

FILE No. 411/76

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IN THE MATTER of the Trade Marks Ordinance

AND

IN THE MATTER of an Application by Dragon Furnishers Limited to register the word "HERCUFLEX" in class 20 in respect of aluminium slats and venetian blinds

AND

IN THE MATTER of an opposition by Hunter Douglas International N.V.

D E C I S I O N

of

Mr. A.H. Patel for the Registrar of Trade Marks

Hearing on 16th February, 1979

Mr. H. Porter of Messrs Deacons appeared for the Applicant

Mr. A. Liao, instructed by Messrs Hastings & Co. appeared for the opponents.

On 23rd March, 1976 Dragon Furnishers Limited of 69, Wongneichong Road, Ground Floor, Hong Kong (hereinafter referred to as "the Applicant") submitted through its authorized agents, Messrs Deacons, an Application to the Registrar of Trade Marks (hereinafter referred to as "the Registrar") for the registration in part A of the Register of the word "HERCUFLEX" in class 20 in respect of aluminium slats and venetian blinds.

The supporting statutory declaration made by Ho Sai Hei, a director of the Applicant on 15th March, 1976 stated that the applied for word mark "HERCUFLEX" had not hitherto been used by the Applicant either in a country or place other than Hong Kong, or in Hong Kong itself in respect of the goods mentioned in the application but that the Applicant intended to use it in Hong Kong if and when it is registered.

On 14th May 1976 the Registrar issued to the Applicant a notice to advertise pursuant to section 14 of the Trade Marks Ordinance and the mark

was pursuant to Rule 22 of the Trade Marks Rules, duly advertised in the Gazette of 4th June, 1976 at PN 1144.

On 27th July, 1976 Messrs Hastings & Co. wrote to the Registrar indicating that they had been instructed to act as the agent of Hunter Douglas International N.V. ("the opponents") in connection with their proposed opposition to the application and on 2nd April, 1977 a formal Notice of Opposition was duly delivered to the Registrar pursuant to section 15 of the Trade Marks Ordinance.

The grounds of opposition as set forth in the Notice of Opposition are as follows :-

- "1. We are the proprietors of the registered trade marks "FLEXALUM" No. 232 of 1950 in respect of "metal stock in coils, both flat and formed from which venetian blind slats are made"; "FLEXALUM" No. 233 of 1950 in respect of "venetian blinds"; "SUNFLEX" No. 1195 of 1958 in respect of "metal stock in coils both flat and formed from which venetian blind slats are made"; "SUNFLEX" No. 1196 of 1958 in respect of "Venetian blinds"; and "LUXAFLEX" No. 634 of 1970 in respect of "Construction and architectural components fabricated of sheet metal especially aluminium siding, ceiling and sun-louvres." (hereinafter referred to as "our trade marks").
2. We have used our trade marks in respect of the goods aforementioned extensively and continuously in Hong Kong and throughout the world and by reason of such use our trade marks are well known in Hong Kong and other parts of the world.

3. Our trade marks denote and have long denoted to the public and to the trade goods produced by us and distinguish and have long distinguished our goods from goods of other manufacturers and traders.
4. We are part of a group called the Hunter Douglas Companies, which manufacture venetian blind slat material which is formed into venetian blinds by assemblers and sold under the companies' trademarks with the FLEX component.
5. The premises, the "FLEX" series of marks have become distinguished of our goods.
6. The Applicants mark "HERCUFLEX" recited above bears a close visual resemblance of our trade marks and they are seeking registration in the same nature of goods as our trade marks. To the public and to those in the trade who are not articulate in the English Language, the Applicants' mark bears a resemblance to our trade mark.
7. The mark "HERCUFLEX" is a combination of "HERCU" and "FLEX". The latter is in fact the same in every aspect as the "FLEX" of our series of trade marks, and is therefore part and parcel of our trade marks. Registration of HERCUFLEX would lead people into thinking that it is a variation of our trade marks and that HERCUFLEX denotes goods from the same manufacturer and /or owner.
8. The inclusion in the Applicants mark HERCUFLEX of the component FLEX would clearly cause confusion among the purchasing public who would assume that the HERCUFLEX mark was another in a series of FLEX marks owned and promoted by us.
9. The Applicant Dragon Furnishers Limited is a past customer

of goods covered by our aforesaid trade marks. In the fact that the application for registration of the "HERCUFLEX" mark was made with full knowledge of the "FLEX" trade mark series of Hunter Douglas.

