

TRADE MARKS ORDINANCE (Cap. 559)
OPPOSITION TO TRADE MARK APPLICATION NO. 300431838

MARK:



CLASS: 12

APPLICANT: HENDRICKSON INTERNATIONAL CORPORATION

OPPONENT: HONDA GIKEN KOGYO KABUSHIKI KAISHA (HONDA MOTOR CO., LTD.)

STATEMENT OF REASONS FOR DECISION

Background

1. On 2 June 2005, Hendrickson International Corporation (the “applicant”) filed an application (the “subject application”) under the Trade Marks Ordinance, Cap. 559 (the “Ordinance”) for registration of the following mark:-



(“the subject mark”).

Registration is sought in respect of the following goods in Class 12:-

Class 12

vehicle axle suspension systems; vehicle integrated axle and suspension systems;

vehicle auxiliary lift axle suspension; vehicle axle assemblies; vehicle leaf springs assemblies; vehicle bumpers; vehicle grill surrounds; vehicle headlight bezels; vehicle fairings; vehicle fenders; vehicle deflectors; vehicle bug shields; vehicle dashboard bezels; vehicle interior trim components; vehicle air springs; hanger brackets; shackles; shackle brackets; bolts; washers; locknuts; axle stops; spacers; shims; nuts; pins; axle wraps; axle beams; shock absorbers; steering arms; king pin connections; bearings; bushings; control rods; steering knuckles; yokes; tie rods; torque rods; trailing arm beams; axle seats; sway bars; vehicle brake assemblies; vehicle tire inflation systems.

2. Particulars of the subject application were published on 19 August 2005. Honda Giken Kogyo Kabushiki Kaisha (Honda Motor Co., Ltd.) (the “opponent”) filed a notice of opposition which includes the grounds of opposition (“Grounds of Opposition”) on 17 January 2006.

3. The opposition hearing took place before me on 25 January 2011. Mr. Philips B.F. Wong of Counsel, instructed by Haldanes, represented the applicant. The opponent did not appear at the hearing, but they filed submission on 19 January 2011 for the Registrar’s consideration.

Grounds of Opposition

4. In the Grounds of Opposition, the opponent opposes registration of the subject mark under sections 3, 11(1)(a), 11(4)(b), 11(5)(a), 12(2), 12(3), 12(4) and 12(5) of the Ordinance.

Counter Statement

5. The applicant filed a Counter Statement on 16 June 2006, denying all the grounds of opposition.

The opponent's evidence

6. The opponent's evidence comprises a statutory declaration of Mikio Yoshimi dated 1 December 2006 ("Yoshimi's statutory declaration"). Mr. Yoshimi is the Senior Manager and Representative Director of the opponent and has been associated with the opponent since 1980. He made the statutory declaration from his own personal knowledge and from the opponent's books and records to which he had access.

7. According to Mr. Yoshimi, the opponent is a joint-stock company incorporated under the laws of Japan, and has adopted the first initial of its company name as its original trade mark in its home country Japan since March 1964. The opponent has subsequently used different variations of the original trade mark, collectively referred to as the opponent's trade marks, and obtained various trade mark registrations of them in its home country. Exhibit "MY-1" to Yoshimi's statutory declaration contains copies of registration certificates of the opponent's trade mark registrations in Japan. The earliest registration was obtained in 1973, and three other registrations were obtained in 1984.

8. Mr. Yoshimi alleges that the opponent has also obtained registrations for its various marks in many countries. Exhibit "MY-2" to Yoshimi's statutory declaration contains copies of registration certificates in respect of the opponent's trade mark registrations in many different countries and places in the world.

9. The opponent also owns trade mark registrations in Hong Kong. Exhibit "MY-3" to Yoshimi's statutory declaration contains copies of printout from the search system of the Hong Kong Trade Marks Registry showing 4 trade mark registrations owned by the opponent.

10. Mr. Yoshimi alleges that the opponent has been using the opponent's trade marks in Hong Kong since 1965 in relation to the sale of motorcars. The opponent has marketed and sold motorcars in Hong Kong through its local distributor, namely, Reliance Motors Limited. Three showrooms addresses in Hong Kong are set out in

Yoshimi's statutory declaration.

11. Figures of the total sales volume of motorcars in Hong Kong bearing the opponent's trade marks are given in Mr. Yoshimi's statutory declaration for the years 1997 to 2005, in the range of 2,300 to 5,500 each year. Exhibit "MY-4" to Yoshimi's statutory declaration contains sample copies of purchase contracts between the opponent and Reliance Motors Limited over those years.

