



IN THE MATTER of the Trade Marks Ordinance

AND

IN THE MATTER of an Application by

Mr N.J. Chulani and others trading as  
Carlton Enterprises to register the word  
"CORONA" in respect of radios, tape  
recorders, etc. in Class 9 in Part A of  
the Register

AND

IN THE MATTER of an Opposition by

SCM Corporation

**D E C I S I O N**

of

Mr P. Murphy, acting for the Registrar of Trade Marks.

Hearing on 26th February 1980.

Mr N.J. Chulani represented the Applicants.

Mr R.I. Campbell of Messrs Johnson, Stokes & Master appeared on behalf of the  
Opponents.

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On 24th June 1976 Mr Nihalchand Javhermal Chulani and others trading as  
Carlton Enterprises, Importers & Exporters and Manufacturers' Representatives, of  
802 Queen's Building, 8th Floor, 74 Queen's Road Central, Hong Kong (hereinafter  
referred to as "the Applicants") submitted an Application (Form TM No. 5) to the  
Registrar of Trade Marks (hereinafter referred to as "the Registrar") for the  
registration in Part A of the Register of the word "CORONA" in Class 9 in respect

of "radios, tape recorders, cassette tapes, cameras, calculators, scientific, nautical, electrical, photographic, cinematographic, measuring, coin or counter-freed, fire extinguishing apparatus and instruments and walkie-talkies, cash registers, etc."

The supporting statutory declaration (Form TM No. 4) made by the said Mr N.J. Chulani on 24th June 1976 stated that the trade mark had been used by the Applicants in respect of the goods mentioned in the Application since 1967 in the U.S.A., Spain, Libya, Middle East, Europe, West Germany, the Far East and Japan and since 1967 in Hong Kong. It also stated that the trade mark was at the time of the declaration registered in Hong Kong under Registration No. 917 of 1967 in respect of "transistor radios", but not registered anywhere else.

During subsequent correspondence between the Registrar and the Applicants, it was agreed that the specification of the goods in the Application should be amended to read: "Radios, tape recorders, cassette tapes, walkie-talkies, calculators, scientific, nautical, photographic, cinematographic and measuring apparatus and instruments; electrical apparatus and instruments, but not including electric lighters for smokers". On 27th April 1977 the Registrar wrote to the Applicants granting consent to an advertisement of the Application in the Gazette, subject to the condition that the trade mark was to be associated with the said Trade Mark No. 917 of 1967. The mark was duly advertised in the Gazette of 6th January 1978, page P.H. 1978.

On 17th February 1978, SCM Corporation of 299 Park Avenue, New York, N.Y. 10017, U.S.A. (hereinafter referred to as "the Opponents") gave notice of intended opposition to the Application, through their agents, Messrs Johnson, Stokes & Master. Formal Notice of Opposition (Form TM No. 6) was filed on 5th

December 1978. The grounds of opposition to the mark were :

- "(1) We are the registered proprietors of Hong Kong Trademarks "SMITH-CORONA" No. 1072 of 1949 registered in Class 39 (Schedule III) in respect of "typewriting machines, adding machines and cashiers" and "CORONAMATIC" No. 1769 of 1977 registered in Class 16 in respect of "typewriters, and parts and accessories thereof".
- (2) The goods in respect of which the mark applied for is sought to be registered namely, Calculators, Scientific and Measuring Apparatus and Instruments, Electrical Apparatus and Instruments are goods of the same description as those in respect of which our said trade marks "SMITH-CORONA" and "CORONAMATIC" are registered and the mark applied for consisting as it does of the word "CORONA" which is an important element of our said marks so nearly resembles our said marks as to be likely to deceive or cause confusion.
- (3) By reason of the reputation acquired by our said marks use of the mark sought to be registered would be deceptive or confusing and the mark applied for is disentitled to protection in a Court of Justice.
- (4) The Registrar should exercise his discretion and refuse registration of the mark and costs of this Application should be given against the Applicant."

The Counter-Statement (Form TM No. 7) filed on 4th May 1979 by the Applicants set out the grounds on which the Applicants rely as supporting their

application, as follows :

"Please note that Trade Mark SMITHCORONA is entirely different than "CORONA", also please note that CORONAMATIC is different from our brand "CORONA".