10. The Applicant's mark is so calculated to deceive and causes confusion that it is not registrable and will not be entitled to protection in Court of Justice."

The Counter-Statement filed by Messrs Deacons on behalf of the Applicant on 15th June, 1977 states as follows :

- "1. The trade mark which we are applying to register in this application does not so nearly resemble the said registered trade marks referred to in the Notice of Opposition dated 1st April, 1977.
2. The word "Hercuflex" which we are applying to register is not liable to be confused with the opponent's said registered trade marks "FLEXALUM," "SUNFLEX" and "LUXAFLEX" respectively. The words themselves are sufficiently different and distinct to avoid any probability of deception or confusion even if used for the same goods.
3. The only similarity between our said mark and those of the opponent referred to in the Notice of Opposition is the word "FLEX", being derived from the word "FLEXIBILITY" or "FLEXIBLE." It is submitted that "FLEX" is a descriptive term in respect of venetian blinds and that the "FLEX" series of marks referred to in the Notice of Opposition cannot become distinctive save in combination either with the prefixes "SUN" and "LUXA" in the case of "SUNFLEX" and "LUXAFLEX" or with the suffix "ALUM" in the case of "FLEXALUM" etc.

4. The word "HERCUFLEX" used by us is clearly derived from "HERCULES", being a Greco-Roman hero noted for his strength and also from "FLEXIBILITY" and the word "HERCUFLEX" is highly distinctive per se.
5. We do not admit the allegation contained in paragraph 6 in the Notice of Opposition and the Opponent is put to strict proof thereof.
6. Even if the Applicant was a past customer of the Opponent as alleged in paragraph 9 in the Notice of Opposition, we contend that this is irrelevant in so far as no likelihood of confusion between the Applicant's "HERCUFLEX" and those of the opponent's "FLEXALUM", "SUNFLEX" and "LUXAFLEX" marks is concerned.

The opponents' evidence consists of a Statutory Declaration made on 15th April 1978 by Mr. J. Hanseler, the President of the Opponents, and a Statutory Declaration made on 24th May, 1978 by Mr. Baldwin Kwok Learn Wong, Director of Hunter Douglas (Asia) Limited, which is described as the branch office in Hong Kong, of the opponents.

There are two points which I think I should deal with before proceeding to a consideration of the comparison of the marks involved in this case, the first is that at the hearing, Mr. Porter conceded that there is no doubt that "FLEX" is descriptive but contended that the quality of flexibility is adapted and flexible in that sense is suitable for decor and for environment to denote that the goods in question are flexible yet strong. Mr. Liao in my view quite properly did not deal with this aspect in his submissions as I consider that the Hearing was not a proper forum for consideration of the registrability of the opponents' already registered marks.

The second point is the question of the section of the Ordinance on which the opposition to the registration is founded. Mr. Liao stated at the hearing and which Mr. Porter did not dispute that the opponent's objections were founded on sections 12(1) and 20 of the Ordinance stressing that the main objection was on the former of the two. Mr. Liao further referred me to paragraph 4-37, page 64 in "Kerly's Law of Trade Marks and Trade Names" Tenth Edition (hereinafter referred to as "Kerly") and stated that the opponents' objections are in three categories as follows :-

"(i) That the mark applied for is identical with a trade mark already on the Register with respect to the same goods or the description of goods or so nearly resembles such a mark as to be likely to deceive or cause confusion (Section 12(1))

(ii) That by reason of the reputation acquired by some mark already in use, use of the mark sought to be registered would be deceptive or confusing and "so disentitled to protection in a Court of Justice (section 11)"

(iii) That the conduct of the Applicant, or the nature of the mark or of its use, is such that the Registrar should in his discretion refuse the application."

The Applicant chose not to submit evidence by way of Statutory Declaration and Messrs Deacons wrote accordingly to the Registrar on 26th October, 1978.

In his Declaration, Mr. Hansler states inter alia, that the opponents as a group are proprietors of registrations of the trade marks "FLEXALUM", "SUNFLEX" and "LUXAFLEX" in numerous countries throughout the world the earliest user being shown of "FLEXALUM" mark in the United States on 3rd December, 1945 and in Hong Kong on 11th April, 1948. He also stated that the opponents have registered and promoted other trade marks bearing the "FLEX" component such

as "ALUMFLEX"; "FLEXALUM EVITALUZ", "MINIFLEX" and "CEILOFLEX".