12. Mr. Yoshimi alleges that the opponent has extensively promoted the opponent's trade marks in Hong Kong by co-sponsoring the Miss Hong Kong Pageant from 1991 to 2004, advertising in newspapers, magazines and television, and participating in various car shows in Hong Kong between 2000 and 2005. Exhibit "MY-5" to Yoshimi's statutory declaration contains a copy letter dated 23 August 2006 from Television Broadcasts Limited to the opponent confirming the co-sponsorship of Miss Hong Kong Pageant, sample copies of advertisements in newspapers, magazines and pamphlets, a VCD capturing footage of the Miss Hong Kong Pageant in 2002 and 2004, pictures of the local distributor's showrooms and copies of contracts and other documents in relation to car shows in Hong Kong.

13. Advertising and promotion expenses in the HK\$3,871,000 to HK\$15,609,500 per annum range were given for the years 1999 to 2005. Exhibit "MY-6" to Yoshimi's statutory declaration contains sample debit notes of the advertising expenses for the year 2005.

The applicant's evidence

14. The applicant's evidence comprises a statutory declaration of James H. Colley dated 11 September 2007 ("Colley's statutory declaration"). Mr. Colley is the Secretary and Treasurer of the applicant and the Vice President, Treasurer, Secretary and Chief Financial Officer of the applicant's parent company, The Boler Company. He was duly authorized by the applicant and The Boler Company to make the statutory declaration, which was made from his own personal knowledge and from the company records to which he had access.

15. According to Mr. Colley, the Hendrickson Companies, which comprise the applicant and its other related companies engaged in similar business with the applicant, are one of the largest global suppliers of truck and tractor suspensions, trailer suspensions, truck and trailer lift axles, bumpers and trim components and springs to the commercial vehicle transportation industry. Founded in 1913 by a Swedish engineer in the United States of America, for over 90 years the Hendrickson Companies and their Hendrickson predecessors have developed a strong business relationship with customers that include original equipment manufacturers and fleets around the world. Mr. Colley alleges that the Hendrickson Companies are suppliers of suspension systems, springs or bumpers for more than 75 percent of heavy-duty trucks and trailers that roll off assembly lines in the United States of America, and also suppliers of such products for a third of all heavy-duty vehicles assembled anywhere in the world. Exhibit “EV-I” to Colley’s statutory declaration contains some pages of website printout from “Hendrickson-intl.com” giving some background information of the Hendrickson Companies.

16. It is alleged that the subject mark is the official company logo of the Hendrickson Companies, representing the applicant and the remainder of the Hendrickson Companies, and there is a precise requirement on their using the mark. Exhibit “EV-II” to Colley’s statutory declaration contains a usage guideline of the corporate logos of the Hendrickson Companies, which included the subject mark.

17. It is alleged that the letter “H” in the subject mark was adopted from the first initial of the company name Hendrickson. The subject mark has been used on virtually all of Hendrickson’s products and in the company documents and materials distributed throughout the world. Exhibit “EV-III” to Colley’s statutory declaration contains representative literature, such as sales bulletin, showing earlier use of the subject mark in 1981, 1984 and 1986.

18. There are other exhibits attached to Colley’s statutory declaration largely to show the success of the Hendrickson products:-

EV-IV – representative literature, such as pamphlets and brochure with product information, showing use of the subject mark on these materials.

- EV-V – an award certificate featuring the subject mark, this was allegedly award granted by the applicant or related company to vendors offering outstanding quality and service.
- EV-VI – search reports of the patents from the websites of the World Intellectual Property Organization and the European Patent Office in the name of the applicant and The Boler Company, showing numerous patents applications and grants, and the first pages of some of such patents.
- EV-VII – some press releases of the Hendrickson Companies as well as some articles extracted from industry magazines, relating to new technology and knowhow developed by the Hendrickson Companies.
- EV-VIII – copy certificate of trade mark registration issued by the Korean Intellectual Property Office dated November 2006.
- EV-IX – some pages of printout from the websites of the trade mark offices in the US, Japan and Canada showing data of the applicant’s and the opponent’s trade marks.
- EV-X – copies of printout from the search system of the Trade Marks Registry showing 2 trade mark registrations in Hong Kong which Mr. Colley alleges concern marks which co-exist with the opponent’s trade marks.

19. Mr. Colley alleges that a “first account” for the Hendrickson Companies was established in Hong Kong in January 2002, and he gave the annual sales figures within Hong Kong under the subject mark for the years 2002 to 2006.

20. The remaining part of Colley’s statutory declaration contains responses to and comments on Yoshimi’s first statutory declaration, which in the main consists of submissions. I do not propose to summarize them but would refer to the relevant

parts as and when appropriate.

Decision

21. Although the opponent had pleaded in the Grounds of Opposition a number of grounds which it would rely on to launch the present proceedings, namely, those under sections 3, 11(1)(a), 11(4)(b), 11(5)(a), 12(2), 12(3), 12(4) and 12(5) of the Ordinance, in its submission dated 19 January 2011 (“the opponent’s submissions”) filed for the Registrar’s consideration in lieu of its attendance at the hearing, the opponent has only relied upon section 12(3) for its case. I would therefore treat the opposition based on the other pleaded grounds as no longer being pursued by the opponent.

