

IP HIGH COURT OF KOREA

SECOND DIVISION

DECISION

Case No. 2022Heo5881 Invalidation of Registration
(Trademark)

Plaintiff A

Delivered to:
CEO B
Counsel for Plaintiff AJU INTERNATIONAL &
PATENT GROUP
Patent Attorney in Charge Changchoon LEE
Subagent Patent Attorney in Charge Hyerin Lee

Defendant C Co. Ltd.

CEO D and E
Counsel for Defendant SHIN & KIM LLC
Patent Attorney in Charge Jongwoo LEE
Subagent Patent Attorney in Charge Jeongsik Kim
and Seoungmin Lee

Date of Closing Argument June 21, 2023

Decision Date July 14, 2023

ORDER

1. The plaintiff's claim is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

PLAINTIFF'S DEMAND

The IPTAB Decision on 2020Dang3136 on September 28, 2022, shall be revoked.

OPINION

1. Background

A. Defendant's Registered Trademark (Plaintiff's Exhibit 1)

1) Registration number/Filing date of application/Registration decision date/
Registration date: No. 1607108/May 17, 2019/March 30, 2020/May 19, 2020

2) Mark: **Hyundai Connect**

3) Designated goods: As per Appendix 1.

B. Plaintiff's Prior-registered Trademark (Plaintiff's Exhibit 4)

1) Registration number / Filing date of application / Registration date: No.
244689/November 12, 1990/July 24, 1992

2) Mark: **HYUNDAI**

3) Designated goods: As per Appendix 2.

C. Procedural History

1) The plaintiff filed an administrative trial to invalidate the trademark registration of the defendant's registered trademark (hereinafter the Registered Trademark at Issue) with the Korean Intellectual Property Trial and Appeal Board (IPTAB) on October 19, 2020 claiming that "the Registered Trademark at Issue falls under Article 34(1)7 of the Trademark Act in relation to the plaintiff's prior-registered trademarks (hereinafter, "the Prior-registered Trademar

k”¹⁾ and should therefore be invalidated.”

2) Accordingly, the IPTAB, after examining the case under Case No. 2020Dang3136, issued its decision on September 28, 2022, dismissing the plaintiff’s petition on the grounds that “the Registered Trademark at Issue is not similar to the Prior-registered Trademarks and therefore does not fall under Article 34(1)(7) of the Trademark Act.”

[Factual basis] Undisputed facts, statements in Plaintiff’s Exhibits 1 to 4 and videos, and purport of the overall argument

2. Summary of Parties’ Arguments

A. Plaintiff

The Prior-registered Trademarks are well-known and widely recognized, and the “Hyundai” portion of the Registered Trademark at Issue should be regarded as the distinctive part. Since the distinctive part of the Registered Trademark at Issue is identical or similar to the appearance, name, and concept of the Prior-registered Trademarks, and the designated goods of the both marks are also identical or similar, the Registered Trademark at Issue should be invalidated under Article 34(1)(7) of the Trademark Act.

B. Defendant

While the “HYUNDAI” mark itself is considered as well-known and widely recognized, such a mark is commonly understood by the general public as referring to “F” and is associated with numerous trade names and trademarks of various companies that include this mark. Consequently, general consumers typically perceive such trademarks as a whole to identify its source among the numerous “Hyundai+[suffix]” trademarks. Therefore, the Trademark at Issue and

1) While the plaintiff argued during the issuance of administrative decision that other prior-registered trademarks, in addition to the above prior-registered trademarks, were similar trademarks, in the present case, the plaintiff is claiming similarity only with the above prior-registered trademarks.

the Prio-registered Trademarks are not similar in terms of appearance, name, or concept and do not fall under Article 34(1)(7) of the Trademark Act.

3. Whether IPTAB Erred

A. Whether the Registered Trademark at Issue falls under Article 34(1)7- of the Trademark Act

1) Stand of Decision

For a trademark to fall under Article 34(1)7 of the Trademark Act, the “similarity” between trademarks means that, even though the two trademarks are not identical, they are proximate in terms of appearance, name, or concept, leading to ordinary consumers or traders to mistakenly believe, according to trade norms, that the goods originate from the same source when the trademarks are used for identical or similar goods. Furthermore, the determination of similarity between trademarks is a normative judgment made in terms of the Trademark Act, such as for deciding whether a trademark registration is permissible, as well as a legal evaluation that considers the essential function of a trademark, which is preventing “confusion about the source.” Thus, the similarity should not be determined merely by comparing the trademarks’ appearance, name, and concept, but by the consideration on whether there is a likelihood of confusion regarding the source of goods among general consumers or traders.