Mr. Wong in his Declaration states that his company has dealt with "Venetian blind slat material and venetian blinds bearing the "FLEX" marks since 1950 and has set out the following cash turnover of the goods manufactured and marketed by the opponents in Hong Kong bearing marks with "FLEX" components:

<u>YEAR</u>	<u>ANNUAL TURNOVER</u>
1969	HK\$1,284,400.00
1970	1,050,700.00
1971	1,477,250.00
1972	2,090,000.00
1973	1,495,300.00
1974	959,500.00
1975	438,900.00
1976	278,766.00
1977 (up to Sept.)	589,902.00

The opponents have advertised their goods bearing "FLEX" marks in Hong Kong and Mr. Wong gives the following figures of such expenditure :

<u>YEAR</u>	<u>ADVERTISING EXPENDITURE</u>
1973	HK\$ 6,422.79
1974	16,927.97
1975	6,009.60
1976	16,240.00
1977 (up to Sept.)	22,720.00

Having regard to the number of years over which goods bearing the opponent's marks, "FLEXALUM", "SUNFLEX", and "LUXAFLEX" have been sold in Hong Kong and the facts that the sales and advertising of the goods appear to have been fairly substantial and further that such is not put at issue by the Applicant, I consider that the opposition must be considered under both sections 12(1) and 20 of the Ordinance. The questions to be answered under the

corresponding sections 11 and 12(1) of the Trade Marks Act 1938 were authorita-
tively summarised in Smith Hayden & Co. Ltd.'s Application (1963) 63 RPC 97
by Evershed J. at page 101 and are reproduced in Kerly's at 10-02 (pages 172-174).

I consider that the one point to be decided is whether the Applicant's
mark "HERCULEX" and the opponents' marks "FLEXALUM", "SUNFLEX" and "LUXAFLEX"
(hereinafter referred to as "the opponents' registered marks") are to be used
on the same goods or goods of the same description. The matters to be taken
into account in considering this question are set out in Jellinek's Application
(1946) 63 RPC 59 and are repeated in Kerly 10-12 (page 182). However, I do
not think that in this case there is any difficulty in deciding that the goods
covered by the applied for mark ("Aluminium slats and venetian blinds") are
the same as those covered by the opponents' registered Trade Marks Nos. 232 of
1950, 233 of 1950, 1195 of 1958 and 1196 of 1958 and are of the same description
in so far as opponents' registered Trade Mark No. 634 of 1970 is concerned;
since at the hearing upon submissions being made by Mr. Liao in this regard,
it was agreed by Mr. Porter that there was no dispute as to the description
of the goods.

I also consider that there is no difficulty on the question of the
onus of proof which as Mr. Liao pointed out and Mr. Porter agreed, rests upon
the Applicant. On this aspect, Kerly states at 10-06 on page 176, "It is well
settled that the onus of proving that there is no reasonable probability of
deception is cast on an Applicant for registration of a mark," Kerly further
goes on to state in the following sentence, "The onus is heavier on an Applicant
when a mark is new and no trade has been established in it provided, at least,
where the opponent's mark is old. "Mr. Porter however maintained that such

onus of proof has been discharge by the Applicant.

At the hearing, Mr. Porter reminded me that the Registrar had not cited any of the opponents' registered marks as conflicting with the Applicant's applied for mark. He argued that it was significant that in the opposition, no significance has been attached to phonetic and visual similarities in the Applicant's mark with those of the opponents' registered marks. He claimed that the "HERCU" part in the Applicant's mark is the most important part and has been clearly derived from the Greek mythological character "Hercules" (described in Webster's Third New International Dictionary at page 1058 as "Greco-Roman mythological hero noted for his great strength and for having accomplished twelve gigantic tasks imposed upon him") whilst the "FLEX" (described in Webster's Third New International Dictionary at P.869 as "to bend esp. repeatedly so as to form folds in" - "short for flexible") part in the Applicant's mark is internationally used to describe the goods in the manner which is particularly suitable to describe the nature of the goods and further that it is not open to the opponents to have monopoly over the "FLEX" part which is the principal element of their registered marks.

Mr. Liao for the opponents argued to the general effect (a) that the principles laid down in decided cases showed that the mark applied for should be refused because there is a danger of confusion with the opponents' registered marks and (b) that the "FLEX" component of the mark is deliberately chosen by the Applicant so as to be associated with the opponent's series of registered marks and such inference is almost irresistible in view of the Applicant's previous relationships with the opponent.