Section 12(3) of the Ordinance

22. Section 12(3) of the Ordinance provides as follows:

“(3) A trade mark shall not be registered if-

- (a) the trade mark is similar to an earlier trade mark;
- (b) the goods or services for which the application for registration is made are identical or similar to those for which the earlier trade mark is protected; and
- (c) the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”

23. Under section 7(1) of the Ordinance, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.

24. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the U.K. Trade Marks Act 1994, which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1998 of the Council of the European Communities (“the Council Directive”). In interpreting Article 4(1)(b) of the Council Directive, the European Court of Justice (“ECJ”) has formulated the “global appreciation” test, the principles of which can be found in the ECJ decisions in *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.





25. In essence, the test under section 12(3) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those differing elements, and taking into account the degree of similarity in the goods and how they are marketed. I must compare the marks at issue, having regard to the distinctive character of each and assuming normal and fair use of the marks across the full range of the goods within their respective specifications. I must do all of this from the standpoint of the average consumer for the goods in question.

26. The relevant date is the date the subject application was filed, viz., 2 June 2005.

Earlier trade marks

27. The term “earlier trade mark” is defined in section 5 of the Ordinance. References to an earlier trade mark shall be construed as including a trade mark in respect of which an application for registration has been made under the Ordinance and which, if registered, would constitute an earlier trade mark under or by virtue of section 5(1)(a), subject to its being so registered.

28. In paragraph 4 of the Grounds of Opposition, the opponent set out the following trade mark registrations in Hong Kong which it owns:-

Registration No.	Trade Mark	Class	Specification
2002B06006		12	vehicles; apparatus for locomotion by land, air and water, automobiles, motorcycles; turbines for land vehicles; parts and fittings for the aforesaid goods included in Class 12.
1969B1349		12	all kinds of land vehicles, their parts and accessories.
1984B2640		12	motor land vehicles and parts thereof and accessories therefor.
1998B09914		12	vehicles; apparatus for locomotion by land, air or water; all included in Class 12.

29. Although the opponent seems to intend to rely on a number of marks in launching the opposition, the above four marks are the only marks set forth in the Grounds of Opposition that meet the requirements of Rule 16(2) of the Trade Marks Rules Cap 559 sub leg (the “Rules”), which must be observed for the purposes of the notice of opposition. In Yoshimi’s statutory declaration, the same four marks are specifically mentioned as the variant versions of the original trade mark which the opponent had adopted from its company name and used in Japan since 1964.

Registration details of the four marks can be found at Exhibit “MY-3” to Yoshimi’s statutory declaration. As all the four marks bear an application date which is earlier than that of the subject mark of 2 June 2005, for the purposes of section 12(3), each of them is an earlier trade mark in relation to the subject mark and I will consider only these four marks.

30. In the opponent’s submissions, these four marks are referred to in two groups, namely, the opponent’s boxed H marks (comprising the trade marks under registration nos. 2002B06006 and 1998B09914) and the opponent’s H marks (comprising the trade marks under registration nos. 1969B1349 and 1984B2640), and the submissions do not distinguish between the two separate trade marks within the same group. Although there are some very minor differences between the marks which are put in the same group, I think these differences are such that the marks can be regarded as effectively identical for the purposes of the comparison test which I am going to discuss below.¹ For the following discussions, I would therefore adopt the same approach and terminologies as the opponent did in its submissions, and in making the comparison, I shall refer to any one of the marks according to the group in which it is placed and where appropriate, in the singular.

The average consumer

31. As the case law indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. The case-law also informs me that the average consumer is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods and services can, however, vary depending on what is being considered (see, for example, the judgment in *Inter-Ikea Systems BV v OHIM* (Case T-112/06)).

32. The goods at issue can be divided into two generalized categories, namely, (i) vehicles and (ii) vehicular parts and accessories, though the goods in the subject

¹ Mr. Philips Wong, counsel for the applicant, also took the view that the two boxed H marks are identical. For the two H marks, Mr. Wong made separate submissions in relation to each, though the points made are the same.

application are confined to the latter category. The category of vehicles is wide enough to encompass “apparatus for locomotion by land, air or water” in the specifications of the opponent’s boxed H marks because an apparatus for locomotion, like a vehicle, is, by definition, a medium of mobility, a device or equipment used for transporting persons or things.

33. The relevant public is comprised of members of the general public in Hong Kong interested in those goods. Whilst vehicles will be selected by members of the general public (whether for themselves or on behalf of the entities they work for) and local distributors, vehicular parts and accessories are goods which would usually be selected by those with specialist technical knowledge for the manufacture or maintenance of vehicles.

34. Nonetheless, whether it be purchasers of vehicles or purchasers of vehicular parts and accessories, they are for the most part likely to pay a high level of attention to the selection of the goods because the reputation for quality, safety and reliability of those goods should be of great concern to them – purchasers of vehicles would look for vehicles that are considered good and safe to drive, and purchasers of vehicular parts and accessories would have to ensure that the parts and accessories they choose, which would ultimately become components and fittings of vehicles, are of good quality and reliable, and fit for their respective purposes.

