not a term with which I am familiar; it may also be a US term. I believe it may equate to a camper van. I will return to these shortly.

16. 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.”

17. ‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, 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...”

18. 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 channels of trade of the respective goods or services.

19. 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.”

20. *Parts and accessories for automobiles; air bags [safety devices for automobiles]; bumpers for automobiles; automobile bodies; automobile chassis; undercarriages for automobiles; wheels for automobiles; balance weights for automobile wheels; caps for wheel rims; braking systems for vehicles and parts thereof; non-skid devices for vehicle tires; braking devices for vehicles; automobile engines; motive power machines for land vehicles; engines for land vehicles; power transmissions and gearings for land vehicles; speed change gears for land vehicles; transmissions for land vehicles; transmission mechanisms for land vehicles; gears for vehicles; motors for land vehicles.*

These goods are similar to automobiles to a good degree because they are all parts of automobiles (and generally land vehicles, which includes automobiles). Car manufacturers routinely sell parts for their cars; the two are highly complementary and share identical trade channels. *Ski carriers for vehicles* and *covers for vehicle steering wheels* are vehicle accessories rather than parts. Although third parties sell generic versions of these goods, it is also common to find vehicle accessories for sale by the same undertaking that sells the car because accessories such as roof racks and bike racks are often made to fit a specific car model. I see no reason why the same would not be true of ski racks, and of steering wheel covers. There is an average degree of similarity between automobiles and these goods.

21. This leaves other types of vehicles:

lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses; two-wheeled motor vehicles; camping cars; pickup trucks.

At a general level, all are motor-powered vehicles. However, some are closer to automobiles than others; in particular, camping cars and pickup trucks. This is because such goods are common in the car/leisure vehicle cross-over market. Camping cars/camper vans carry passengers, and one can sleep and cook in them. They are not as large as motor homes, which are unlikely to be used regularly as a car alternative. Pickup trucks, or sports utility vehicles, are used to convey passengers inside and other items in the back part of the vehicle. *Camping cars* and *pickup trucks* are similar to good degree with the opponent's automobiles.

22. *Two-wheeled motor vehicles*: these include motorbikes, which are an alternative form of passenger conveyance to cars. Their purpose is the same: passenger transport. They are in competition with cars. They are also likely to be sold via the same trade channels and some vehicle manufacturers make cars and motorbikes. There is a good deal of similarity between *automobiles* and *two-wheeled motor vehicles*.

23. *Lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses*. These vehicles all have specific purposes. With the exception of buses, their primary purpose is not the conveyance of passengers, although passengers are necessarily on board in ambulances (patients, paramedics) and in motor home buses. The primary purpose of lorries, dump cars, trucks and carrier tricycles is to convey items from A to B. These goods are unlikely to be sold through the same trade channels as cars/automobiles; they are not in competition and are not complementary. I find that similarity with cars/automobiles is based only upon the general fact that they are motor-powered vehicles. The similarity level is very low.

Average consumer

24. 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*.

25. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

26. The relevant average consumer for the goods in classes 12 is a person or business looking for a new vehicle, or a vehicle part. Purchasing a vehicle is an expensive, considered process and one to which a relatively high level of attention will be paid. The value of the goods and the safety implications of poor performance also mean that close attention will be paid to the selection of vehicle parts. The purchasing process for a vehicle is almost wholly visual, in the research and the examination of the vehicle, although I bear in mind that there will also be an aural aspect (e.g. during discussion with a dealer or vendor). There may be more of an aural aspect in relation to parts, such as ordering over the telephone (e.g. from a parts retailer).

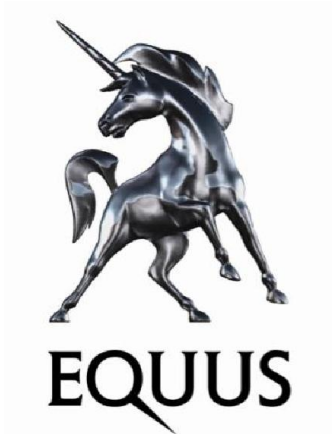

Comparison of marks

27. 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 proceed to 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 Court of Justice of the European Union 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.”

28. 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.

