

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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HEARINGS OFFICE



BUSINESS REGISTRATION DIVISION
OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Applications) TN-2010-6
for the Trade Names)
) DIRECTOR'S FINAL ORDER
"HAWAII SPCA", "HAWAII)
SOCIETY FOR THE PREVENTION)
OF CRUELTY TO ANIMALS")
_____)

DIRECTOR'S FINAL ORDER

On January 10, 2012, the duly appointed Hearings Officer submitted his Findings of Fact, Conclusions of Law, and Recommended Order in the above-captioned matter to the Director of the Department of Commerce and Consumer Affairs ("Director"). Copies of the Hearings Officer's recommended decision were also transmitted to the parties. Neither party filed exceptions to the recommended decision.

Upon review of the entire record of this proceeding, the Director adopts the Hearings Officer's recommended decision as the Director's Final Order and finds and concludes that Petitioner Oahu Society for the Prevention of Cruelty to Animals has not established by a preponderance of the evidence that Respondent Jennifer Kishimori's ("Respondent") use of the trade names, "Hawaii SPCA" and "Hawaii Society for the Prevention of Cruelty to Animals" is confusingly similar to its trade names, "Oahu SPCA" or "Oahu Society for the Prevention of Cruelty to Animals" or that Respondent's trade names are

substantially identical to “Oahu SPCA” or “Oahu Society for the Prevention of Cruelty to Animals”. Accordingly, the petition is hereby dismissed.

DATED: Honolulu, Hawaii: FEB 21 2012



KEALI'I S. LOPEZ, Director
Department of Commerce and
Consumer Affairs

Director's Final Order; In Re "Hawaii SPCA", et al., TN-2010-6.



DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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STATE OF HAWAII

In the Matter of the Applications) TN-2010-6
for the Trade Names)
) HEARINGS OFFICER'S
"OSPCA"; "OAHU SPCA", "HAWAII) FINDINGS OF FACT,
SPCA", "HAWAII SOCIETY FOR) CONCLUSIONS OF LAW,
THE PREVENTION OF CRUELTY) AND RECOMMENDED
TO ANIMALS") ORDER
)

HEARINGS OFFICER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND RECOMMENDED ORDER

I. INTRODUCTION

On June 3, 2010, Oahu Society for the Prevention of Cruelty to Animals ("Petitioner"), filed a petition requesting the revocation of the trade name registrations for "OSPCA", "Oahu SPCA", "Hawaii SPCA", and "Hawaii Society for the Prevention of Cruelty to Animals." The matter was scheduled for hearing, and the Notice of Hearing and Pre-hearing Conference was duly transmitted to the parties. On January 31, 2011, Respondent Jennifer Kishimori ("Respondent") filed a motion to continue the hearing. By order dated February 9, 2011, the motion was granted and the hearing rescheduled to May 26, 2011. Thereafter, the parties stipulated to continue the hearing to September 20, 2011.

On September 20, 2011, the hearing in the above-captioned matter was convened by the undersigned Hearings Officer. Petitioner was represented by Preston Gima, Esq. Respondent was present and was represented by her attorney, Michael G. M. Ostendorp, Esq.

At the commencement of the hearing, Respondent executed and presented Petitioner and the Hearings Officer with a Voluntary Cancellation of Trade Name. The cancellation was signed by Respondent and canceled Certificate of Registration No. 4082778 for the trade name, “OSPCA”, and Certificate of Registration No. 4082786 for the trade name, “Oahu SPCA”. The hearing proceeded as to the two remaining trade names.

Having reviewed and considered the evidence and arguments presented at the hearing, together with the entire record of this proceeding, the Hearings Officer hereby renders the following findings of fact, conclusions of law and recommended order.

II. FINDINGS OF FACT

1. Petitioner is a Hawaii non-profit corporation and has its principal place of business at 91-1839 Roosevelt Avenue, Kapolei, Hawaii.

2. Petitioner commenced doing business under the trade names, “Oahu Society for the Prevention of Cruelty to Animals” and “Oahu SPCA” in or about 2008 and has actively and continuously used the names to the present.

