

**O-474-19**

**TRADE MARKS ACT 1994  
IN THE MATTER OF  
TRADE MARK APPLICATION NO 3287455  
BY VTECDIRECT UK LTD  
TO REGISTER**

**Vtecdirect**

**AS A TRADE MARK IN CLASS 37  
AND  
OPPOSITION THERETO (UNDER NO. 413520)  
BY  
HONDA MOTOR CO., LTD**

## BACKGROUND

1) On 02 February 2018, Vtecdirect UK Ltd ('the applicant') applied to register **Vtecdirect** as a trade mark in respect of the following services:

**Class 37:** The fitting and installation of Vehicle parts; the maintenance, repair and servicing of vehicles.

2) The application was published in the Trade Marks Journal on 01 June 2018 and notice of opposition was later filed by Honda Motor Co., Ltd ('the opponent'). The opponent claims that the trade mark application offends under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ('the Act').

3) In support of its grounds under section 5(2)(b) of the Act, the opponent relies upon two trade mark registrations. Relevant details of those marks, including the goods relied upon, are shown in the table below.

| Trade Mark details  | Goods relied upon  |
|---|--|
| <p><b>TM No: EU1049394</b></p> <p>VTEC</p> <p><b>Filing date: 21 January 1999</b></p> <p><b>Date of entry in register: 20 July 2000</b></p> | <p><b>Class 12:</b> Vehicles; apparatus for locomotion by land; engines for motorcars.</p> |

|  |   |
|--|---|
| <p><b>TM No: UK1396147</b></p> <p>VTEC</p> <p><b>Filing date: 25 August 1989</b></p> <p><b>Date of entry in register: 15 February 1991</b></p> | <p><b>Class 12:</b> Engines included in Class 12 for land vehicles.</p> |
|--|---|

4) The same two trade mark registrations are also relied upon under section 5(3) of the Act in respect of the same goods. The opponent claims to have established a reputation in the mark VTEC in relation to engines for vehicles and argues that use of the contested mark would take unfair advantage of, or be detrimental to, the distinctive character and reputation of the earlier mark.

5) The trade marks relied upon by the opponent under sections 5(2) and 5(3) are earlier marks, in accordance with section 6 of the Act. As they both completed their registration procedure more than five years prior to the publication date of the contested mark, they are, in principle, subject to the proof of use conditions, as per section 6A of the Act.

6) Under section 5(4)(a) of the Act, the opponent relies upon use of the sign VTEC throughout the UK since 30 April 1989, in relation to 'vehicles and engines for vehicles'. It is claimed that use of the applicant's mark in respect of the services applied for will mislead the public into believing that those services emanate from, or are connected with or authorised by, the opponent. It is said that this misrepresentation will lead to damage to the opponent's goodwill associated with its earlier sign.

7) The applicant filed a counterstatement. The applicant states, inter alia, the following:

- The purpose of its company is to enhance, repair and tune, predominantly, but not exclusively, Honda cars.
- In all the years of working on Honda vehicles, the applicant notes that the earlier mark has always been used in capital letters (VTEC) whereas the applicant's mark is used as Vtec.
- The applicant is not in competition with the opponent. On the contrary, the services it provides serve to enhance the opponent's sales because the applicant uses genuine Honda parts purchased directly from the opponent's dealer network.
- The applicant promotes the opponent's brand; it does not compete with it.
- Unlike the opponent, the applicant does not sell or manufacture vehicles or engines.
- In the light of the applicant's comments above, it does not (unsurprisingly) put the opponent to proof of use of its earlier marks.

8) Only the opponent filed evidence. The applicant has filed nothing beyond the counterstatement. Neither party requested to be heard and only the opponent opted to file written submissions in lieu. I now make this decision after carefully considering the papers before me.

## **EVIDENCE**

9) The opponent's evidence comes from David Hodgetts, Managing Director of Honda Motor Europe Limited (a subsidiary company of the opponent). Mr Hodgetts' evidence relates to the use that has been made of VTEC in relation to motor vehicles and engines. Rather than summarise that evidence here, I will refer to it later in the decision when it is necessary, and appropriate, to do so.

## **APPROACH**

10) Both registrations relied upon under sections 5(2) and 5(3) are for the mark VTEC. Given the wider breadth of goods covered by TM EU1049394, it is this

registration which clearly offers the opponent the best prospect of success. I will proceed accordingly.

## **DECISION**

### **Section 5(2)(b)**

11) This section of the Act 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.”

12) The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU'): *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 and services**

13) All relevant factors relating to the goods and services should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“the CJEU”), Case C-39/97, 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.”

14) Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

15) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“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..”

16) The goods and services to be compared are:

| Opponent's goods  | Applicant's services   |
|---|--|
| <b>Class 12:</b> Vehicles; apparatus for locomotion by land; engines for motorcars. | <b>Class 37:</b> The fitting and installation of Vehicle parts; the maintenance, repair and servicing of vehicles. |

17) The opponent submits:



“The services covered by the Application are similar to the goods covered by the Opponent’s earlier registrations. The Applicant’s repair services are provided to the owners of the Opponent’s goods. Furthermore, these goods and services are frequently provided from the same, or commercially-linked, undertakings. For example, the Opponent, or an authorised dealer of the Opponent’s goods, would also typically provide repair and maintenance services relating to those goods, independently of the sale of those goods. As such, the respective goods and services coincide in their end users and distribution channels.

Furthermore, the respective goods and services are complementary. The Applicant’s repair and maintenance services are indispensable to the proper functioning of the Opponent’s goods, such that the average consumer is likely to believe that the provision of the Applicant’s services lies with the Opponent, or a commercially-linked undertaking, for example, an authorised dealer.”