29. The respective marks are:

Opponent	Holder
	<p>(i)</p>  <p>(ii) HYUNDAI EQUUS</p>

30. The opponent's composite word and device mark consists of two prominent elements. They contribute roughly equally to the overall impression of the mark; although the unicorn takes up more space and is at the 'top' of the mark, the natural human tendency where there is a word element is that the eye is drawn to it. The same is true of the holder's composite word and device mark. The holder's word mark is comprised of two invented words which do not 'hang together' as a meaningful phrase. They each contribute equally and independently to the overall impression.

31. There is an average degree of visual similarity between the parties' marks. The elements in each mark are roughly equal in proportion; two are the same (EQUUS) whilst two are not similar at all (the devices and the word HYUNDAI).

32. Aurally, the two composite word and device marks are identical because the devices will not be articulated. There is an average degree of aural similarity between the earlier mark and the holder's word mark because although EQUUS is identical, the first word which will be heard in the holder's mark is the three-syllable HYUNDAI.

33. The holder's evidence reveals that EQUUS is Latin for horse. I think it unlikely that the average UK consumer would be aware of that, and the word 'equine' is too far away in construction for an immediate conceptual link to be made with EQUUS. Even with the horse-like device in the earlier mark, I do not think that the average consumer would assume EQUUS means horse, especially as the device has its own concept and is known by its own word: unicorn. The word EQUUS would be seen as an invented word, as would HYUNDAI. The only mark of the three which has any conceptual identity, in terms of creating a conceptual 'hook' for the memory, is the

earlier mark because it contains a unicorn. The device in the holder's mark is abstract. There is no conceptual similarity between the marks.

Distinctive character of the earlier mark

34. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*² the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

35. The opponent has filed no evidence of use, so I have only the inherent position to consider. The mark is comprised of a depiction of a fabled creature, the unicorn, and an invented word. The combination makes for a high degree of inherent distinctive character overall, but I bear in mind that it is the distinctiveness of the common element, EQUUS, which is key as the level of distinctive character of the earlier mark is only likely to increase the likelihood of confusion to the extent that it resides in the element which is identical or similar³. EQUUS will be seen as an invented word and is high in distinctive character because it does not allude to or describe any characteristics of automobiles.

Likelihood of confusion

36. It will be clear from my summary of the holder's evidence that there has been no UK use of the opposed marks. The exhibits, almost without exception, all mention that the HYUNDAI EQUUS is unlikely to be imported to the UK. The only UK use is after the relevant date and is of car badges on eBay. It appears there has been (unquantified) use on executive cars in South Korea and the US. The purpose of the evidence is explained in the holder's submissions:

² Case C-342/97.

³ *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis Q.C., sitting as the Appointed Person.

“We submit that the use of the Opposed Mark [Hyundai Equus]...as a prestige brand of one of the world’s leading automotive manufacturers, means that the mark is entitled to protection under the Paris Convention agreement as an internationally well-known trade mark.

UK consumers, motor trade specialists and media commentators who are already familiar with the applicant’s internationally-successful ‘Hyundai Equus’ range of cars will simply assume that use of the Opposed Mark in the UK, for the goods at issue, reflects a decision by the applicant to start marketing these cars in the UK.

Even relevant UK consumers and media commentators who are not currently familiar with the Opposed Mark are likely to quickly realise that this mark already enjoys a long-standing international reputation, as this reputation is immediately obvious to anyone searching for information on ‘Hyundai Equus’ cars via an online search engine like *www.google.co.uk*.”

37. Apart from the fact that the holder’s evidence is too thin to support such a claim to repute, this is not a defence which can succeed against an opposition brought under section 5(2) of the Act. The position in law, where the respondent claims a defence based on use of its mark, was explained by Ms Anna Carboni, sitting as the Appointed Person in *Ion Associates Ltd v Philip Stainton and Another*, BL O/211/09 (footnotes omitted):

“43. The Applicant’s fourth ground of appeal is, so far as I can establish, a novel point that is not covered in any reported decision in relation to UK trade marks. It involved a two stage argument:

(1) Firstly, the Applicant submitted that the evidence established that it had made use of the mark MUDDIES prior to the filing date of the Opponents’ CTM and that such use was sufficient to enable it under article 6(2) of the Directive and/or article 107 of the Regulation to avoid an infringement action based on the Opponents’ CTM and to continue use of the MUDDIES mark.

(2) Secondly, given that the Applicant would be able to continue use of the mark on the market, albeit only in a specific locality, it was both appropriate that the trade marks register should reflect the market reality of co-existence and equitable to permit registration of the Applicant’s trade mark.