3. According to Petitioner’s bylaws, Petitioner’s goals are aimed at preventing cruelty to animals, to relieve their suffering, to encourage and provide no-kill solutions, to promote responsible pet ownership, and to work with other organizations having similar goals.

4. Petitioner does not use the trade names, “Hawaii Society for the Prevention of Cruelty to Animals” or “Hawaii SPCA” in connection with its operations.

5. In order to fund its operations, Petitioner has and continues to solicit donations and apply for various grants.

6. Petitioner’s representatives appear regularly on local television morning shows to publicize their services and accomplishments.

7. Respondent was a member of Petitioner’s board of directors up until April 2010 when she was removed from the board.

8. Respondent was issued Certificate of Registration No. 4082780 for the trade name, “Hawaii Society for the Prevention of Cruelty to Animals”, and Certificate of Registration No. 4082779 for the trade name, “Hawaii SPCA”, on April 12, 2010.

9. Respondent currently does business as Hawaii Society for the Prevention of Cruelty to Animals or Hawaii SPCA. Both names are used interchangeably.

10. Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA is aimed at rescuing animals and placing them out for adoption.

11. Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA does not publicize any of its services, solicit any donations or raise any funds to support its services, or maintain any business bank accounts.

12. Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA receives enough calls through word-of-mouth and does not want to become a large scale operation like the Hawaiian Humane Society.

13. Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA earns no income and incurs no expenses. Any expenses incurred for the care of the animals are the responsibility of the foster families who care for the animals on a voluntary basis.

II. CONCLUSIONS OF LAW

Petitioner has requested the revocation of the trade names “Hawaii SPCA” and “Hawaii Society for the Prevention of Cruelty to Animals” pursuant to the provisions of Hawaii Revised Statutes (“HRS”) §482-8(a) and (b). In order to prevail, Petitioner must prove by a preponderance of the evidence that there is a likelihood of confusion among consumers as a result of Respondent’s use of the trade names, or that the names are substantially identical to its registered trade names: Oahu SPCA or Oahu Society for the Prevention of the Cruelty to Animals.

The test for determining whether trade names are confusingly similar is “whether there is a likelihood of confusion in the mind of a reasonably prudent buyer.” *In re Kona’s Something Special, TN-84-4 (DFO August 8, 1984)*. “A likelihood of confusion exists when consumers would be likely to assume that the source of the products or services is the same as or associated with the source of a different product or service identified by a similar mark.” *Carrington v. Sears Roebuck & Company, 5 Haw. App. 194, 683 P.2d 1220 (1984)*.

In *In re Kona's Something Special*, the Director adopted standards for determining the likelihood of confusion, modifying the factors set forth by the Intermediate Court of Appeals in *Carrington*. The Director condensed the eight factors set forth in *Carrington* into six factors which are: 1) similarity of the names, 2) similarity of businesses, 3) channels of trade, 4) evidence of actual confusion, 5) respondent's intent in adopting the name, and 6) the strength of the name.

SIMILARITY OF NAMES

In *Carrington*, the Court articulated the test for evaluating the similarity of trade names:

The similarity of the marks is tested on three levels: sight, sound, and meaning (*citation omitted*). The marks are considered as they are encountered in the marketplace (*citation omitted*), and are examined as entities. Similarities are given more weight than differences (*citation omitted*). If the marks appear in conjunction with a clearly displayed name or logo of the manufacturer, there is less likelihood of confusion, although the marks might be similar. (*citations omitted*).

Additionally, in *In re "Hawaii Waterbed Warehouse"*; TN-78-4 (August 2, 1978), the Director held that in determining the similarity between contested trade names, the dominant portions of the names must be examined.

Here, each of the trade names at issue contains the core acronym/phrase, "SPCA" or "Society for the Prevention of the Cruelty to Animals". Petitioner, however, distinguishes its names by use of the word, "Oahu" at the beginning of its names while Respondent uses "Hawaii" at the beginning of her trade names. Moreover, Petitioner's trade names are accompanied by a logo depicting a dog and cat sitting on an island next to a palm tree. Respondent uses no similar logo in connection with her trade names. Consequently, the competing names do not appear to have similar looks and sounds.

