

And

IN THE MATTER of an Application
for registration of the trade mark
"BODELAC" in class 2 in respect of
"Paint" in Part A of the Register
by Nippon Paint Co. Ltd.

And

IN THE MATTER of an Opposition
thereto by Borden Inc.

D E C I S I O N

of

Miss A.C. Waters acting for the Registrar of Trade Marks
at a Hearing held on the 5th October 1982.

Mr. Evans of Messrs. Deacons appeared for the Applicants.

Mr. Daniel Furr instructed by Messrs. Johnson Stokes & Master
appeared for the Opponents.

On the 6th January 1978 Nippon Paint Co. Ltd. of
1-2 Oyodo, Kita 2-Chome, Oyodo-ku, Osaka, Japan a corporation
organised under the laws of Japan (hereinafter called "the
Applicants") applied to the Registrar of Trade Marks (hereinafter
called "the Registrar") for the registration of the Trade Mark
"BODELAC" in class 2 in respect of "Paint" in Part A of the
Register.

In their statement in support of the Application on Trade Mark Form 4 dated 23rd December 1977 the Applicants stated that the trade mark had not been used in Hong Kong or elsewhere but that it was their intention to use it if and when it was registered.

Leave to advertise the mark was given by the Registrar on the 30th March 1978 and the mark was advertised in the Gazette on the 28th April 1978.

On the 28th March 1979 Borden Inc. of 277 Park Avenue, New York, N.Y. 10017, United States of America (hereinafter called "the Opponents") lodged a Notice of Opposition through their agents Messrs. Johnson Stokes & Master. The grounds of Opposition as set out in the Notice of Opposition are as follows :-

1. We are the proprietors of trade mark "BORDEN" (hereinafter called "our said mark") registered in many countries throughout the world in relation to various products, in particular, "paints".
2. Our said mark has been extensively used in Hong Kong in relation to "paints" since 1976 and sales are continuing to increase.
3. The applicant is seeking to register the word "BODELAC", the subject of the application herein in Class 2 in respect of paints (hereinafter called "the applicant's proposed mark").

4. The said goods in respect of which our said mark is registered and used as aforesaid are the same as those for which the applicant is applying to register its proposed mark "BODELAC" and the respective products will be sold over the same counters.
5. The applicant's proposed mark bears such resemblance to our said mark in respect of the same goods or general classification and nature of goods that the use of the applicant's proposed mark is calculated and/or likely to deceive the trade and the public into the belief that the applicant's goods bearing the applicant's proposed mark are our goods and otherwise to cause confusion.
6. The use of the applicant's proposed mark will constitute an infringement of our rights in our said mark and a passing-off of our goods sold under our said mark which mark has established a good commercial reputation by virtue of its prior user in Hong Kong.
7. The applicant's proposed mark is not registrable in that the criteria stipulated by the Trade Marks Ordinance (Cap. 43) as to the registrability thereof are not satisfied.
8. The applicant's proposed mark is not registrable in that it is not entitled to protection in a Court of Justice.

9. In the premises, we respectfully submit that the Registrar should exercise his discretion adversely against the Applicant and that the Application No. 31 of 1978 herein mentioned be refused with costs against the applicant."

On the 25th July 1979 the Applicants lodged through their Solicitors Messrs. Deacons a Counter-Statement which set out the grounds supporting their application as follows :-

1. The trade mark which we are seeking to register comprises the word "BODELAC" which does not so nearly resemble the trade mark "BORDEN" alleged by the Opponent herein.

2. The word "BODELAC" which we are applying to register under Application No. 31 of 1978 is not liable to be confused with the Opponent's said trade mark "BORDEN".

3. The words themselves are sufficiently different and distinct to avoid any probability of deception or confusion even if used for the same goods.

4. The word "BORDEN" is clearly a surname and the word "BODELAC" is an invented word which has no specific meaning. There is therefore no probability of deception or confusion between the said marks or of the goods of

the Applicant being passed-off or mistaken for the goods of the Opponent herein as alleged in paragraph 6 of the Notice of Opposition.

5. We do not admit submissions made and contained in paragraphs 4, 5, 6 and 8 of the Notice of Opposition filed by the Opponent in this matter.

6. The use or registration by the Applicant of the said trade mark which is the subject of the application herein would not lead or cause confusion to the public as alleged in paragraph 4 of the Notice of Opposition nor would the said trade mark of the Applicant in any way be disentitled to protection in a Court of Justice as alleged in paragraph 8 of the Notice of Opposition.

7. By virtue of the foregoing, we ask the Registrar to exercise his discretion in our favour, dismiss the opposition and allow our application to proceed to registration and that costs be awarded against the Opponent."

The evidence comprises three Declarations lodged by the Opponents and two by the Applicants further evidence having being adduced by both parties with their mutual consent.