I agree. For the reasons given by the opponent, I find a good degree of similarity between the respective goods and services.

### **Average consumer and the purchasing process**

18) It is necessary to determine who the average consumer is for the respective goods and services the manner in which they are likely to be selected. 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.”

19) The average consumer for the goods and services at issue is the general public and businesses (the latter in the transport or delivery sector, for example). None are everyday purchases. The degree of attention afforded during the selection of the opponent's goods is likely to be high given their expense and that the consumer is likely to want to ensure that they are suitable for purpose and have the required functionality. The applicant's services are likely to be purchased more frequently and at a lesser cost but, given the importance of keeping a vehicle roadworthy (and its parts in good working order), I would still expect a reasonably high degree of attention to be paid by the average consumer. The opponent's goods are likely to be selected by eye in showrooms or catalogues but may also be the subject of discussions with sales representatives. The applicant's services are likely to be sought out through signage on garage premises or after searching the internet. They may also be the subject of word of mouth recommendations. Accordingly, both visual and aural considerations are important.

### **Comparison of marks**

20) 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 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.”

It would therefore be wrong to artificially dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

21) The marks to be compared are:

## VTEC v Vtecdirect

22) The opponent's mark, consisting of four block capital letters, does not lend itself to deconstruction into separate components; its overall impression is based on the combination of those letters. The applicant's mark, although presented as one word, naturally lends itself to being broken down into 'Vtec' and 'direct' given that the latter is an everyday word, and one commonly used in trade, such that is likely to be instantly recognised by the consumer within the mark. Given its positioning at the beginning of the mark, and its far greater degree of distinctiveness than 'direct', it is the 'Vtec' part of the mark which carries the greatest weight in the overall impression.

23) The applicant's comments regarding the difference in letter case do not assist it. As word-only marks (absent any stylisation or figurative embellishments), both marks may be used in upper, lower or title case. This is not, therefore, a point of difference between the marks. Visually and aurally, the marks coincide in respect of the first four letters and differ due to the presence/absence of 'direct'. I find a medium degree of visual and aural similarity. Conceptually, VTEC/Vtec evokes no clear concept. Although the 'direct' part of the applicant's mark is a point of conceptual difference, it is not a distinctive one as it merely indicates that the services are provided directly to the consumer (i.e. absent any 'middle man').

### **Distinctive character of the earlier mark**

24) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of

confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

25) VTEC does not describe or allude to the goods covered by the opponent’s registration in any way. I consider it to have a normal degree of inherent distinctiveness.

26) Mr Hodgetts’ evidence shows that the mark VTEC has been used in the UK since 1990 in relation to car engines. Since 2010, the VTEC engine has been used in 48% of all Honda cars sold by the opponent. Annual advertising spend in relation to the promotion of VTEC engines, and cars incorporating that engine, increased from £3,290,052 in 2011 up to £14,698,342 in 2018. Various car models incorporating the VTEC engine are advertised and sold by reference to their VTEC engine. Mr Hodgett provides examples of printed and television adverts for the

opponent's Honda cars such as the 'Jazz 1.4 i-VTEC ES' and the 'Civic 1.4 I -VTEC SE'. The applicant (again, unsurprisingly) does not challenge any of this evidence. I find that the distinctiveness of the opponent's mark has been enhanced to a high degree in relation to motorcars and engines for motorcars.

### **Likelihood of confusion**

27) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the goods and services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

28) I have found the respective goods and services to be similar to a good degree. The marks are visually and aurally similar to a medium degree. The marks coincide in respect of the meaningless letters VTEC/Vtec and, although there is a conceptual difference between the marks, it is not a distinctive difference. The opponent's mark has a normal degree of inherent distinctiveness for all the goods covered by its registration and a high degree of distinctiveness in relation to motorcars and engines for motorcars consequent upon the use made of it. Taking all these factors together, I have no hesitation in finding that, even if the average consumer does not mistake one mark for the other, they are, at the very least, least likely to believe that the respective goods and services emanate from the same or linked undertaking(s). This is so regardless of the high degree of attention that is likely to be paid for some of the goods. The opposition under section 5(2)(b) succeeds.

29) I have not overlooked the applicant's contention that it does not compete with the opponent but rather enhances the opponent's sales (of car parts) and promotes its brand. This is misconceived. The purpose of a registered trade mark is to guarantee

trade origin to the average consumer; it is not to promote the brands of other traders and the average consumer would not perceive the applicant's mark in that way. Rather, the average consumer is likely to believe that the applicant's services come from the opponent or an undertaking commercially linked to the opponent, when that is not the case.

## **OTHER GROUNDS**

30) The opposition under section 5(3) is based on the claimed reputation of VTEC in relation to the same goods as relied upon under section 5(2)(b). The claim under section 5(4)(a) is based on the sign VTEC in relation to vehicles and engines for vehicles. As I have already made a clear finding under s.5(2)(b) in the opponent's favour, for the sake of economy, I do not consider it necessary to also assess the claims under ss.5(3) and 5(4)(a).

## **OUTCOME**

31) **The opposition succeeds.**

## **COSTS**

32) As the opponent has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

|   |      |
|---|------|
| Preparing a statement and considering the applicant's statement | £300 |
| Official fee  | £200 |
| Preparing evidence  | £800 |
| Written Submissions   | £300 |

**Total:**

**£1600**

33) I order Vtecdirect UK Ltd to pay Honda Motor Co., Ltd the sum of **£1600**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 14<sup>th</sup> day of August 2019**

**Beverley Hedley**

**For the Registrar,**

**the Comptroller-General**