In those proceedings neither party has placed any evidence before me and I am faced with the problem of deciding myself whether there is any possibility of confusion. The test was best summed up by Mr. Justice Parker in a case involving the comparison of two words in Pianotist Co. Ltd.'s

application (1906) R.P.C. 774 at P. 777 where he said :

"You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

The rules for comparison of words alleged to have deceptive resemblance are further set out in chapter 17 of Kerly.

The first important question is "who are the people whom the mark must be calculated to deceive." In Kerly, 17-05 (pages 453 and 454) the answers given by the courts in past cases are summarised as, "All of those who are likely to become purchasers of the goods upon which the marks are used, provided that such persons use ordinary care and intelligence."

At 17-06 (page 454) Kerly states :

"It is clearly not enough to show that retail dealers buying goods for resale would not be deceived, since they might themselves fraudulently or carelessly make use of the ambiguous character of the trade mark to deceive their customers, the ultimate purchasers."

In this case, I think that the persons most likely to be confused are furnishers and people connected with building materials and allied trades who would be led to believe that the goods bearing the Applicant's mark "HERCUFLEX" emanate from the opponents whose registered marks have by long years of user become known to them. With regard to the public, that is, a

very large cross-section of the community, I consider that in the context of Hong Kong environment in the particular field of business in which both the Applicant and the opponents are engaged, much reliance is likely to be placed by a considerable cross-section of the community on the recommendations of a supplier who has undertaken to carry out the furnishing or fitting out work so that the scope of deception is not entirely eliminated, for even if furnishers, wholesalers or retailers likely to deal in the goods in question exercised ordinary care and intelligence expected of them, the same in my view is not necessarily likely in the case of public at large who do not always purchase goods such as venetian blinds "over the counter", so to say.

Having decided on the persons to be considered the second important question which Kerly states I must consider is "what amount of resemblance is likely to deceive". Kerly points out at 17-07 (page 455) :

"As Lord Cranworth said in *Seixo-provezende* "What degree of resemblance is necessary is from the nature of things incapable of definition a priori".

As stated earlier, Mr. Porter contended that the most important part of the Applicant's mark "HERCUFLEX" is the "HERCU" part. Whilst this might not be an entirely untrue observation, I consider that the mark "HERCUFLEX" when viewed and compared as a whole with the opponent's registered marks in particular, "SUNFLEX" and "LUXAFLEX" are likely to confuse in that the goods bearing such marks emanate from one and the same source. In so holding, I have support in British Lead Mills Ltd.'s Application 1958 R.P.C. P. 425 in which British Lead Mills Ltd. applied to register the mark "Welloy" in respect of "cast rolled and extruded alloys of tin and lead." Wellworthy Ltd. opposed under section 11 on ground that they were the proprietors of Registered Trade Marks "Wellworthy" "Welflex" and "Welcrom" in respect of goods which included inter alia "metallic alloys" and also on the ground that they had used the name

"Wellworthy" as a house mark and under section 12(1) by reason of the prior registration of the Trade Mark "Walloy" in respect of "alloys containing lead", the lead predominating in the name of Walker Steel Works Ltd. In his decision, the Assistant-Comptroller stated at page 425 "It is true that the opponents have sold only very small amounts of their alloys and that the trade marks which they have applied to their alloys do not have the prefix "wel" (eg. "Lymalloy"). Moreover their products are sold to a specialised public well versed in engineering matters. Nevertheless I am of the opinion that "Mr. Shaw's proposition" that the word "Welloy is a word which in the mind of the public would indicate wellworthy "alloy" unless the alloy in question was of a nature so remote from the opponents existing or probable activities that Wellworthy Ltd. would not come into the "picture at all" is well founded. It is, in my opinion, a reasonable conclusion to which members of the public might well come"

That the "FLEX" part in the opponent's registered marks is common to their marks including the unregistered marks, "ALUMFLEX", "FLEXALUM EVITALUZ", "MINIFLEX" and "CEILOFLEX" has not been denied by the Applicant who has nevertheless claimed that this fact alone should not permit the opponent to have monopoly over "FLEX". I do not think that this is the case here. Every case must be regarded on its own merits by comparing the marks as a whole and the fact that I may refuse registration of "HERCUFLEX" does not in any way mean that I shall be bound to refuse all, or any, other marks containing "FLEX". The point was dealt with in the Accutron T.M. (1966) R.P.C. 152 and the dicta of Harman L.J. are quoted in Kerly at 17-19 (page 467) :

"It is not right to pull the word to pieces,
ACCU- for one part and - IST and - LARM for
the other part, next to argue that ACCU reminds
you of "accurate", no matter what the suffix, and

to conclude that the upshot will be a monopoly
in the natural word."