On the 7th June 1980 the Opponents lodged through their Solicitors, by way of evidence, the first Statutory Declaration

made by Robert G. Tritsch, the Secretary of the Opponents, on the 3rd June 1980. This Declaration contained, inter alia, the following statements :-

2. My company's name is Borden, Inc., and the word BORDEN is not only the principal and distinguishing part thereof but is my company's "house" mark in that most of its consumer and other products prominently display such mark whether alone or in association with a particular product mark. Although my company is domiciled in the U.S., its business has expanded over the years to the point where some 20% of its total sales are in export markets. Thus, my Company's export sales for 1978 ran over \$700,000,000 and for 1979 close to \$900,000,000.

3. Hong Kong is a principal export market for my company and its products bearing its BORDEN housemark. Although originally concerned mainly with milk and products related thereto, my company has expanded its product lines over the years so that today it makes and sells not only foods, but also a wide range of industrial goods as well such as chemicals, plastics, inks, paints, glues, tapes, and wall coverings, among other goods.

4. Since the opposed BODELAC application is proceeding in respect of paints only, I shall confine

my company's sales information for Hong Kong in particular to such line of goods. My company has regularly and continuously sold paints under its BORDEN mark since as early as 1975, and I set out hereunder a schedule showing the U.S. dollar value of such sales since that year :

<u>Year</u>	<u>Dollar Value</u>
1975	\$42,000.00
1976	\$75,000.00
1977	\$75,176.00
1978	\$60,996.00
1979	\$77,567.00

5. My company's distributor or principal customer for its paints bearing the BORDEN mark is Globe Trading Co., United Chinese Bank Building, Central, Hong Kong.

6. I attach as Exhibit 1 a copy of a label of one of my Company's paint products lines sold in Hong Kong to show how the BORDEN mark appears thereon. Also attached, as Exhibit 2, is a copy of my Company's Annual Report for 1978 which is of interest not only as indicating its wide range of BORDEN products and activities in areas allied with the paints field but as showing on page 27 thereof a Hong Kong owner-operator of a jinrikisha holding in his hands some cans of my company's KRYLON spray paints and varnish. My company's

As can be seen the mark or housemark "BORDEN" appears, not too clearly, on the right hand side of the can.

In addition there is exhibited the 1978 Annual Report of Borden Inc. (hereinafter called "the 1978 Annual Report") with the picture referred to in para. 6 of the Declaration. A large number of cans, packets, bottles and other containers are shown on the folding front page some of which show the "BORDEN" mark but I can see no such mark on cans of paint although there are displayed some cans with the mark or word "KRYLON". The mark "BORDEN" appears as far as I could make out on containers of "Printing Inks", "Phenolic Resin Powder", "Resinite", "fabric-backed vinyl wall covering", Yoghurt, Peppermint Oil, Onion Dip, Ice Cream, orange drinks and iced tea.

No invoices were produced to substantiate the sales figures referred to in para. 4 of the Declaration and other than the 1978 Annual Report no examples of advertising or promotional materials were provided.

On the 4th May 1981 the Applicants lodged through their Solicitors, by way of evidence, a Statutory Declaration made by Iitaru Nemoto, Manager of the Publicity Group of the Applicants' General Affairs Department, on the 24th April 1981. This Declaration contained, inter alia, the following statements :-

4. The Applicant Company has used its trade mark the subject of this application, namely "BODELAC" in Japan continuously since August of 1952 and has since that date used such mark in Indonesia, Singapore, Sarawak, Malaya, Sabah and Brunei in respect of "paints" manufactured and sold by it.

5. The Applicant Company has used its trade mark continuously since 1974 in Hong Kong in respect of the said goods but has no existing record of the sales figures relating thereto between 1974 and 1978.

Sales by the Applicant Company of the said goods under its said trade mark in Hong Kong since 1979 have been as follows :-

<u>YEAR</u>	<u>APPROXIMATE VALUE (Yen)</u>
1979	9,026,000
1980	2,619,000

The approximate average annual figures for worldwide sales of the said goods under or by reference to the said trade mark "BODELAC" are in the region of ¥1,500,000,000.

6. The Applicant Company has since 1974 advertised and promoted its said trade mark "BODELAC" in Hong Kong and annual advertising and promotional expenses incurred by the Applicant Company in connection therewith since that date are in the region of ¥1,000,000.

Exhibited hereto and marked "A" are samples of

such advertising and promotional material showing the use by the Applicant Company of its said trade mark "BODELAC".