SIMILARITY OF BUSINESSES

In *Carrington*, the Court explained:

If the goods on which the marks appear are similar in nature, there is a danger that the public will mistakenly assume an association between their producers or manufacturers. *(citation omitted)*. Therefore, where the goods are complementary, or are sold to the same class of purchasers, or are similar in use and function, a deceptive trade practice or trademark infringement may occur, even though the trademarks are not entirely similar. *(citations omitted)*.

Both Petitioner's and Respondent's operations are focused on providing animal rescue services involving taking in rescued animals and placing them out for adoption. Respondent runs a low-key, all-volunteer, word-of-mouth, operation. Petitioner maintains a staff and solicits donations through various sources to fund its operations. These considerations lead to the conclusion that while some similarities are present, those similarities are tempered by differences in the nature and scope of the respective operations.

CHANNELS OF TRADE, ADVERTISING, PURCHASERS

On the issues of channels of trade, advertising and class of prospective purchasers, the *Carrington* Court said:

Where the channels of trade, which are also known as marketing channels, are convergent, the likelihood of confusion is increased, *(citation omitted)*, and the evidence must be examined to determine whether the sales methods and marketing channels for the products are overlapping. *(citation omitted)*.

* * * *

Where the evidence indicates that the advertising methods are similar or are directed to the same or similar class of consumers, there is a greater likelihood of confusion. *(citation omitted)*.

* * * *

With respect to the class of prospective purchasers factors, the important inquiry is the cost of the respective products. Courts have held that there is less likelihood of confusion where products are expensive and, therefore, are purchased only after careful consideration of the products and their identifying marks. (*citation omitted*).

The record here established that Petitioner advertises its services to the public by appearing regularly on television and actively seeking funding from various sources in the form of grants and donations. On the other hand, according to the evidence, Respondent maintains a low-key, small-scale operation and, as such, does not advertise its services and does not solicit funds from any source. Any expenses incurred by the volunteers in the care of the animals are considered their “donation”.

ACTUAL CONFUSION

To establish actual confusion, the party alleging the trade name infringement must present strong, and not merely anecdotal, evidence. *Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1537 (9th Cir. 1989). Statements from acquaintances, friends or family are considered insufficient evidence to demonstrate actual confusion. *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 910 (9th Cir. 1995), *citing Norm Thompson Outfitters, Inc. v. General Motors Corp.*, 448 F.2d 1293, 1297 (9th Cir. 1971) (“Trademark law is skeptical of the ability of an associate trademark holder to transcend personal biases to give an impartial account of the value of the holder's mark). Moreover, evidence of actual confusion must be viewed in its evidentiary context. Confusion may not be causally related to the use of similar marks at all. For example, the courts have sometimes characterized evidence of actual confusion as mere “secretarial carelessness caused by a failure to check business addresses,” or due merely to “inattention and indifference,” or that misdirected mail and phone calls are caused by “mere carelessness” of the post office or persons looking in the phone directory. Evidence of actual confusion of a very limited scope may be dismissed as de minimus: “Probable confusion cannot be shown by pointing out that at some place, at some time, someone made a false identification.” A likelihood of confusion must be shown by more than an “occasional misdirected letter.” *McCarthy, 2 Trademarks and Unfair Competition* (1992) §23:2.

In bringing this action, Petitioner is primarily concerned over the possibility that potential donors may send donations intended for Petitioner to other organizations such as the American Society for the Prevention of Cruelty to Animals (“ASPCA”), the Hawaiian Humane Society¹, or to Hawaii SPCA and/or Hawaii Society for the Prevention of Cruelty to Animals. Petitioner’s representative testified that while Petitioner receives most of its donations, she has no doubt that Petitioner has lost donations to ASPCA due to confusion and the fact that Petitioner has been around for only 2 years. Petitioner, however, did not present any credible evidence to support her belief that donations have been lost to ASPCA let alone to *Hawaii SPCA* or *Hawaii Society for the Prevention of Cruelty to Animals*. On the contrary, the uncontroverted evidence proved that Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA receives no income and does not solicit any donations or grants to fund its purely-volunteer operation. Even Petitioner’s representative seemed to acknowledge that Hawaii Society for the Prevention of Cruelty to Animals/Hawaii SPCA cannot receive donations as it is not a registered nonprofit corporation. Finally, although Petitioner’s representative recalled a few occasions when donors may have expressed some confusion as to which organization to send their donations to or had mistakenly sent their donations to other organizations such as the Hawaiian Humane Society, the testimony was largely anecdotal, *de minimus* and of little relevance to the issues in this case. Under these circumstances, any claim of actual confusion is speculative at best.