Comparison of goods

35. Vehicular parts and accessories, or the equivalent wording “parts and fittings (or accessories) for vehicles” as expressed in the specifications of the opponent’s boxed H marks and the opponent’s H marks, is a very broad term which will encompass a wide range of disparate goods. Those specific goods covered by the subject application are just part of the range.

36. In *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-133/05, at paragraph 29 the General Court said:

“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 the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)*)

[2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42.”

37. The comparison of the goods must concern the description of the goods covered by the marks at issue and not the goods for which the trade marks are actually used. In this connection, all the goods covered by the subject application can be described as vehicular parts and accessories, hence they fall within the more general category designated by the opponent’s boxed H marks and the opponent’s H marks.

38. In *Honda Motor Europe Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-363/06, at paragraph 22 the General Court said:

“As regards the comparison of the goods in question, the Board of Appeal was right to hold – and is not challenged by the applicant on this point – that the goods concerned are identical in so far as the goods covered by the application for registration, namely ‘vehicle seats and vehicle seat mechanisms and parts and fittings and accessories for these goods’, fall within a broader category, namely ‘components and spare parts for land vehicles’, covered by the earlier trade mark.”

39. I therefore consider that, based on the notional scope of the respective specifications, identical goods are in play.

Comparison of marks

40. According to consistent case law, in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural and conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer v Klijsen Handel*, paragraph 27).

41. In addition, the global assessment of the likelihood of confusion must, as

regards the visual, aural and conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (see *Sabel BV v Puma AG*, para 23; *Lloyd Schuhfabrik Meyer*, para 25; and the order in *P Matratzen Concord v OHIM* (Case C-3/03), para 29). In that regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) v Shaker di L. Laudato & C. Sas, Limiñana y Botella, SL* (C-334/05 P) [2007] E.C.R. I-4529 at [35] and the case law cited).

42. Whilst the comparison must be made by examining each of the marks in question as a whole, that does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *OHIM v Shaker* [2007] E.C.R. I-4529 at [41] and the case law cited). It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker* [2007] E.C.R. I-4529 at [42]).

Distinctive and dominant components of the opponent's H marks and the opponent's boxed H marks

43. The opponent's boxed H marks and the opponent's H marks each have a device resembling a letter H depicted in a particular stylized form (for convenience, I shall call this in the discussions below "the stylized H") as their prominent, if not the sole, feature, with the boxed H marks each having in addition a box-like border containing the stylized H.

44. Section 3(2) of the Ordinance, like section 1(1) of the U.K. Trade Marks Act 1994 or Article 2 of the Council Directive, confirms that a trade mark may consist of letters. Whilst there is no bar to the acceptance of single letters as trade marks, question may be asked over whether a plain letter H, without any other distinctive feature or stylization, is registrable as a trade mark. On this subject matter, there is the European Court of Justice case *Office for Harmonisation in the Internal Market*

(Trade Marks and Designs) (OHIM) v BORCO-Marken-Import Matthiesen GmbH & Co KG (C-265/09 P) [2011] E.T.M.R. 4, saying the following :-

“38 In relation, more particularly, to the fact that the sign at issue consists of a single letter with no graphic modifications, it should be borne in mind that registration of a sign as a trade mark is not subject to a finding of a specific level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the trade mark (*SAT.1 Satellitenfernsehen GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (SAT.2)* (C-329/02 P) [2004] E.C.R. I-8317; [2004] E.T.M.R. 80 at [41]).

39 It follows that, particularly as it may prove more difficult to establish distinctiveness for marks consisting of a single letter than for other word marks, OHIM is required to assess whether the sign at issue is capable of distinguishing the different goods and services in the context of an examination, based on the facts, focusing on those goods or services.

40 Therefore, in ascertaining whether the Fourth Board of Appeal of OHIM carried out an examination as to whether, on the facts, the sign at issue was capable of distinguishing the goods designated from those of other undertakings, the General Court correctly applied art.7(1)(b) of Regulation 40/94 .”

45. The above approach to assessing the distinctiveness of a single letter mark should apply, by implication, to assessing the distinctiveness of a single letter component in a composite mark. I therefore have to examine first, whether, on the facts of the present case, a letter H was capable of distinguishing the opponent’s goods from those of other undertakings.

46. In the present case, Mr. Philips Wong, Counsel for the applicant, accepted that the opponent’s marks (which as discussed involve the stylized H) bear no descriptive meaning in respect of vehicles, and for that matter I would add that the mark bears no descriptive meanings for vehicular parts and fittings or accessories either. But the very fact that a particular letter is not descriptive of the goods involved does not mean that the letter has strong distinctive character. A letter H, after all, is one of the letters of the English alphabet. It is highly unlikely that it could be monopolized by one trader in the vehicles and vehicular parts and accessories industries. In this connection, it is noted that one of the opponent’s H marks (the one under registration no.1984B2640) was registered, then under the old Trade Marks Ordinance, Cap. 43, with a condition that says registration of the trade

mark shall give no right to the exclusive use of a letter "H". As the stylized H is the sole element of that mark, a disclaimer of a letter H means that the trade mark is considered distinctive mainly because the letter H is presented with a distinctive stylization. By implication, it seems that the Registrar was then of the view that a letter H has very limited distinctive character.