7. The Applicant Company has registered its trade mark "BODELAC" in the following jurisdictions :

<u>COUNTRY</u>	<u>CLASS</u>	<u>REGISTRATION NO.</u>
Australia	2	A260617
Brunei	2	3699
Cambodia	2	9846
Indonesia	2, 3, 21	109586
Malaya	2	M/37416
New Zealand	2A	101246
Sabah	A-2	12346
Sarawak	2	7674
Singapore	2	30333
Taiwan	3	79270
Thailand	1	36662
Vietnam	2	12664

8. I have read and understand the contents of the Statutory Declaration made by Robert G. Tritsch and filed in support of the opposition herein (hereinafter referred to as "the Statutory Declaration in opposition"). I would submit that the first paragraph enumerated "6" in the Statutory Declaration in opposition and the copy label and Annual Report for 1978 exhibited thereto show that the Opponent's trade mark "BORDEN" is clearly used

by the Opponent as a house mark and that the use thereof is subordinated, upon or in connection with the goods shown in the said exhibit, to the use of the more prominent trade marks, viz. respectively "SPARVAR" and "DRYLON", used in relation to those particular products. I would further submit that the Statutory Declaration in opposition shows that the use by the Opponent of its trade mark "BORDEN" in Hong Kong in relation to "paints" since 1975 have been considerable and that, by reason of such use, such house mark has become readily recognizable as distinguishing the products of the Opponent and that there is, accordingly, no likelihood that the members of the purchasing public of or trade in such goods would be confused or misled by the use of the Applicant Company's trade mark "BODELAC" upon its said goods. Furthermore, I would submit that the following differences between the Opponent's mark "BORDEN" and the Applicant's mark "BODELAC" are such that no confusion and/or deception can arise :

- a. The Applicant's mark consists of three syllables, the Opponent's of two.
- b. The first syllable of the Applicant's mark is pronounced "bō", the first syllable of the Opponent's as "bô".
- c. The Applicant's mark "BODELAC" consists of seven letters, the Opponent's mark "BORDEN" of six letters.

- d. The respective marks of the Applicants and Opponent and the syllable components thereof are of entirely different visual appearance and phonetic structure."

Exhibited to the Declaration was a paint colour card showing the mark "BODELAC" and a copy of the Product Specification Code for "BODELAC 9000 Alkyd Resin Enamel".

No invoices were produced to substantiate the Applicants' sales figures and no examples of advertising or promotional materials were provided other than those referred to in the preceding paragraph.

On the 23rd September 1981 the Opponents lodged through their Solicitors, by way of evidence, the second Statutory Declaration made by Robert G. Tritsch on the 28th August 1981 which limited itself to objecting to the allegations made by Mr. Nemoto in his Declaration, but in particular commenting on the following aspects :-

- (1) Mr. Tritsch considered that the fact that BODELAC has been used for paints since 1952 in countries other than Hong Kong was immaterial and irrelevant.
- (2) He also made the point that sales between 1974 and 1978 were unsupported by sales figures or a customer's list.

(3) Mr. Tritsch commented in para. 3 (inter alia) that despite Mr. Nemoto's elaborate analysis in paragraph 8 of the difference between the two marks he did not deal with the fact that the Applicant's mark includes the English word LAC (in French "Laque" and in German "Lack", each with identical pronunciation and meaning) and that such word has an immediate and ready meaning in the paint trades and that in so doing, Mr. Nemoto may have avoided the embarrassment of having to compare BODELAC with BORDEN LAC but not the ultimate issue of likelihood of confusion and deception.

This is the first instance in which the word "lac" is taken as being common to the trade and/or descriptive and I propose to deal with this point at a later stage.

The Applicants lodged through their Solicitors a Statutory Declaration made on the 9th February 1982 by Chan Wai Pong Peter (hereinafter called "Mr. Chan's Declaration"). This Declaration contained (inter alia) the following statements :-

"1. I am the General Sales Manager of Nipsea Trading (Hong Kong) Co. Limited of 1428-1431, Swire House, Chater Road, Hong Kong and have held my present position since 1977. I have been in the employment of companies associated with the Applicant company since September 1973.

2. On the instructions of the Applicant company I have caused further research to be conducted into the records of companies associated with the Applicant company and, save where otherwise specified, the facts herein are either within my own personal knowledge or have been gleaned by me from the Applicant company's records or from the records of companies associated therewith.

3. I refer to paragraph 5 of the Declaration of Itaru Nemoto filed herein in which it was stated that the Applicant company has no existing record of the sales figures relating to paint sold in Hong Kong bearing the trademark "BODELAC". Recent research which I have undertaken, and to which I refer above, has revealed documentation in the possession of Nipsea Trading (Hong Kong) Co. Limited relating to the sale and distribution to and by companies in Hong Kong of paint bearing the trademark "BODELAC". Exhibited hereto and marked "A" are photostat copies of original invoices (and packing lists where available) relating to the sale by Nippon Paint (Singapore) Co. Pte. Limited to Nippon Paint Enterprise (HK) Co. Limited. Nippon Paint (Singapore) Co. Pte. Limited is and has at all material times been duly licensed by the Applicant company to manufacture in Singapore paint bearing the trademark "BODELAC". Nippon Paint Enterprise (HK) Co. Limited was duly

appointed by the Applicant company as its agent in Hong Kong for the purpose of importing, marketing and distributing paint, inter alia, bearing the trademark "BODELAC" manufactured and exported by the Applicant company and by Nippon Paint (Singapore) Co. Pte. Limited. Exhibited hereto marked "B" is a photostat copy of an original invoice and packing list, each dated 30th April 1971, relating to the sale by Nippon Paint Co., Limited to Nippon Paint Enterprise (HK) Co. Limited.

