

Relative grounds for refusal

The new law marks a shift, in the determination of priority between competing marks, from the concept of first to use to the concept of first to file.

Objections to registration under section 12 can only be taken if the conflicting mark is an “earlier trade mark”.

The definition of an earlier trade mark, contained in section 5, is more easily understood if broken down into a practical approach.

When a mark is being examined and the search reveals a registered mark that is considered to be in conflict, the examiner must determine whether the conflicting mark qualifies as an earlier trade mark, for only if it does, can a citation be raised.

The determining factor rests on the respective priority dates claimed, if any. If no priority dates are claimed, then the registered mark is the “earlier trade mark”. If the later application has a priority date earlier than the priority date claimed by the registered mark, no citation can be raised, and if there are no absolute grounds for refusal, the application must be accepted and published.

This could lead to a situation where two identical marks get onto the register. The owner of the registered mark can oppose the new mark, and the owner of the second mark can bring invalidation proceedings (available after his own registration). However, there is no way that the Registrar can compel the parties to purify the register.

It may seem strange to allow two identical marks to be registered simultaneously but having identical marks for identical goods on the register is already possible where

there is honest concurrent use (section 13) or where the owner of the earlier trade mark or earlier right (section 12(8)) has consented to the situation.

That the Ordinance permits both marks to be simultaneously registered is confirmed by section 53(5)(a) which permits invalidation proceedings to be founded on a conflicting earlier trade mark. Such a mark can only be “earlier” pursuant to section 5(1)(a) (i.e. a registered trade mark).

An applicant may wish to overcome a citation of an earlier trade mark by way of revocation. However, a citation of an earlier trade mark which had been revoked may still be raised in an application for registration if the application for registration has an accorded filing date which is earlier than the effective date of revocation of the earlier trade mark.

See also chapters on Revocation of registration on grounds of non-use and Revocation of registration (including defensive, collective and certification marks) on grounds other than non-use.

If the search shows the conflicting mark is “pending” registration, and if registered would be an earlier trade mark according to the respective priorities claimed, the citation will be expressed as “conditional”. “Pending” includes published and opposed marks.

In practical terms the later application is suspended pending the fate of the one filed first in time. If the only reason the latter application does not meet the requirements for registration is a fatal conflict with an earlier pending trade mark, the applicant should be advised of the conflict. However, the advice must specifically not be an opinion issued under rule 13(1). This is to prevent triggering the “prescribed period” under rule 14 which may expire before the earlier pending trade mark is accepted or refused. If there are a number of reasons why the later mark does not meet the requirements for registration, matters other than the conflict with the earlier pending trade mark can be raised in the opinion issued under rule 13(1). The potential conflict with the earlier

pending trade mark must be raised separately as a caveat to registration if the other matters are resolved and specifically not as part of an opinion under rule 13(1). If the pending application is registered, it may then be a bar to the registration of the later application. If it does not get registered the later application can then go ahead.

If two or more applications, for identical or similar marks and the same or similar goods or services, have the same filing date or priority date, the applicants will be notified. Same date applications are not cited against each other because the relative grounds arise only where there is an earlier mark. Both applications will be allowed to proceed to registration, or to opposition. The rationale is that trade mark owners are likely to safeguard their rights, opposing each other where there is a likelihood of confusion. Conversely, if they do not oppose each other, it is assumed that they have consented to each other's registration. All applications converted to the new law, irrespective of the date of the application for conversion, will be same day applications (see section 11(3) of Schedule 5) and not cited against each other.

The search could also disclose an earlier trade mark which is an unrenewed mark whose registration has expired no more than one year before the application date of the later application. These conflicting marks will be cited unless we are satisfied that no use has been made of the mark in good faith, in Hong Kong in the two years preceding its expiry.

The fourth instance of an earlier trade mark is one, which at the date of the application for registration of the later mark or its claimed priority date, if any, is entitled to protection as a "well-known trade mark".

The "earlier rights" categories which may prevent registration of a later mark are only available in opposition proceedings and need not concern the examiner.