SMITHCORONA AND CORONAMATIC are under Class 39 and 16 which are in respect of TYPEWRITERS, TYPEWRITING MACHINES and parts and accessories thereof, adding machines other than calculators (LED, LCD). Where as typewriters are not included under the term of Electrical apparatus as this falls under different class of Trade Mark.

Further please note that enclosed herewith please find copy of trade mark registry letter of 9th July 1978 in which we have clearly mentioned by filing form TM-De. 3 that "Not including electric Lighters for smokers, ..... CASH REGISTER."

However Scientific apparatus and electrical apparatus & Instruments are different than Typewriters, Cashiers & Adding Machine."

The Opponents' evidence consists of a Statutory Declaration made on 11th September 1979 by Mr Milton Wolson, an Assistant Secretary of the Opponents. In the Declaration, Mr Wolson referred to the registration of his company's trade marks "SMITH-CORONA" and "CORONAMATIC" in Hong Kong as set out in the Notice of Opposition. He stated inter alia that these trade marks have been in use in Hong Kong in connection with the sales of the goods registered "for many years". He annexed to his Declaration, Sales Statistics Forms relating to his company's products bearing these trade marks in Hong Kong for the fiscal years 1975 to 1979, together with samples of leaflets showing how his company's

trade marks were used in relation to the selection of the said products sold in Hong Kong through his company's distributors. He also annexed copy of an advertisement appearing in the South China Morning Post (undated) and a list of the world-wide registrations of his company's said trade marks. The sales shown by the said Sales Statistics Forms are substantial and I consider that I should accept that the Opponents' marks have acquired a substantial reputation in Hong Kong. I myself have certainly been aware of their reputation as manufacturers of typewriters for a good many years.

The Applicants declined to file any evidence in support of their Counter-Statement. In a letter of 17th December 1979 to the Registrar, Mr N.J. Chulani stated that "... if we wish to give any supporting proof, we will submit at the formal hearing". In his reply of 22nd January 1980, the Registrar pointed out that under Rule 28 of the Trade Marks Rules it is a matter for decision by the Hearing Officer whether any further evidence may be submitted at the Hearing. In other words, that the Applicants would not have an unfettered right to submit any further evidence they might wish to produce. The Registrar pointed out that the Hearing Officer would have a discretion to refuse to allow the Applicants to submit any particular item of evidence if for any reason he considered that it would not be relevant or proper to allow the Applicants to submit it. He advised the Applicants that, if this position gave them any grounds for concern, they should consult their legal advisers as a matter of urgency. In the event, this potential complication did not give rise to any problems because the Applicants did not in fact ask at the Hearing to be allowed to submit any evidence.

Indeed, the Hearing was a remarkably short one, lasting only from 10.00 to 10.35 A.M.

Mr Chulani spoke very briefly as representative of the Applicants. He recalled that the mark had been registered in name of the Applicants in respect of transistor radios in 1967. He referred to the grounds of opposition and stated that the Applicants had no objection to "typewriters, typewriting machines, adding machines and cashiers" being excluded from the specification of goods covered by the Application. However, they did object to calculators being excluded.

Mr Campbell began by explaining that the 1967 registration of "CORONA" by the Applicants covered only transistor radios and that the Opponents had not objected to that registration because there is a clear distinction between radios and office- & business-related machinery and apparatus. He also explained that the Opponents made several offers to the Applicants to settle the matter prior to the filing of the Notice of Opposition. The Opponents had been prepared to withdraw their objections if "adding machines, cashiers and typewriters" were deleted from the specification of goods. At one stage, the Applicants accepted this offer but subsequently rejected it.

Mr Campbell then addressed me on the various legal aspects of the case.

Having regard to all the circumstances, I have reached the conclusion, as urged to do by Mr Campbell, that the Opponents' objections should be considered under sections 12(1) and 20 of the Trade Marks Ordinance (corresponding to sections 11 and 12(1) of the U.K.'s 1959 Act). I shall deal with the objections under section 20 first since, as is pointed out at section 10-03 page 174 of "Kerly's Law of Trade Marks and Trade Names", 10th Edition, (hereinafter referred to as "Kerly") : "If the mark applied for offends against section 12(1), "(i.e. Hong Kong's section 20)" the Registrar, in the absence of evidence "of honest concurrent use, or of other special circumstances" arising under section

12(2), is bound to refuse the mark applied for and cannot exercise a discretion in favour of the applicant; the discretion is always a discretion to refuse marks which under the Act it is possible to register." In other words, if the objection under section 20 is successful, that is an end of the matter - the application must be refused.