Russell L.J. stated in the same case on page 158 of the Report :

" Every case must be looked at, it appears to me,
on its own, and I entirely agree that the Applicants
failed to establish that their trade mark would not
be a cause of relevant deception or confusion, nor
is that conclusion to be denied by saying that the
result will be that some, or maybe many other words
beginning with the letters ACCU - will be under the
same disability."

I think that the following extract from Kerly 17.08 (pages 456-458)
is very relevant and I found it particularly helpful in reaching a decision
in this case :

"Two marks, when placed side by side, may exhibit many
and various differences, yet the main idea left on
the mind by both may be the same. A person acquainted
with one mark, and not having the two side by side for
comparison, might well be deceived, if the goods were
allowed to be impressed with the second mark, into a
belief that he was dealing with goods which bore the same
mark as that with which he was acquainted. Thus, for
example, a mark may represent a game of football; another
mark may show players in a different dress, and in very
different positions, and yet the idea conveyed by each
might be simply a game of football. It would be too much

to expect that persons dealing with trade-marked goods and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant details than by any photographic recollection of the whole. Moreover, variations in details might well be supposed by customers to have been made by owners of the trade mark they are already acquainted with for reasons of their own.

When the question arises whether a mark applied for bears such resemblance to another mark as to be likely to deceive, it should be determined by considering what is the leading characteristic of each. The one might contain many, even most, of the same elements as the other, and yet the leading, or it may be the only, impression left on the mind might be very different.

On the other hand, a critical comparison of two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same. Thus it is clear that mark is infringed if the essential feature, or essential particulars of it, are taken.

I think that if the Applicant's mark "HERCUFLEX" is considered critically side by side, with each of the opponents' registered marks, various points of difference in each case can be seen. I must, however, as Kerly points out at 17-08, consider the ideas of the marks. In doing so, I conclude

that the essential feature is the "flex" element of the goods on which the marks are applied. And this indeed is also the general idea conveyed by the Applicant's mark.

The result of my consideration of the points made in paragraph 3 of the Applicant's counter-statement is therefore that I must regard the Applicant's mark and the opponents' registered marks as a whole and not disregard or play down the importance of the common element of "FLEX".

I am bound to say that neither the Applicant nor the opponents submitted any evidence that "FLEX" is common to the trade and is commonly used in the trade in which both the Applicant and the opponents are engaged and I am accordingly to conclude that no special consideration of this aspect arises.

Mr. Wong in his Statutory Declaration at paragraph 10 has stated that the Applicant had been one of opponents' commercial representatives in Hong Kong since 1966 and has exhibited as "BKWLW - 5" correspondence to substantiate his such statement which has not been denied by the Applicant who has nevertheless contended in paragraph 6 of his counter-statement that this fact is irrelevant in so far as no likelihood of confusion between the Applicant's mark and those of the opponents' registered marks is concerned. I do not accept this contention for in the words of Mr. Justice Parker in the Pianotist Co. Ltd.'s application referred to hereinbefore, I "must consider all the surrounding circumstances" and I "must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks." Accordingly it seems evident to me from Exhibits "BKWLW - 4" and "BKWLW - 5" of Mr. Wong's Statutory Declaration that the Applicant was in fact a past customer of the opponents in a representative capacity and that such relationship was terminated by the opponents by their letter dated 28th February, 1975 addressed to the Applicant and

attempts to reinstate on the same footing had been futile.

Bearing in mind all the considerations referred to above and having given careful considerations to the evidence before me and the submissions of Mr. Partor and Mr. Liso, I have come to the conclusion that there is a likelihood of confusion between the Applicant's mark "HERCUFLEX" and the opponents' registered marks. The onus is on the applicant to convince me that there is no reasonable probability of deception and Kerly states at 10-06 (page 176) that the onus is heavier on an Applicant when a mark is new, as "HERCUFLEX" was at the date of application for registration. I cannot accept that the Applicant has discharged this onus and accordingly refuse the application.

As no use of the Applicant's mark "HERCUFLEX" had taken place before the date of the application for registration, consideration of the mark under section 22 of the Ordinance, "honest concurrent use" does not arise.

I find that the opponents are entitled to costs, that any representations which either party may wish to make as to the amount of these costs will be considered if received within 21 days from the date of this decision and that failing such representations or subject to any representations calling for special treatment, costs will be calculated on the usual scale.

AH
(A. H. Patel)
Senior Solicitor
8th April, 1981