44. In the light of the adverse OHIM decision already referred to, Mr Groom conceded that the evidence of the Applicant’s earlier use of MUDDIES was insufficient to support a case for the existence of goodwill on which a passing off action could be based. However, he submitted that it was enough to give the Applicant the right to rely on the defence provided by article 6(2) of the Directive and/or article 107(3) of the Regulation.

45. Ms Michaels for the Opponents pointed out that the hearing officer did not make any findings of fact in relation to the Applicant's alleged earlier use: he simply summarised the evidence set out in the Applicant's witness statements in the early part of the Decision, without assessing it, and later (at paragraph 59) stated that he did not need to give further consideration to the Applicant's use. That is correct, though the hearing officer did (at paragraph 39) state that "there had in reality been no or minimal exposure of the competing marks to consumers by the relevant date" (by which I believe he meant the CTM filing date). From this, I take it that he had considered the Applicant's evidence of earlier use and did not think it amounted to much. But he clearly did not intend this statement to be a conclusive finding on the question of whether the Applicant had the sort of earlier right for which it argues, given that he later expressly declined to do so.

46. I have decided that it is not necessary for me to take a fresh look at the evidence to assess the factual position for myself, since the Applicant's argument does not work as a matter of law.

47. Even if the evidence were sufficient to establish the existence of an earlier right within a locality, of the sort recognised under article 6(2), that provision is about the owner of such a right being able to continue using it notwithstanding the registration of a national trade mark by a third party. As implemented in the Act, section 11(3) could be relied on to defend an action for infringement of a UK trade mark if, say, the defendant owned a local passing off right. I agree with the hearing officer that there is nothing in either article 6(2) (or, I would add, section 11(3)) to assist the Applicant in the second step of the argument to the effect that the owner of such a locally based right should itself be entitled to register the mark underlying its earlier right. If that were the position, the Applicant would thereby expand its local unregistered right into a national registered right by virtue of the fact that an unrelated third party had chosen to register a conflicting national trade mark. This would be a bizarre result. In this case, we are in any event dealing with a registered CTM, rather than a national trade mark, so article 6(2)/section 11(3) do not even come into play.

48. Article 107 of the Regulation does at least relate to conflicts between a later registered CTM and an earlier local right, but I do not think that it gets the Applicant any further. Article 107(1) would enable the Applicant to rely on its claimed earlier local right (if established) to oppose the Opponents' use of the CTM; and article 107(3) would give the Applicant a defence to a CTM infringement claim. As Laddie J said, "in the case of a national unregistered mark, it appears clear that the effect of Art.107(3) is to give immunity from infringement proceedings brought on the basis of a subsequent CTM": *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at [52]. But I do not see why a provision that is plainly aimed at protecting the owner of a local right should be construed so as to turn such a right of continued local user into the right to a national registration.

....

50. So far as the argument based on equity or fairness is concerned, it seems to me that it would be considerably more than equitable to allow the Application to be registered in the circumstances of this case. It would be highly advantageous to the Applicant, giving it rights not only to prevent others from using conflicting signs on a national basis, but also affording it a defence to UK trade mark infringement actions under section 11(1) of the Act. For similar reasons it would be disadvantageous to the Opponents. It would also be a result that does not flow from a fair reading of the provisions of either the Directive or the Act.”

38. By parity of reasoning, this also applies to the holder’s claim that its marks are entitled to protection under the Paris Convention. Such a claim could be used as the basis for an opposition or a cancellation action under section 6(1)(c) of the Act. But it cannot be used as a counterclaim or a defence in these proceedings.

39. 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. This includes keeping in mind the whole mark comparison, because the average consumer perceives trade marks as wholes and rarely has the opportunity to compare marks side by side, relying instead upon the imperfect picture he has of them in his mind. One of the principles in the authorities 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 (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the parties’ goods range from being identical through to being similar to a low degree.

40. The holder submits that there is a naming convention associated with automotive goods; i.e. that they are commonly branded with the manufacturer’s house mark immediately followed by the name of the vehicle model (e.g. Ford Focus). Therefore, submits the holder, the average consumer will be able to distinguish between the earlier mark and HYUNDAI EQUUS, since HYUNDAI will be seen as the house mark. The holder submits that HYUNDAI has enhanced distinctive character. I assume it is expected that I will take the existence of a reputation in the UK in HYUNDAI as a notorious fact, since no UK evidence has been filed. The holder does not explain whether the alleged reputation/enhanced distinctive character exists in relation to all the goods for which protection is requested, or only some of them. Further, the holder submits that figurative badges or emblems are commonly displayed on automotive goods without the accompanying word. Therefore, submits the holder, its device is capable *per se* of distinguishing the holder’s goods from those of the opponent, performing an “independent and important role within the Opposed Mark...”. These arguments do not assist the holder, as I shall now explain.