2) Method for Determining the Identity or Similarity Between the Registered Trademark at Issue and the Prior-Registered Trademarks

A) Established Facts

Based on the entirety of the statements of Plaintiff’s Exhibit 2 and 4, Defendant’s Exhibits 1, 2, 4, 5, 14 through 16, and 31, and 32 (including Exhibits with branching numbers, if any), in addition to the purport of the

overall argument, the following facts can be acknowledged:

(1) The so-called “former F” was a corporate group formed based on company “G” established around April 1946, and company “H” established around May 1947, becoming a large-scale corporate group that ranked first in domestic asset size among the corporate groups in Korea from 1977 to 2000. From 1999 to 2002, the former F underwent a process of separating its affiliated companies, resulting in I Co., Ltd., J Co., Ltd., K Co., Ltd., L Co., Ltd., M Co., Ltd., N Co., Ltd., and related affiliated companies being separated from the former F. Subsequently, these companies formed large-scale corporate groups centered around themselves, referred to as the so-called “pan-F,” which includes the L Group, I Group, J Group, K Group, and N Insurance Group.

(2) From 2001 to 2022, in the asset rankings of public disclosure corporate groups announced by the Korea Fair Trade Commission, the I Group and L Group consistently ranked within the top 10, while the K Group and J Group consistently ranked within the 20th to 30th range. As of 2020, the total number of the affiliates belonging to these groups amounted to 136.

(3) As of May 2022, among the “pan-F” corporate groups, approximately 73 affiliates use marks that include the “Hyundai” group mark, and there are around 3,600 registered trademarks incorporating the “Hyundai” group mark. These registered trademarks are individually owned and used by 47 companies. Among these “Hyundai” group trademarks, approximately 500 are registered for goods in the categories of computer software and telecommunication devices.

(4) The defendant, the holder of the Registered Trademark at Issue, is the holding company of the L Group. The Prior-registered Trademark was registered on July 24, 1992, by O Co., Ltd., a company affiliated with the former F. After O Co., Ltd. ceased its monitor business, some personnel from the monitor division established P Co., Ltd. (now Q Co., Ltd.) and acquired the

rights to the Prior-registered Trademark for certain designated goods. Subsequently, on January 18, 2019, the plaintiff acquired those rights. The plaintiff currently has no affiliation with the former F or the “pan-F” corporate groups.

B) Decision on This Case

Considering the facts acknowledged above in conjunction with the following circumstances, it is reasonable in this case to compare the entirety of the defendant’s registered trademark at issue with the prior-registered trademark when determining whether it constitutes a “similar trademark” as stipulated under Article 34(1)(7) of the Trademark Act. Conversely, it is difficult to justify the necessity of determining the similarity of the marks solely based on the “Hyundai” portion of the Registered Trademark at Issue as an appropriate conclusion of an overall observation.

(1) As of March 30, 2020, the registration decision date of the Trademark at Issue, the marks “현대,” “HYUNDAI,” or “Hyundai” had been used as group marks of the pan-F group for over 70 years. Therefore, it is reasonable to consider that these marks were widely recognized among general consumers as names referring to the pan-F group and its affiliates.

(2) Ordinary consumers and traders typically distinguish and recognize names such as Samsung, Hyundai, and LG as names or group marks for large-scale corporate groups. While such group marks are collectively used by dozens or even hundreds of companies, the companies within a large-scale corporate group often exhibit distinct business characteristics from one another. Consequently, while group marks strongly convey information about the corporate group as a whole, they are less persuasive in conveying information about the specific supplier of goods, i.e., the individual company responsible for the ultimate and specific source of the goods. Therefore, it is common for ordinary

consumers and traders to recognize the trade names and trademarks of companies within a large-scale corporate group as marks that combine the corporate group name with a designation indicating the specific business area of the individual company, which is reasonable when viewed in light of the source identification of trademarks.

(3) In this litigation, numerous companies affiliated with the pan-F group currently use trademarks combining “현대,” “HYUNDAI,” or “Hyundai” with designations indicating their specific business sectors, such as “L,” “I,” and “R,” in various industries including automobiles, IT, food, and machinery. Under these transactional circumstances, it is typical for general consumers to recognize the source of trademarks that include the corporate group name “현대,” “HYUNDAI,” or “Hyundai” from the entire trademark as a whole.

(4) Furthermore, considering the existence of numerous trademarks that include the “Hyundai” group mark and are registered for goods in the categories of computer software and telecommunication devices, which overlap with the designated goods of the Registered Trademark at Issue, it is difficult to conclude that general consumers would perceive both the Registered Trademark at Issue and the Prior-registered Trademark as indicating the same source solely based on the “Hyundai” portion.


(5) Meanwhile, from the functional perspective of a trademark’s capability to identify goods, even when observing a trademark as a whole, if a particular part is especially easy to draw the attention of consumers and independently serves to indicate the source of goods, such a part is referred to as the “primary part” that leads to the development of the legal doctrine to determine the similarity of trademarks based on this primary part. The legal doctrine of observing the primary part applies, when a specific mark has attained such a degree of recognition as a source identifier among general consumers or

traders of the designated goods, that even trademarks that slightly modify the primary part or include relatively minor addition of distinctive characters or figures can be deemed similar through primary part observation. This aims to protect the trademark holder who has built reputation around the widely recognized and well-known mark, as well as to protect the interests of general consumers or traders in relation to the reputation embodied in the mark. However, the trademark holder of the Prior-registered Trademark is a company completely unrelated to the Hyundai group. Moreover, it does not engage in business activities that have reputation associated with the “HYUNDAI” or “Hyundai” marks as recognized by general consumers or traders. Under such circumstances, directly applying the legal doctrine of primary part observation does not align with the underlying reasons for adopting this doctrine, as described above.