47. Such a view is borne out by the facts that all along, the opponent's boxed H marks (and not the opponent's H marks) have mainly been used alongside the "HONDA" mark, as I shall discuss in more detail in paragraphs 59 to 66 and 69 below. This indicates that even the stylized H has no strong distinctive character to stand on its own to identify the opponent's goods. For the discussions immediately following below, I shall take that a plain letter H has only very limited distinctive character. It should be borne in mind, however, that in any event, the possibly weak distinctive character of an element of a complex mark does not necessarily imply that that element cannot constitute a dominant element since—because, in particular, of its position in the sign or its size—it may make an impression on consumers and be remembered by them (*Inex SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (Wiseman—Representation of a cowhide)* (T-153/03) [2006] E.C.R. II-1677 at [32]; see also, to that effect, *Avex Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (Ahlers (a))* (T-115/02) [2004] E.C.R. II-2907 at [20]).

48. Each of the opponent's boxed H marks is in fact the stylized H encircled by a four-sided border. Whilst a plain rectangular border is usually not considered distinctive, the border in the opponent's boxed H marks is stylistically something more than a plain rectangular border – it is in a shape like a trapezium but with curved line and round corners. In my view, both the stylized H and the stylized border are not strong distinctive elements, but it can be argued that the stylized H is the more distinctive and dominant component than the stylized border in the opponent's boxed H marks. Having said that, the border component is not to be overlooked in assessing the overall distinctiveness of the opponent's boxed H marks.

Distinctive and dominant components of the subject mark

49. The subject mark is also a letter H enclosed within a four-sided border.

Unlike the opponent's boxed H marks, the letter H is presented only in an ordinary way, whereas the four-sided border depicts a variety of stylized pattern – it is a broken-lined square with round corners.

50. As discussed above, a letter H presented in an ordinary or plain way has only very limited distinctive character. Nonetheless, given the relative size and positioning as the letter in the subject mark is, it may make an impression on consumers and be remembered by them. This is not to deny the distinctiveness of the border, which is square-shaped and composed of broken lines with round corners. I consider that the border has certain distinctiveness and can stand on its own, but visually it seems it is subordinate to the letter. I conclude that neither the letter H nor the border is able to dominate the subject mark, and that both cannot be overlooked.

Visual similarity

51. I have described the trade marks at issue above and examine the distinctive character of their individual components. However, the comparison for similarity must be made by examining each of the marks in question as a whole, as it was held in *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05P) [2009] E.T.M.R. 16, at paragraph 42, that “it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element”. As discussed above, none of the components in the marks at issue can be regarded as negligible.

52. As between the opponent's H mark and the subject mark, it is obvious that they are not visually similar because the stylized H, which is the sole component of the opponent's H mark, is wholly unlike the subject mark which comprises a plain letter H and a broken-lined border (and both cannot be overlooked). Even picking out the plain letter H in the subject mark and compare it to the stylized H, as the latter is considered distinctive due to the stylization which is lacking in the plain form of the letter, visually speaking the two letters are not similar either.

53. The comparison is more complicated as regards the opponent's boxed H mark and the subject mark. The fact that each of them is a composite mark made up of a letter H (stylized or not) enclosed within a four-sided border means that they

share a certain degree of similarity.

54. There are, however, significant differences between them, even between members within each set of corresponding components. Firstly, the stylized H, as discussed above, is clearly distinguishable from the plain letter H. Secondly, as regards the two border devices, both are four-sided with rounded corners, but this is as far as they go in terms of shared common feature. Given that one of them is like an irregularly-shaped trapezium, whilst the other is a broken-lined square, I am of the view that the two borders are not visually similar.

55. Visually speaking, taking each of the marks as a whole, the similarity resulting from their similar composition and arrangement is strongly mitigated by the presence of differences between their corresponding components. Thus, the overall effect is that there is a very low degree of similarity between the opponent's boxed H mark and the subject mark.

56. Aurally, the position favours the opponent more for the simple reason that devices such as the four-sided borders are unlikely to be articulated and pronounced by the average consumers. The result is that if oral reference has to be made of the marks, the single letter comes naturally to mind simply because it is the pronounceable component. Hence any of the marks in question will be referred to as "the H mark" (or "the letter H mark"); even for persons with great exactitude, at most "the boxed H mark" (or "the boxed letter H mark") might be used for the subject mark as well as for the opponent's boxed H mark. In either event, it points to high degree of aural similarity, though if the subject mark is referred to as "the boxed H mark" and the opponent's H mark simply as "the H mark", the degree of similarity would lessen as between those two marks.