4. The function of Nippon Paint Enterprise (HK) Co. Limited as agent in Hong Kong was transferred by the Applicant company to S.E.A. Commerce (HK) Co. Limited in 1973 and exhibited hereto marked "C" is a photostat copy of a sales contract dated 29th April 1976 and made between S.E.A. Commerce (HK) Co. Limited and Messrs. Sze Sun Building Construction Company relating to the sale of paint bearing the trademark "BODELAC". S.E.A. Commerce (HK) Co. Limited changed its name on the 6th December 1977 to Nipsea Trading (Hong Kong) Co. Limited and exhibited hereto marked "D" is a photostat copy of the Certificate of Incorporation on Change of Name.

5. I exhibit hereto marked "E" a photograph depicting two sizes of tins of paint bearing the trademark "BODELAC" as the same have been imported into, and

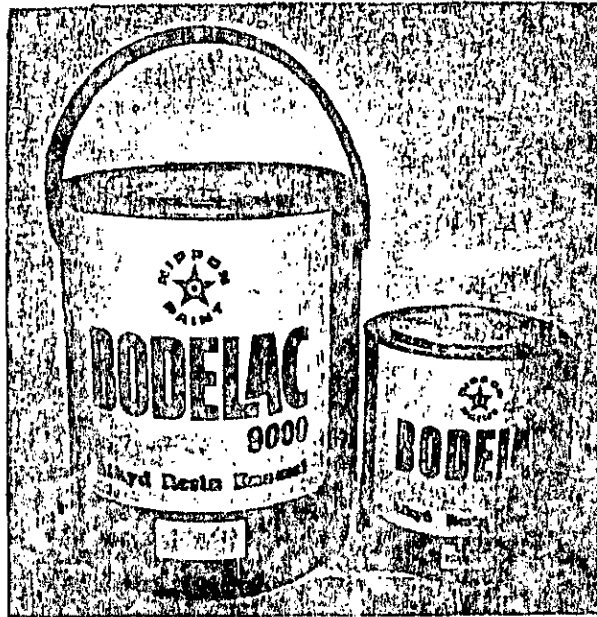
marketed and distributed in, Hong Kong since 1971 up to the present day.

6. I refer to paragraph 6 of the Declaration made by Itaru Nemoto and filed herein and exhibited hereto marked "F" is schedule of advertising and promotional expenditure incurred respectively by the companies referred to in the said schedule between July 1970 and December 1980."

Exhibited to this Declaration were Invoices and Packing Lists showing the import of "Bodelac 9000 Alkyd Resin Enamel" on the 29th March 1971, 16th April 1971, 22nd April 1971, 18th May 1971, 9th June 1971, 19th September 1971, and 1st December 1971 from Singapore by Nippon Paint Enterprises (HK) Co. Limited and one invoice for "Bee Brand Bodelac Red Lead & Red Oxide Primer" on the 12th May 1971.

Also exhibited was an Agreement made on the 29th April 1976 between S.E.A. Commerce (HK) Co. Limited of Hong Kong and Sze Sun Building Construction Company Limited for the purchase of "Bodelac 9000 quick drying enamel paint" at a total price of HK\$8,400.

There was also exhibited a copy of the mark in use as shown below :-



In addition there was exhibited to Mr. Chan's Declaration as Exhibit "F" a schedule of advertising and promotional expenses by the associated companies of the Applicants. The amounts vary substantially and it is not clear whether these expenditures relate solely to the "Bodelac" mark. No samples of such advertising are given i.e. as shown in newspapers, periodicals or trade journals or on T.V.

On the 19th May 1982 a third Declaration was lodged by the Opponents through their Solicitors made by Robert G. Tritsch on the 27th April 1982 in reply basically making the point that none of the Exhibits to Mr. Chan's Declaration consisted of materials which established BODELAC use or advertising beyond the year 1971.

I propose to consider the actual evidence of user of ,both parties. For the purposes of s. 12(1) I believe it is well established that I should be considering user in Hong Kong prior to the date of the Application namely the 6th January 1978.

I note that the Opponents claimed in the Notice of Opposition sales of "paint" in Hong Kong from 1976 and Mr. Tritsch in his first Declaration gave sales figures for the years 1975 - 1979. As the relevant date for the purposes of s. 12(1) is the 6th January 1978 this would make total sales of approx. US\$192,176 or average annual sales of US\$64,058 for the period from 1975 - 1977. Unfortunately these sales figures are not substantiated by any sales invoices nor are any prices for the cans of paint given.