(6) The plaintiff, citing Supreme Court Decision 2015Hu1690, argues that the “Hyundai” portion of the Registered Trademark at Issue is widely recognized and well-known, and therefore, the legal doctrine of primary part observation should be applied directly, comparing only the “Hyundai” portion of the registered trademark with the plaintiff’s prior-registered trademark. However, the Supreme Court decision referenced by the plaintiff also declares that the principle of overall observation takes precedence in determining trademark similarity, and the legal doctrine of primary part observation may only be adopted when necessary to guide an appropriate conclusion of overall observation. Moreover, the decision explicitly states that in determining whether a specific component of a trademark constitutes the primary part, not only the recognition and prominence of the particular component but also transactional circumstances must be comprehensively considered. Thus, the plaintiff’s argument cannot be accepted. (Additionally, the Trademark Act provides grounds for

rejecting or invalidating trademark registrations beyond Article 34(1)7, including Articles 34(1)11 through 13, thereby establishing provisions to pursue the fundamental purposes of the Trademark Act, such as maintaining the business reputation of trademark users and protecting the interests of consumers in connection with marks related to large-scale corporate groups.)

3) Whether the Registered Trademark at Issue is similar to the Prior-registered Trademark

A) When observing the similarity between the Registered Trademark at Issue and the Prior-registered Trademark as a whole, the Registered Trademark at Issue consists of the English letters “Hyundai Connect,” while the Prior-registered Trademark consists of the uppercase letters “HYUNDAI,” with the letter “H” partially stylized as “.

Due to the differences in the composition of the letters and the combination with design elements, the visual appearances of the two marks differ.

B) In terms of name, the Registered Trademark at Issue is pronounced as “Hyundai Connect,” whereas the Prior-Registered Trademark is pronounced as “Hyundai,” concluding that the pronunciations of the two trademarks cannot be considered identical.

C) Regarding concept, while the Registered Trademark at Issue and the Prior-registered Trademark both include “Hyundai,” the Registered Trademark at Issue is combined with the word “Connect,” unlike the Prior-registered trademark. Thus, it is difficult to conclude that the two trademarks share the same or similar conceptual meaning.

B. Summary of Discussion

The Registered Trademark at Issue is not similar to the Prior-registered Trademark in terms of its mark, and therefore, it cannot be considered to cause misunderstanding or confusion regarding the source of goods. Consequently, there

is no need to further examine other requirements, such as the similarity of the designated goods, as the trademark does not fall under Article 34(1)7 of the Trademark Act. Accordingly, the IPTAB decision is consistent with the above analysis and shall be upheld.

4. Conclusion

The plaintiff’s petition to revoke the IPTAB decision is without merit and therefore dismissed. Judgment as ordered.

Presiding Judge	Jaheun KU
Judge	Hyejin LEE
Judge	Young Gi KIM

[Appendix 1]

List

Classification of Goods, Class 9: Computer software; computer software for ships; computer programs and software for marine telematics; computer software for construction equipment (for the remote control, maintenance, and management of construction equipment and for collecting and transmitting information on construction equipment and construction sites); communication apparatus and instruments for ships; data communication devices; communication devices connecting ships and land; devices for recording, transmitting, processing, and reproducing sound, images, or data; telemetry control apparatus and instruments for ships; telecommunication devices for construction equipment; remote control devices; remote monitoring devices; ship motion simulators; navigation apparatus for ships; black boxes for ships; information processing devices; equipment for connecting to computer communication networks; computer programs for remote access to computers or computer networks; and central processing units for processing information, data, sound, or images.

Classification of Goods, Class 42: Computer programming services for marine telematics; configuration of computer systems and networks for the remote control, maintenance, and management of construction equipment and for collecting and transmitting information on construction equipment and construction sites; configuration of computer systems and networks for the remote control, maintenance, and management of ships; configuration of computer systems and networks for collecting and transmitting information on ports and port equipment; development and maintenance of computer software for ships; online computer services for the remote control, maintenance, and management of ships; online computer services for the remote control, maintenance, and

management of construction equipment; computer system monitoring services via remote access; design of communication apparatus and equipment; design of computer hardware; technical consulting services related to electronics and telecommunications equipment; consulting services in office and workplace automation; design of computer systems for controlling ship mechanisms; consulting services in shipbuilding engineering technology; chart updating services; and research services related to construction machinery. End.

List

Classification of Goods, Class 39: Industrial X-ray machinery and equipment; seismic exploration machinery and equipment; ultrasonic detection devices; electronic calculators; electron microscopes; electronic copiers; robotic controllers; closed-circuit systems; electronic gaming devices; electronic typewriters; workstations; monitors; integrated circuits; tapes, diskettes, and disks containing computer programs; electronically operated vending machines; electronic anti-theft devices; vacuum tubes; diodes; and transistors. End.