The questions to be considered under the corresponding section 12(1) of the United Kingdom Trade Marks Act 1938 were summarized in *Smith Hayden & Co. Ltd.'s Application* (1946) 63 RFC 97 by Dovershed J. and are reproduced in *Kerly*, section 10-02, pages 172-174.

The first point to be decided is whether the two marks are to be used on the same goods or goods of the same description. "Section 12(1) applies only where some goods for which the existing mark is registered and some goods for which the applicant seeks to register are, if not the same, at least "of the same description". (Kerly, section 10-11, page 181) The various matters to be taken into account in considering this question are set out in *Jellinek's Application* (1946) 63 RFC 59 and are repeated in *Kerly*, section 10-12, page 162. They are :

- (a) The nature and composition of the goods.

The goods covered by the Opponents' existing registrations are "typewriting machines, adding machines and cashiers" and "typewriters, and parts and accessories thereof" respectively. The advertising leaflets annexed to Mr Wolcott's statutory declaration show that the typewriters sold by the Opponents bearing their registered trade marks "SMITH-CORONA" and "CORONAMATIC" are of modern design and, in some cases, electrically powered. At the Hearing Mr Caspobill made the point that typewriters and adding machines are daily becoming more elaborate

with electric numerics, video aids, etc. It also seems to me that "adding machines" in the 1949 registration would cover most types of what we now categorise as "calculators". The specification of goods in the Application is, of course, very wide and, in my opinion, parts of it would cover the goods set out in the Opponents' existing registrations, namely "tape recorders", if these are used as part of an office dictaphone system for typists, "calculators" and "scientific ..... and measuring apparatus and instruments, electrical apparatus and instruments". However, the remaining goods in the specification in the Application such as radios, cassette tapes, walkie-talkies, are, in my opinion, different in nature and composition from those in the Opponents' existing registrations.

(b) The respective use of the articles.

The articles covered by the Opponents' existing registrations, and the corresponding articles in the specification in the Application, are for use in secretarial/clerical/accounting work. The other articles in the Application are variously for entertainment (radios, tape recorders) and scientific purposes.

(c) The trade channels through which the commodities respectively are bought and sold.

At the Hearing Mr Campbell produced a letter dated 5th February 1980 from the Opponents' Hong Kong distributors, Messrs Universal Typewriter Company, in which they stated (i) that in the office equipment business, it is usual for distributors and retailers to deal in adding machines and cashiers as well as typewriters and also that (ii) it is "rather uncommon" to specialise in the sale of typewriters only without

some form of diversification and that they themselves sell typewriters, adding machines, calculators and other office equipment like photocopiers and cheque writers. Mr Chulani objected to this letter being accepted as evidence. While I regret that it was not submitted at an earlier stage in the proceedings, I am prepared to accept it. Even if it had not been available, I consider that a casual inspection of a selection of the premises of such distributors in Hong Kong would quickly convince anyone that the situation is as claimed by Messrs Universal Typewriter Company.

In summary, I am satisfied that "tape recorders" which are used as part of office dictaphone equipment, "calculators" and the unrestricted categories "scientific ..... and measuring apparatus and instruments, electrical apparatus and instruments" in the specification in the Application are or could include the same goods or at least goods of the same description as those covered by the Opponents' existing registrations. For convenience sake, I shall refer to these collectively as "the goods of the same description specified in the Application" in the remainder of this Decision.

I am also satisfied that, as submitted by Mr Campbell at the Hearing, the onus is on the Applicants to prove that the Opposition is not justified. I base this on Korly, section 17-03, page 451 :

"(1) On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of section 11 and of section 12(1).

In such cases the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not reasonably likely to deceive

or cause confusion, so that refusal to register does not involve the conclusion that the resemblance is such that either an infringement action or a passing-off would succeed. In cases in which the tribunal considers that there is doubt as to whether deception is likely the application should be refused."

The rules for comparison of two marks alleged to have a deceptive resemblance are 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 summarized 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 17-05, 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."