Having identified "an earlier trade mark", adopting the approach suggested in *Pfizer v Eurofood Link (UK) Ltd* [2001] FSR 17, it is necessary to work systematically through the section.

In applying the principles that follow, if the owner of the earlier mark consents to the new registration, and if it is not prohibited by any absolute grounds, it must be accepted under section 12(8).

Also, if the grounds for refusal refer to some of the goods or services only in the applicant's specifications, the refusal will apply only to those goods or services (section 12(7)). Each and every item in the specification must therefore be considered separately.

As the relative grounds refer to the goods or services for which the application is made, being identical or similar to those for which the earlier trade mark is protected, the search strategy for a trade mark relating to goods must include the similar services classes, and the search strategy for a service mark must include the similar goods classes.

Section 12(1)

Identical marks, identical goods or services

Here the prohibition to registration is absolute – there will be no further consideration of any likelihood of confusion.

What is an “identical mark”?

In *Philips Electronics NV v Remington Consumer Products* [1998] RPC 283 at 312 Jacob J. said a 3-D mark was not identical to a 2-D picture of it. Additionally, even if there is only a “slight” difference in the visual appearance, the marks are not identical.

In *IDG Communications Ltd's TM Appln* [2002] RPC 283 the court held that “DIGIT” was not identical to “digits” because of the absence of the letter “s”. The Hearing Officer did not decide whether notional fair use would include upper case, lower case or a combination of the two. In *Gananath Wimalal Ediriwira v The Baywatch Production Company* (unreported SRIS 0-051-01) Simon Thorley held that “BAYWATCH” was not identical to “BAYWATCH”.

The opposite conclusion was reached in *Bravado Merchandising Ltd v Mainstream Publishing Ltd* (“Wet Wet Wet”) (1996) FSR 205 where the Scottish court held that the same words in a different typeface were nevertheless identical.

Fair and notional use can be addressed along the following lines – JANE, Jane or jane would be identical. JANE’S would not be as a result of the additional letter and because the sense is now possessive.

We honour the dictionary meaning of “identical”. “Virtually identical” marks will be treated as “similar” according to the English authorities stated above. The practical effects are marginal as virtually identical marks are likely to cause confusion, which is the test for similar marks.

What are “identical goods”?

Some useful guidance can be obtained from *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281. The protection for the earlier mark is confined by its specification (section 12(1)(b)) and class. If the later mark would be registered in a different class to the earlier mark they are unlikely to be “identical goods”.

Additionally : “When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

So, although Robertson’s product, which the trade regarded as a “spread” could be used as a “dessert sauce” (British Sugar’s specification) and although British Sugar’s product could be used as a spread, they were not considered identical goods. If there is real doubt, the applicant may be asked to produce evidence of how the product is regarded in the trade (section 38(2)(e)). Where the product is placed on retailers’ shelves may also be relevant.

If section 12(1) does not apply, next consider sections 12(2) and (3).

Section 12(2) and (3)

Where the mark seeking registration is “identical” to an “earlier mark” but the goods or services are merely similar to those for which the earlier mark is protected, registration will only be refused if the use of the later mark in relation to its specified goods is likely to cause confusion on the part of the public.

The same test of “likely to cause confusion on the part of the public” applies where the later mark is merely “similar” to the earlier mark and the goods or services are either “identical or similar” to those for which the earlier trade mark is protected (section 12(3)).

However, to frame an objection, the sub-sections need to be kept separate.

What is the test?

The European Courts have formulated a “global appreciation” test in which likelihood of confusion is assessed on the basis of an overall consideration of the similarities (and dissimilarities) between the respective marks and goods/services. The essence of the test is the principle of interdependency between these contributing factors.

Under this test, a decision on whether there is or is not a likelihood of confusion is to be made having regard to the net effect of the similarities and differences between the marks and goods/services from the perspective of the average consumer. The test commends itself as providing a fairer reflection of consumer reaction in the marketplace.