Mr. Tritsch in his first Declaration further claimed that Hong Kong was a principal export market of the Opponents mainly in connection with milk and products related thereto but that the market had extended to other items including paints over the years. The 1978 Annual Report gave details of the Opponents foods and chemical divisions but there is no reference to the Hong Kong market other than the photo of the rickshaw owner. Hong Kong is not, for example, specifically referred to under the heading of Asia also on p. 27. It also appears from the 1978 Annual Report that the sales and purchasing of paint is not a large part of the overall chemical production of the Opponents.

The Applicants' evidence reveals considerable attempts to support the claims of user of the mark in Hong Kong. Mr. Evans explained at the Hearing that at the time of completion of Form 4 as far as the Applicants were aware there was no user in Hong Kong. The Applicants' however, as a result of searching through the records of companies associated with them, as outlined by Mr. Chan in his Declaration, were able to produce invoices of imports into Hong Kong for the year 1971 and the year 1976 but the claims of sales in other years were, despite such search, unsupported by sales figures, invoices or any other documentary evidence. The history of the associated companies can, perhaps, explain the lack of documentary evidence but cannot assist in establishing actual user for the years other than 1971 and 1976. The advertising figures supplied do not assist either as no details or examples of the advertising for any particular dates are given.

Having considered the evidence I propose to deal first with the point raised by Mr. Evans on the question of the inherent registrability of the mark pursuant to s. 9 in view of para. 7 of the Notice of Opposition. Mr. Evans contended that "Bodelac" was an invented word and therefore registrable under s. 9(1)(c) of the Trade Marks Ordinance. As I agree with this view and as no reply to this argument was put forward by Mr. Fung at the Hearing I take the view that I need not concern myself further with this question and consider that the mark is inherently adapted to distinguish for the purposes of s. 9 of the Trade Marks Ordinance.

I wish also to clarify at this stage one point arising from the Opponents statement in the Notice of Opposition that they were the Proprietors of the trade mark "BORDEN" in many countries throughout the world in relation to paints. It was confirmed by Mr. Fung at the Hearing that the Trade Mark "BORDEN" was not registered in Hong Kong in Class 2 in respect of paints.

As the Opponents mark "BORDEN" is not registered in Hong Kong in Class 2 s. 20 of the Trade Marks Ordinance cannot apply and the case falls to be considered under s. 12(1) of the Trade Marks Ordinance. This was agreed by both parties.

s. 12(1) of the Trade Marks Ordinance is similar to but not identical with s. 11 of the Trade Marks Act 1938 but I consider that for the purposes of this case the United Kingdom decisions on s. 11 of the Trade Marks Act 1938 can be relevant to the consideration of s. 12(1) of the Trade Marks Ordinance.

Both Mr. Fung and Mr. Evans referred me to paras. 10-03 and 10-06 of Kerly's Law of Trade Marks and Trade Names (10th Edition) and Mr. Evans also referred me to para. 10-05.

In para. 10-03 Kerly in considering the scope of s. 11 of the Trade Marks Act 1938 states :-

"Section 11 extends, and section 12(1) does not, to cases where the opponent's mark is unregistered, altogether or for some of the goods concerned; to cases where that mark has been used only upon goods of a different description from those for which registration is sought, and to cases where the confusion is not with an opponent's mark but merely his name."

Mr. Evans contended that the Opponents used the name "BORDEN" as a housemark rather than as a trade mark and raised the question as to whether s. 12(1) of the Trade Marks Ordinance could apply.

Mr. King referred me to the "G.E." Trade Mark Case 1970 RPC 339 and I took into account in particular Lord Justice Winn's statement on p. 374 when considering s. 11 of the Trade Marks Act 1938 :-

"I do not agree that the only relevant confusion is confusion of one trade mark with another trade mark."

The authorities were reviewed in a recent Hong Kong decision given by Mr. L.S. Shum the Hearing Officer in the "Marco Polo" case File No. 1753/75 dated 28th June 1982 when he decided in that case that the use of the opponents mark as a service mark or a trade name did not preclude the matter being dealt with under s. 12(1) of the Trade Marks Ordinance.

I consider therefore that whether or not the mark "PCRDEN" was used strictly as a trade mark, as a housemark or as a trade name in relation to paints the Opposition can still be considered under s. 12(1).

The scope of s. 11 of the Trade Marks Act 1938 was further considered by Kerly at para. 10-05 as follows :-

"It should be noted that under section 11, consideration must be given to the extent and character of the reputation belonging to the earlier mark. Before the section can be applied at all, it must be established that the opponents' mark is known to a substantial number of persons in the United Kingdom. What is a substantial number depends upon the type of goods. Beyond that, there are degrees of reputation. On the one hand, where a trade mark has been long used by a person who is applying to register it, it will not be refused on the ground of recent use of a similar mark by another trader. The mark does not by such recent use become calculated to deceive."

Mr. Dung at the Hearing took the view that the onus of establishing proof that there is no likelihood of confusion falls on the Applicants and that the Opponents are under no burden to prove the contrary.