41. Confusion works both ways. A likelihood of confusion can exist whether the average consumer is familiar with the later mark or the earlier mark. The average consumer may well be familiar with the Hyundai element of the holder’s word mark, but, on encountering the earlier mark, may nevertheless consider it to emanate from the same or a linked economic undertaking, even if one is not mistaken for the other.

42. With regard to the holder's submission that figurative emblems are frequently displayed without the accompanying word, so that the holder's device is capable of distinguishing *per se* its goods from those of the opponent, I must consider the mark for which protection has been requested as a whole, not simply the device. The holder submits that its device forms an independent and important role within its composite mark. I would add that so does the word EQUUS; and it also plays a distinctive and independent role in the earlier mark.

43. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

"18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

44. In all three marks, EQUUS plays an independent and (highly) distinctive role. I agree that HYUNDAI may well be seen as a house mark, with EQUUS denoting a vehicle model. The holder's own evidence shows that whilst it has requested protection for HYUNDAI EQUUS, the actual use of EQUUS on the vehicle in the US and elsewhere has hitherto been with the device, with HYUNDAI nowhere to be seen

on the vehicle; yet these marks belong to the same undertaking. For goods which are identical and similar to an average degree or higher, the average consumer will perceive the common presence of EQUUS in the parties' marks as indicating that these are marks which belong to the same or economically linked undertakings. This type of confusion was described in *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10 by Mr Iain Purvis, sitting as the Appointed Person (paragraph 17(a) is particularly relevant to these proceedings):

“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 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).”

45. I recognise that the majority of the goods will be bought by average consumers displaying a high level of attention. Factoring in the interdependency principle, for goods which are similar only to a very low degree, the high level of attention will militate against the perception that the goods are sold by linked undertakings. The goods are utility vehicles, or are large motorhome ‘buses’, sold through different trade channels, for different purposes, where there is no element of competition or complementarity. Any link is likely to be fleeting and to stop at a ‘bringing to mind’, which is not enough for confusion (direct or indirect). The opposition therefore fails in relation to *lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses*. The high level of attention will not, all other factors considered, avoid

indirect confusion as explained above in relation to the holder's other goods for which the opposition succeeds.

Outcome

46. The opposition succeeds in relation to:

Passenger cars [automobiles]; passenger cars for more than 7 passengers; two-wheeled motor vehicles; parts and accessories for automobiles; air bags [safety devices for automobiles]; bumpers for automobiles; automobile bodies; automobile chassis; undercarriages for automobiles; wheels for automobiles; balance weights for automobile wheels; electric cars; ski carriers for vehicles; covers for vehicle steering wheels; caps for wheel rims; camping cars; pickup trucks; braking systems for vehicles and parts thereof; non-skid devices for vehicle tires; braking devices for vehicles; automobile engines; motive power machines for land vehicles; engines for land vehicles; power transmissions and gearings for land vehicles; speed change gears for land vehicles; transmissions for land vehicles; transmission mechanisms for land vehicles; gears for vehicles; motors for land vehicles.

Protection is refused for these goods.

47. The opposition fails in relation to:

Lorries; dump cars; buses; trucks; ambulances; carrier tricycles; motor home buses.

Protection is allowed for these goods.

Costs

48. The opponent has been successful for the greater part and is entitled to a contribution towards its costs, in line with the scale of costs published in Tribunal Practice Notice 4/2007. I have reduced the award by $\frac{1}{12}$ to take into account the proportion of the specification for which the opposition failed. I will not make an award for the opponent's submissions which it filed before the holder filed its evidence and which consisted of a simple denial of the contents of the counterstatements.

Statutory opposition fee x 2	£200
Filing the oppositions and considering the counterstatements	£300
Considering the holder's consolidated evidence	£500
Less $\frac{1}{12}$	-£83
Total	£917

49. I order Hyundai Motor Company to pay Limex Global Industries Ltd the sum of £917 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 22nd day of October 2015

**Judi Pike
For the Registrar,
the Comptroller-General**