Although sections 12(2) and (3) of Cap 559 each contains three sub-paragraphs, both sections 12(2)(c) and 12(3)(c) refer to “the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public”. The similarity of marks and the similarity of goods or services covered by the marks should therefore be taken together in deciding whether or not the use of the mark in question in relation to the applied-for goods and services is likely to cause confusion. Sections 12(2) and 12(3) are considered to be consistent with the interdependency principles followed in the European Courts. The Registry will, therefore, adopt the global appreciation test and would expect to broadly follow the now well-established European case law in this area. The latter is principally to be found in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR 77.

Is the trade mark similar to an earlier mark?

The familiar concepts of :

- first impressions

- marks to be compared as a whole, disregarding matters common to the trade

- aural as well as visual comparison

- doctrine of “imperfect” or “sequential recollection”

- importance of first syllable
- particularly with device or composite marks, the “idea of the mark” or conceptual similarity

will still be applied in assessing the similarity of the competing marks.

Global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.

Are the goods or services, judged item by item, identical or similar to the goods or services protected by the earlier mark?

The factors to be considered are :

- the nature and composition of the goods or services
- the trade channels through which they will reach the market
- the uses to which they will be put
- the users of the goods
- if sold in self-service outlets, where they will be positioned
- whether the respective goods or services are in competition with each other or are complementary.

See *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 296-7; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

Whether the use of the trade mark in relation to those identical or similar goods or services is likely to cause confusion on the part of the public?

The confusion to be addressed refers to confusion as to the origin of the goods or services in question.

“The public” is to be regarded as reasonably well-informed, reasonably observant and reasonably cautious. Customers today are often sophisticated due to travel and exposure to saturation advertising. Self-service is the norm rather than the exception. Carelessness or indifference should not to be regarded as synonymous with confusion.

Section 7 states that the assessment of “likelihood of confusion on the part of the public” includes the “likelihood of association” with an earlier mark. This is not an alternative ground – if the public, even though likely to make the association, is not confused with regard to source, there are no grounds for objection.

If these principles are correctly and sequentially applied, we expect fewer citations to be raised in the examination process.

Earlier mark registered subject to disclaimer

Under the old law, matter disclaimed from the earlier or applied for mark was not disregarded in assessing deceptive resemblance. In *Torremar Trade Mark* [2003] RPC 4, in which *PACO/PACO LIFE IN COLOUR Trade Mark* [2000] RPC 451 was referred to with approval, the Appointed Person said that objections under section 12

are conceptually indistinguishable from infringement actions under section 18 : they serve to ensure that trade marks whose use could be successfully challenged before the courts are not registered. It follows that an objection under section 12 should not be raised in a case where the resemblance between the marks in issue is attributable to nothing more than the presence in the earlier mark of an element for which protection has been disclaimed.

Section 12(4)

If an applied for mark is identical or similar to an earlier trade mark, that applied for mark shall not be registered if the earlier trade mark is entitled to protection as a well-known trade mark (section 4), and the use of the applied for mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.

Although section 12(4) refers to a mark proposed to be registered for goods or services which are *not* identical or similar to those for which the earlier trade mark is protected, the provision should be interpreted as covering also situations where the goods or services applied for are identical with or similar to those covered by the earlier trade mark, provided that the other requirements of the provision are satisfied. Such interpretation is adopted because section 12(4) cannot be given an interpretation which would lead to well-known trade marks having less protection when an applied for mark is used for identical or similar goods or services than where the applied for mark is used for non-similar goods or services (*Davidoff & Cie SA v Gofkid Ltd* (C-292/00) [2003] F.S.R. 28); *Adidas-Salomon AG v Fitnessworld Trading Ltd* (C-408/01) [2004] F.S.R. 21).

Section 12(4) is expressed to be subject to section 12(6), which provides that a trade mark may be refused registration on the ground under section 12(4) only if an objection on such ground is raised in opposition proceedings. Such ground therefore does not arise at the examination stage.

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