57. Conceptually, the subject mark and the opponent's boxed H mark converge on the same composition and arrangement of the components – a letter H device enclosed within a four-sided border. But, just like the case of visual similarity, that point is counterbalanced by the very different stylization of the letter device and the border to such a considerable extent that only very low level of conceptual similarity can be said to be existing between the marks. Conceptually speaking, the overall effect is that there is a very low degree of similarity between the opponent's boxed H

mark and the subject mark, and even lower in the case between the H mark and the subject mark.

Distinctiveness of the opponent's registered marks

58. I must now assess the distinctive character of the opponent's boxed H marks and the opponent's H marks. A mark may be particularly distinctive either per se or because of the reputation it enjoys with the public. The more distinctive an earlier mark, the greater will be the likelihood of confusion (*Sabel BV v Puma AG*).

59. In determining the distinctive character of an earlier trade mark, I 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. 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 (*Windsurfing Chiemsee v Huber and Attenberger* [1999] E.C.R. I-2779; *Lloyd Schuhfabrik Meyer v Klijsen Handel* [1999] E.T.M.R. 690).

60. As I have analysed above, I do not find there is any components in the marks at issue that can be considered possessing strong distinctive character, nor can the combination of a letter H enclosed within a four-sided border be considered a strong distinctive feature. As far as the inherent distinctive character of these marks is concerned, I do not find them to be strong distinctive marks.

61. The opponent has submitted evidence said to be showing use of the opponent's marks, and claims that the distinctiveness of its marks is further enhanced because of the opponent's use of the same.

62. I have summarized the opponent's evidence at paragraph 6 to 13 above. The opponent adopted the first initial of its company name as its original trade mark in its home country Japan since March 1964, and this original mark as shown in Yoshimi's statutory declaration looks the same as the opponent's boxed H mark under registration no.1998B09914. The opponent's other boxed H mark and H marks were also shown and stated by Mr. Yoshimi to be the variations of the original mark. These marks were said to have been used in Hong Kong since 1965 in relation to the sale of motorcars. Registration of these marks had been sought and obtained in various jurisdictions of the world over the years, and in Hong Kong the earliest H mark was registered in the late 1960s whereas the earliest boxed H marks was registered in the 1990s.

63. Whilst on evidence there is no doubt that the opponent has enjoyed huge success in its motorcars sale in Hong Kong over the years, the opponent's case as presented in the opponent's pleadings and in Yoshimi's statutory declaration was couched in terms that did not distinguish between its boxed H marks and H marks, nor did it make it clear whether the boxed H marks and the H marks were the only marks used in that connection. Mr. Philips Wong commented on this and submitted that there is no evidence to show the manner as to how the opponent's marks had been used in relation to the sales of the opponent's motorcars, and hence no evidence to demonstrate that the distinctiveness of any of the opponent's marks has been enhanced through use in Hong Kong. I do not find the evidence as to be completely silent on this. There are materials in exhibit "MY-5" to Yoshimi's statutory declaration which I find to be of importance. The materials in the exhibit are the opponent's advertisements, car brochures and photos showing the local distributor's showrooms. As can be clearly seen on all these materials, the word "HONDA" had been consistently used either alone or together with the boxed H mark as the mark distinguishing the goods of the opponent (i.e., motorcars) from those of other undertakings. These revelations are important in that given the way the opponent's goods are advertised and referred, in reading the opponent's claims of success and prominence of use of its trade marks in relation to its goods in Hong Kong, including the goodwill and reputation implicit in the substantial sales figures and advertising and promotion expenses given in Yoshimi's statutory declaration, one has to be wary of attributing too much significance to the opponent's boxed H mark vis-à-vis the

“HONDA” mark.

64. Whilst I accept that the boxed H mark is used as a logo to be prominently displayed in the front and rear parts of vehicles sold by the opponent in Hong Kong – as evidenced by photos of opponent’s motorcars in advertisement, brochures, etc. – I do not believe that this alone would make the boxed H mark, which is not a strong distinctive mark, as important or significant as the “HONDA” mark in distinguishing the opponent’s goods from those of other undertakings when consumers make a purchase of the motorcars. The debit notes contained in exhibit “MY-6” refers to the motorcars of the opponent’s to be “HONDA-ACCORD”, “HONDA-ODYSSEY”, “HONDA-JAZZ”, etc. Photos of the showrooms of the opponent’s local distributor reveal that “HONDA” was displayed prominently inside and outside the showroom whilst the boxed H mark is at least not seen in those pieces of evidence. “HONDA” is after all a word mark which must be regarded as being of greater importance than the boxed H mark, and must contribute in a more significant way to the reputation and goodwill of the opponent’s motorcars.