With regard to the public, I think that those who are responsible for buying equipment for office premises are usually experts and would be unlikely to be confused by competing trade marks. They know exactly what they want and would not mistake one manufacturer's, say, typewriter for another's. However, I also think that an increasingly large number of ordinary members of the public buy calculators, typewriters and other items of associated equipment for home use. Strangely enough, in these days of apparently universal inflation, the prices of such products appear to hold quite steady and are even, especially in the case of

electronic calculators, reduced from time to time. I do not think that a member of the public buying a calculator or portable typewriter exercises the same care and thought as he does in the case of, say, a good wrist-watch or camera.

Unfortunately, neither side produced any evidence from members of the public as to whether or not they would be likely to be confused by the use by the Applicants of "CORONA" on the goods of the same description specified in the Application. Since, as already pointed out, the onus is on the Applicants to satisfy me that the mark is not reasonably likely to deceive or cause confusion, this is a serious default on their part.

As for my own views on the likelihood of deception or confusion, I have been guided by section 17-07 of Kerly, pages 455-6, which states inter alia :

"It is not possible to discover from the decided cases any standard as to the amount of resemblance which may suffice to deceive or cause confusion. As Lord Cranworth said in *Fair v. Proverando* "What degree of resemblance is necessary ..... is from the nature of things incapable of definition a priori." Here is the standard always the same; thus in the case of pharmaceutical products, in the absence of restrictions upon their distribution, it is the more important that the public should be protected from the consequences of deception and confusion. It follows that except in so far as they lay down any general principle, the decided cases are of little assistance in the determination of new questions of fact raised upon other materials."

Kerly also goes on to state at page 456 :

"In comparing the marks, the Registrar or the court, as the case may be, must, as appears from the authorities referred to below, take into

account all the circumstances of the case, and must consider whether, as a whole, the applicant's mark is substantially different from the opponent's.

The onus of proof in relation to the reasonable probability of section 12(1) of the Act of 1938 was summed up by Parker J. in a case involving the comparison of two words, as follows: "You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy these goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

At the Hearing, Mr Campbell submitted with regard to the Opponents' registered mark "CORONAMATIC" that it has the same first syllable as the mark applied for and that the "MATIC" part is merely a meaningless suffix. With regard to the Opponents' other registered mark, he submitted that the mark applied for is a contraction of "SMITH-CORONA". He stressed the comments in Kerly, section 17-23, page 469, an imperfect recollection. He submitted that an ordinary customer would only recall the idea conveyed by the common part of the marks, i.e. "CORONA", which has a dictionary meaning and would stick in the minds of purchasers.

Having asked myself the relevant question (b) on pages 172-3 of Kerly, I accept Mr Campbell's argument with reference to "CORONAMATIC". I think that the section in Kerly on "The idea of the mark", section 17-06, pages 456-8, is very helpful here. I am satisfied that the "essential feature" of "CORONAMATIC" is

"CORONA" and that use by the Applicants of the mark applied for would therefore be likely to cause deception and confusion. As pointed out on page 457 of Kerly "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". With regard to "SMITH-CORONA", I find the situation more difficult. However, I am still prepared to accept that "CORONA" is rather more likely to remain in the public's memory than the common surname "SMITH". I therefore think that there is at least some danger of deception and confusion.

In summary, I think that there is a distinct danger of deception and confusion in respect of use of the Applicants' mark on the goods of the same description specified in the Application and the Applicants have not discharged the onus on them by producing any evidence to persuade me otherwise. Nor have the Applicants produced any satisfactory evidence of either honest concurrent use of their mark on goods of the same description specified in the Application or of any other special circumstances. I therefore have to refuse registration in respect of such goods. However, I do not think that there is any danger of deception or confusion, either under section 12(1)(applying question (a) on page 172 of Kerly) or under section 20, in respect of use of the Applicants' mark on the other goods specified in the Application. The mark can therefore proceed to registration in respect of the following amended specification only :

"radios, tape recorders (excluding dictaphones), cassette tapes, walkie-talkies, scientific, nautical, photographic, cinematographic, and measuring apparatus and instruments, electric apparatus and instruments (but excluding typewriters, typewriting machines with or without visual displays, adding machines, cashiers and electric lighters for smokers)"

The registration will also require to be associated with the previous registration, Trade Mark No. 917 of 1967.

I find that the Opponents are entitled to an award of 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 representation or subject to any representations calling for special treatment, costs will be calculated on the usual scale.

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(P. Murphy)  
Assistant Registrar General  
29th July 1980