Whilst not disputing this view I also consider that there is an onus on the Opponents initially to establish a reputation in Hong Kong in the mark "BORDEN".

I am supported in this view by the quotation from Kerly at para. 10-09 already set out and also by the following authorities.

In the Nova case (1968) 85 RPC p. 357 it was held that the volume of the applicants sales had established a sizeable reputation in the United Kingdom whereas the scale of the opponents business was insufficient to establish that his mark was known to a substantial number of persons in the United Kingdom such as was necessary to shift the onus onto the applicants.

I further considered this question in the light of the classic test put forward by Evershed J. in the Ovax case (Smith Hayden & Co. Ltd.'s Application (1946) 63 RPC 97) which, in the context of this case, would be :-

"Having regard to the reputation acquired by the name "BORDEN" is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons."

This question was also reviewed by Mr. Myall in the Da Vinci case (1980) 9 RPC 237 and in commenting on this at p. 241 he states :-

"Mr. Lobbie submitted that although the onus of showing that there was no such likelihood rested on the applicants the opponents first had to show that their mark was known to a substantial number of persons in the United Kingdom, and he referred to NOVA Trade Mark (1968) RPC 357, 260 lines 10-30. It is to be noted that that case was decided before the decision of the House of Lords in the BAIL case was known. I do not think it can be disputed that there is some such onus on the opponents whose user, or reputation, must be something more than de minimis."

In considering whether the Opponents have established such a reputation in Hong Kong I have taken into account the following points.

Firstly, the Opponents claim extensive use of the mark "BORDEN" in respect of dairy products and **their** sales figures show quite substantial sales of paint alone in Hong Kong. I consider the lack of documentary evidence by way of invoices, advertising and promotional materials a disadvantage, however, the 1978 Annual Report does imply reference to the sale of "paint" in Hong Kong as evidenced by the photograph of the three cans of "Krylon" paints and varnish. As the inclusion of the word BORDEN

has been demonstrated in Exhibit I to Mr. Tritsch's first Declaration, I consider the use of the mark BORDEN whether as a trade mark and/or housemark on such cans of spray paint is sufficient for the purposes of establishing reputation.

Secondly, although the evidence of the Applicants shows that cans of "LORLAC" paint were imported into Hong Kong as early as 1971, and also in 1976, the inability of the Applicants to give sales figures and/or documentary evidence in support for the other years must be a drawback in establishing the strength and character of the user. In view of such lack of sales figures or any other evidence for any other years prior to the Application I do not consider that regular user in Hong Kong over a long period has been established.

Thirdly, I have also taken into account the opinion expressed by Mr. Nemoto in his Statutory Declaration that the use by the Opponents as claimed by them was considerable and that by reason of such use, such housemark has become readily recognisable as distinguishing the products of the Opponents. Whilst I accept that this was only Mr. Nemoto's opinion this supports the view that the Opponents have acquired a reputation in the mark "BORDEN".

Taking into account these three factors and in particular, both the Opponents' average sales figures of US\$64,058 and the

lack of support for either recent or regular user over a long period of the Applicants' mark "Bodelac" I consider that the Opponents have established that they have acquired a reputation in the mark "BORDEN" in Hong Kong.

Having decided that the Opponents have acquired a reputation in the mark "Borden" I now have to consider whether the Applicants have established that there is no reasonable probability of deception if the mark was used on "paint" and if it was used in a normal and fair manner.

I refer to Kerly at para. 17-03 where the question of deception and confusion is considered and in particular to the following statement :-

"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."

In considering the likelihood of confusion between the words "BODELAC" and "BORDEN" both Mr. Evans and Mr. Fung referred me to Chapter 17 of Kerly dealing with deceptive resemblance of

marks and to the particular characteristics which must be considered when looking at the two marks. In para. 17-07 Kerly, in considering the amount of resemblance that is likely to deceive, states the following method of comparison laid down by Parker J. in the "Pianotist" case (Pianotist Co. Ltd.'s Application (1906) 23 R.P. 774) :-

"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 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."

In considering the goods I take the view that "spray paint" and "paint" sold in cans are goods of the same description and could be sold side by side in the same store.

I then considered the persons likely to be deceived. The evidence has not clearly established the markets to which the parties' products are aimed. The example of user given in the 1978 Annual Report would seem to imply that BORDEN spray paint is aimed at the ordinary man or woman in the street as indeed, would the paint colour card showing the mark "BODELAC" which

could be shown to ordinary persons by decorators and builders in the trade. The type of paint sold under the mark "BODELAC" does not seem to be aimed at any particular market. In the absence of contrary evidence I take the view that the spray paint sold under the BORDEN mark and the cans of paint sold under the BODELAC mark could be made available in both the retail and wholesale market and that as a result I am concerned with both the members of the public at large as well as to persons specialising in the trade.

In considering the marks it is well established that I must look at the marks as a whole and I must not merely consider the marks letter by letter or syllable by syllable but equally I should consider how they are pronounced and how the two marks do compare one with the other.