65. Having said that, I do not lose sight of the long history of use of the boxed H marks on and in relation to the opponent’s motorcars, in particular, cars bearing the boxed H marks as a logo at the front and rear have been seen by the general public running on the streets every day over the years. The way the mark is used in conjunction with the “HONDA” mark as shown below, which are extracted from the car brochures exhibited, also helps the public to come to recognize the boxed H mark as coming from the opponent:-



66. All this shows that the relevant public had been educated over the years to perceive the boxed H marks as identifying the motorcars of the opponent’s from those of other undertakings. Bearing in mind that the opponent’s boxed H mark is inherently a mark of weak distinctive character, as far as the question of whether the mark has acquired an enhanced degree of distinctive character through use is concerned, I would hold that it has.

Likelihood of confusion

67. The global assessment that I am required to undertake implies some interdependence between the relevant factors. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa.

68. In the present case, having found that the parties' goods in Class 12 are identical, I find that visually and conceptually the marks are not similar, though aurally they are. Against these are my findings that the opponent's H mark is of weak inherent distinctive character but has acquired an enhanced degree of distinctive character through use.

69. It has been said that the more distinctive the earlier mark, the greater the risk of confusion (*SABEL*, paragraph 24). Marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20). I do not find the present one to be such a case. Although I have found that the opponent's boxed H marks has acquired an enhanced degree of distinctive character through use, given that it is inherently of weak distinctive character and that its enhanced distinctiveness was acquired through use alongside the "HONDA" mark, I find the boxed H mark has after all only a moderate degree of distinctiveness. In making the comparison between the boxed H mark and the subject mark, I bear in mind that each of them is a composite mark made up of a letter H (stylized or not) enclosed within a four-sided border, but this is as far as any similarity between them goes. As obvious from the discussions so far, none of the components in any of the marks has strong distinctive character, some could be said to be even of weak distinctive character.

70. How a tribunal like ours should approach the global assessment under such circumstances had been explored in the case *Digipos Store Solutions Group Ltd v. Digi International Inc* [2008] R.P.C. 24, though in a somewhat different context as the common element there is considered to be descriptive. The English Chancery Court

in that decision has the following observation:-

“...A weak mark is, in practice, likely to have a reduced scope because there is a lesser likelihood that other marks will be confused with it, if all that the respective marks have in common is the descriptive element. That, in turn, is because, as a matter of fact, the common element would not be thought by the average consumer to signal that the goods in relation to which the respective marks are used come from the same trade source, not because of any special approach under section 5(2)(b) to marks composed of descriptive elements: *Reed Executive* [2004] RPC 767 and *L'Oréal SA v OHIM* (Case C-235/05P) 27 April 2006.” (paragraph [42])

71. Going back to the present case, I have already come to the conclusion that the marks at issue can be readily distinguished at the visual and conceptual levels. As to the aural similarity, it stems, as I found, from the simple reason that the marks have a common convenient point of oral reference. But that common point of reference is something considered to be of weak distinctive character. I believe the argument about descriptiveness could apply equally to something which is considered non-distinctive. As said in *Reed Executive*, “Where you have something largely descriptive the average consumer will recognise that to be so, expect others to use similar descriptive marks and thus be alert for detail which would differentiate one provider from another.”

72. On the other hand, I also bear in mind what is said in *Air Products and Chemicals, Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (*OHIM*) (In Jointed Cases T-305/06 to T-307/06):-

“With regard to the weak distinctiveness of the common components and of the earlier marks as a whole, it should be recalled that the finding of a weak distinctive character for the earlier trade mark does not preclude a finding that there is a likelihood of confusion. While the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion (see, by analogy, *Canon*, paragraph 24), it is only one of a number of elements entering into that assessment. Even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (Case T-134/06 *Xentral v OHIM – Pages jaunes (PAGESJAUNES.COM)* [2007] ECR II-5213, paragraph 70; see, to that effect, Case T-112/03 *L'Oréal v OHIM – Revlon (FLEXI AIR)* [2005] ECR II-949, paragraph 61).” (paragraph [59])

73. Whilst it is conceivable that the marks' aural similarity alone could create a likelihood of confusion, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the marks at issue (see for example *Muhlen's GmbH & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-206/04 P) [2006] E.T.M.R. 57). Mr. Philips Wong submitted that vehicles and the subject goods (which I would characterize as vehicular parts and accessories) are seldom, if at all, sold orally, as such, less weight should be attributed to any phonetic similarity between the marks. There is no evidence or information whatsoever presented before me to indicate how vehicles and vehicular parts and accessories are sold. For vehicles, I can say with confidence that it is such kind of goods which are marketed in such a way that, when making a purchase, the relevant public usually also perceives visually the mark designating those goods. I put aside for the moment the argument that even if purchase were made for the opponent's motorcar aurally, it's "HONDA" rather than "boxed H mark" that will be used. The point about the importance of aural similarity in the purchase of vehicles had been canvassed in *Lancer Trade Mark* [1987] R.P.C. 303, a case authority referred to me by Mr. Philips Wong.