ADOPTIVE INTENT

There was no credible evidence that Respondent adopted her trade names with the purpose of deceiving the public, capitalizing on Petitioner’s reputation, or otherwise creating confusion between Respondent’s and Petitioner’s businesses.

STRENGTH OF TRADE NAME

Finally, evaluating the strength of the trade name determines the level of protection that will be provided to a trade name. The appellate court in *Carrington* stated:

[A] strong mark is one which is distinctive and used in a fictitious, arbitrary and fanciful manner, and is entitled to the widest ambit of protection from infringing uses.

¹ Neither the ASPCA nor the Hawaiian Humane Society is affiliated with “Hawaii Society for the Prevention of Cruelty to Animals” or “Hawaii SPCA”.

A “descriptive” mark is one which tells something about the product and will only be protected where a secondary meaning is shown. Suggestive marks lie in between strong marks and descriptive ones and encompass marks which subtly connote something about the products with which they are associated. A suggestive mark is less distinctive than an arbitrary or fanciful mark, and is considered as a comparatively weak mark. However, it will be protected without proof of a secondary meaning. Descriptive and suggestive marks are considered weak marks and only where the marks are quite similar and the goods are closely related will infringement be found.

5 Haw. App. 203, 204 (citations omitted).

Applying the criteria used by the appellate court, the Hearings Officer concludes that the trade names “Hawaii SPCA” and “Hawaii Society for the Prevention of Cruelty to Animals” are best categorized as descriptive and as such, will only be protected where a secondary meaning is shown². The record, however, is devoid of any such evidence.

In consideration of the foregoing factors, the Hearings Officer concludes that Petitioner has not proven by a preponderance of the evidence that there is a likelihood of confusion as a result of Respondent’s use of Hawaii Society for the Prevention of Cruelty to Animals or Hawaii SPCA.

Petitioner also charges that “Hawaii Society for the Prevention of Cruelty to Animals” and “Hawaii SPCA” is substantially identical to its trade names, “Oahu SPCA” and “Oahu Society for the Prevention of Cruelty to Animals”. In determining whether the names are substantially identical, the Hearings Officer looks to Hawaii Administrative Rules §16-36-15. The rule, among other things, provides specific examples of “substantially identical” names and also requires the consideration of certain factors. However, Petitioner does not point to and the Hearings Officer cannot find any support in the rule for the conclusion that the names are substantially identical.

² Secondary meaning refers to the mental association in the buyer’s mind between the name and a single source of the product. Secondary meaning is acquired when the name and the business become synonymous in the public’s mind.

IV. RECOMMENDED ORDER

For the reasons set forth above, the Hearings Officer recommends that the Director of the Department of Commerce and Consumer Affairs find and conclude that Petitioner has not established by a preponderance of the evidence that Respondent's use of the trade names, "Hawaii SPCA" and "Hawaii Society for the Prevention of Cruelty to Animals" is confusingly similar to its trade names, "Oahu SPCA" or "Oahu Society for the Prevention of Cruelty to Animals" or that Respondent's trade names are substantially identical to "Oahu SPCA" or "Oahu Society for the Prevention of Cruelty to Animals". Accordingly, the Hearings Officer recommends that the petition be dismissed.

DATED: Honolulu, Hawaii, JAN 10 2012.



CRAIG H. UYEHARA
Administrative Hearings Officer
Department of Commerce
and Consumer Affairs

Hearings Officer's Findings of Fact, Conclusions of Law, and Recommended Order; In re OSPCA, Oahu SPCA, Hawaii SPCA, and Hawaii Society for the Prevention of Cruelty to Animals; TN-2010-6.