Mr. Nemoto in his Declaration at para. 8 sets out his opinion of the differences to the mark and as his opinions were not disputed by Mr. Fung at the Hearing I have included these in my consideration of the two marks and on which I comment as follows :-

- (a) The mark "Bodelac" consists of three syllables
i.e. BO: DE: LAC and the mark BORDEN consists of two
i.e. BOR: DEN. I do not consider that this can be
disputed although I suppose BODELAC could consist of

two syllables BODE and LAC. No views were expressed as to how the marks as a whole would be pronounced but I take the view that they would most likely be pronounced Bow De Lac and Bor Den respectively. I do not consider that it is material to the arguments as to how the various syllables would be stressed.

- (b) The first syllable of BODELAC is likely to be pronounced "bō" or, more simply, to rhyme with the word "bone", "bode" or "bow". The first syllable of the word "BORDEN" is likely to be pronounced "bô" or, more simply, to rhyme with the word "bore". It seems to me that it is unlikely that the pronunciation of the first syllable of the word "Bodelac" is likely to rhyme with the first syllable of the word "Borden".
- (c) The mark BODELAC consists of 7 letters and BORDEN of 6 letters and in this case this does make a visual difference between the marks.
- (d) The two marks have the same two first letters "Bo" but both have substantially different last syllables namely "LAC" and "DEN".

Thus with these pronunciations and comments in mind I consider first the idea of the two marks as wholes. I do not consider that the prefix "BODE" of the Applicant's mark could be taken to be a derivative of the Opponent's mark BORDEN and liable to be considered as an associated mark of the Opponent. In taking this view I have considered that firstly that part of the mark taken as part of the whole would be pronounced "Bowdi" or "Boder" and not BORDEN and also that "BODE" would not be visually so close to BORDEN as to give the public at large the idea that the marks are associated.

Both Mr. Evans and Mr. Fung at the Hearing referred me to para. 17-20 of Kerly which states :-

"It has been accepted in several reported cases that the first syllable of a word mark is generally the most important. It has been observed in many cases that there is a "tendency of persons using the English language to slur the terminations of words"."

I have already gone into the pronunciation of the various syllables and I find that although both marks start with the two letters "BO" to my view the important aspect in establishing pronunciation of the first syllable in this case is the third and possible the fourth letters i.e. BODE and BORD both of which are pronounced quite differently and would not be likely to be slurred. The last syllables LAC and DEN are even more different

and even if they were slurred would not resemble each other.

Mr. Hunt referred me at the Hearing to the case of "ERECTIKO" (in the matter of an application by William Bailey (Birmingham) Ltd. (524 RPC 136)) where the two words "ERECTIKO" and "ERECTOR" were compared and where it was considered that both words began with the two-syllable word "Erect". In this case the first two letters are the same, but not the whole of the first syllable and taking the marks as a whole, the fact that the first two letters are the same does not make the two marks so similar as to cause deception.

I must consider these marks with reference to both the ear and the eye. Taken as a whole and for the reasons already set out I do not consider the mark BODELAC is visually close to the mark BORDEN and I consider the two are easily distinguishable. In further considering the phonetic aspect the pronunciation and sound is to my mind quite different. BODELAC being longer and with more syllables sounds more lyrical and would not be likely to be confused on the telephone, for example, with the shorter and harsher sounding BORDEN.

In view of the differences already outlined I must also consider the question of imperfect recollection. On this point I refer to Kerly at para. 17-23 :-

"It is clear that the tribunal ought not merely to look at the marks as they stand side by side, for, from the nature of the case, they will not be so put before any customer whom it is sought to deceive by means of either of them. He can only contrast the mark upon the goods offered to him with his recollection of the mark used upon those he is seeking to buy, and allowance must be made for this in estimating the probability of deception. Any other rule would be of no practical use. It has to be borne in mind that the ordinary purchaser has only an "ordinary memory".

It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable pronounced with the clarity to be expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description but also of the shop assistant ministering to that person's wants."

Taking these guidelines into account I do not consider that taking these two marks as wholes even with imperfect recollection there would be a reasonable probability of deception due to the nature of the differences already outlined. I do not consider that the fact that both marks start with the same two letters "BO" would make the ordinary man or woman in the street confuse one when trying to recall the other as the sound and look of the two marks as a whole are different, both visually and phonetically. I would consider that this is where the differences in the first and last syllables would be emphasised and I do not consider an ordinary person would take BORDEN for BODELAC or vice versa if so offered by a shop assistant. To my mind the memorable part of both BODELAC and BORDEN is both the sounds and look of the marks as wholes and the endings one longer and softer and the other shorter and emphatic.

Mr. Evans drew my attention to para. 17-07 of Kerly already referred to and also to para. 17-24 on the question of the comparison of the marks in actual use which states :-

"In comparing marks regard must be had not only to their form as they appear on the Register, but also to the appearance they would present in actual use when fairly and honestly used; to the nature of the goods upon which they are to be employed; to the character and size of the marks themselves."