74. The *Lancer* case concerns an application to register LANCER as a trade mark for motor cars, which was opposed by the owner of various registrations of LANCIA for, inter alia, automobiles. The opponents' marks had been used in respect of low volume specialist motor cars. In the UK High Court, it was held that, although there was some degree of phonetic similarity between the marks, there was no real tangible danger of confusion between them even if the applicants should use their mark on specialist cars; the goods were expensive, and of a kind to which potential purchasers gave careful consideration before purchase. That decision was upheld by the UK Court of Appeal. In the Court of Appeal judgment, Fox L.J. said the following at page 325:-

"We are concerned here with the market in cars. A car is an expensive piece of equipment. Its purchase will usually be considered with some care, and will be assisted in a competitive market by an abundance of brochure literature. When considering risks of confusion, therefore, the purchase of a car is not to be equated with an everyday purchase over a shop counter. Nor is it likely to be purchased over

the telephone. LANCIA is a very well-known name, and the practical risks of confusion seem to me slight in the extreme.

(4) LANCIA assert that the phonetic similarity of the two words could be a source of confusion by mishearing. The example is given of cocktail party conversation denigrating the LANCER which is misheard as, or through ignorance confused with, LANCIA. The risk of such confusion or mishearing seems to me unlikely to survive the mechanism of purchase, for the reasons which I have already indicated, having regard to the nature of the goods.

It is said that the misheard denigration might stick in the mind and cause the hearer not to consider LANCIA at all thereafter. But it is not any confusion, the risk of which will base an opposition. There must be a real risk, and not just a fanciful one. And it must be a risk of confusion among a substantial number of persons.

It seems to me that, having regard to the three-syllable composition of LANCIA, and to the nature of the market, the cocktail party example of mishearing is no more than fanciful, and certainly is not likely to extend to a substantial number of persons.”

75. Although *Lancer* is a case decided under the old trade mark laws, I see no reason why the arguments therein discussed should not apply to the present case.

76. Similarly for vehicular parts and accessories, there is no evidence showing how these goods are to be sold. But as discussed above, I believe these goods to be usually selected by those with specialist technical knowledge for the manufacture or maintenance of vehicles. The fact that they would pay a high level of attention to the selection of the goods means that they would also pay high attention to the marks involved, so it's unlikely that they would rely only on oral reference, particularly if the mark is orally mentioned by reference to a single letter. Hence there is little real risk of confusion arising from aural similarity.

77. The evidence of the opponent established the reputation of the opponent only in respect of motorcars, there is nothing to suggest that the opponent also has reputation (or indeed any use) in relation to vehicular parts and accessories. On the

other hand, the applicant's evidence, as I have summarised under paragraphs 14 to 20, shows that the Hendrickson Companies, to which the applicant belongs, are one of the largest global suppliers of truck and tractor suspensions, trailer suspensions, truck and trailer lift axles, bumpers and trim components and springs to the commercial vehicle transportation industry and the subject mark has been used on virtually all of Hendrickson's products and in the company documents and materials distributed throughout the world. It is clear that the opponent and the applicant are engaged in quite different industries, though both can be said to relate to vehicles. Unless there is evidence, which I do not find in the present proceedings, showing that vehicular parts and accessories are generally sold by the same undertaking that manufactures vehicle or apparatus for locomotion, or the public generally expect the vehicular parts and accessories to be produced by the "original" manufacturer of the vehicle or apparatus for locomotion, the reputation or any enhanced degree of distinctiveness of any of the opponent's marks in relation to motorcars (assuming that this is attributable to the opponent's boxed H marks) could not assist the opponent's case as far as vehicular parts and accessories are concerned.

78. In conclusion, with regard to the global assessment of the likelihood of confusion between the marks in question, first, the marks at issue are visually and conceptually different; secondly, any aural similarity is unlikely to lead to any real risk of confusion, the view must be taken that the visual and conceptual difference is sufficient to counteract their aural similarity, with the result that the marks at issue are different overall; and thirdly, the identical goods concerned, namely, vehicular parts and accessories are such that they are usually selected by those with specialist technical knowledge for the manufacture or maintenance of vehicles and the level of attention paid to the selection of goods is high. It follows that, notwithstanding the identity of the notional goods concerned, the differences existing in this case between the conflicting marks are such that there is not a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them.

79. It follows that the ground of opposition under section 12(3) fails.

80. The opponent having failed in this only ground of opposition it eventually pursues, I do not see the need to deal with Mr. Philips Wong's submission on honest

concurrent use under section 13(1) of the Ordinance, which he put forward in case I should rule that the opposition under section 12(3) succeeds.

Conclusion

81. As the opponent has not succeeded in any of the grounds of opposition, I award the applicant costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either the opponent or the applicant makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4A) as applied to trade mark matters, unless otherwise agreed.

(Frederick Wong)
for Registrar of Trade Marks
12 July 2011