As will be seen from the samples attached hereto the "BODELAC" mark is used in a prominent manner and the "BORDEN" mark is used on paints in a smaller and more obscure position and also in relation to other marks of the Opponents. Thus the evidence of use does show that there is less likelihood of confusion and helps to accentuate the differences in the two marks but I do not consider I should lend too much weight to this argument as these are word marks and the parties are at liberty to change the format and use of the marks at any time. Indeed it is clear from the 1978 Annual Report that the Opponents use the mark BORDEN in many different forms and get ups for their various products.

I take the view therefore that the two marks BODELAC and BORDEN are visually and phonetically different but the onus is on the Applicants to satisfy me that there is no likelihood of deception particularly where the goods are the same. In this respect I have taken note of the fact that both marks have had some user and that no evidence of actual confusion or deception has been produced.

I also note that no evidence has been adduced to show that the Applicants intended to copy the Opponents mark and in this respect the evidence of user in 1971 and the claims of user of the mark in Japan since 1952 can be used to support the view that the mark was conceived independently by the Applicants.

I have also considered the proposition first suggested by Mr. Tritzsch in his second Declaration and further elaborated by Mr. Fung at the Hearing that "Bodelac" consists of two parts namely Bode and "lac". Mr. Evans made the point that "lac" means "lake" in French. Mr. Fung however referred me at the hearing to the meaning of "lac" given in the Shorter Oxford Dictionary which is "the dark red resinous incrustation produced on certain trees by the puncture of an insect and used in the East as a scarlet dye". No evidence has been produced to show that such form of resin is commonly used in the paint industry.

Mr. Fung put forward the proposition at the hearing that as the word "lac" could be said to be common to the trade then if this should be dropped the mark BORDELE could then be compared with the first part of the mark BODE. Mr. Fung supported his view by the decision in the Aqua-Repela case (In the matter of the application of Frederick Wilks (Trading as Wilks Bros) (1912) 29 RPC 21) where it was held that the words "Aqua-Repela" would be likely to lead to confusion having regard to the fact that the word "Repellus" was already on the Register. Parker J. in arriving at this decision stated :-

"I do not think it is at all improbable,
that the public will gradually come to know
the slip-ons in question, not as "Aqua-Repela slip-ons"
but as "Repela Slip-ons"."

This aspect was also considered in the "Rheinlieblich" case (1966) RPC 68 where it was held that the Registrar had failed to take into account the fact that the only differentiation between the two marks was the syllable "Rhein" which was a descriptive element itself common to the trade.

Apart from Mr. Tritsch's statement and the reference to the dictionary meaning given by Mr. Fung at the hearing no evidence has been given that "lac" is in fact descriptive and/or common to the trade for the goods in question and I do not consider that on the information before me I can decide that it is. Even if it had so been established I would still have to consider the marks as a whole. On this point I quote Stamp J. in the Rheinlieblich case p. 73 where he states :-

"Mr. Falconer goes on and says that although the syllable "Rhein" is a descriptive syllable describing the source of the goods for which the mark is sought I still cannot ignore that syllable in distinguishing "Rheinlieblich" from "Lieblich". Again I accept that contention. You cannot strike out the part of the word "Rhein" in considering this case but must read the two words as a whole."

Furthermore, the word BODE is not, as in the Rheinlieblich case, identical to the word BORDEN. In the Aqua-Repela case two very similar words were being considered i.e. Repela and Repellus and

not as in this case BODELAC and BORDEN. I can only compare BODELAC with the mark BORDEN.

I take the view that BODELAC is an invented word and I should not on the evidence before me disregard the part of the mark "lac". However if I am wrong in this view I still consider that taking into account the views already set out by me that there would be no probability of confusion between the mark BODELAC or even BODE with the mark BORDEN.

I have accordingly considered carefully the evidence in this case, the submissions made by both parties at the Hearing and all the circumstances of this case and taking into account the view I have taken that the marks are visually and phonetically sufficiently different one from the other I consider the Applicants have satisfied me that there would be no probability of deception. The Opposition accordingly fails under s. 12(1) of the Trade Marks Ordinance.

Taking into account the views I have expressed and the circumstances of this case I do not consider I should exercise my discretion to refuse this Application. I therefore dismiss the Opposition and accept the mark BODELAC for registration in accordance with the Application herein.

The Opponents claim in paragraph 6 of the Notice of Opposition that use of the Applicants' mark by the Applicants will constitute an infringement of the Opponents' rights in the Opponents' mark, but I consider that the question of infringement is essentially one for the courts.

I find that the Applicants are entitled to an award of costs, that any representations which either party may wish to make as to the amount of those costs will be considered if received within one month 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.

Aneil C. Waters

A.C. WATERS (Miss)
Ag. Deputy Principal Solicitor
27th October 1982