

Application No. 3192/86

IN THE MATTER of the
Trade Marks Ordinance (Cap. 43)

AND

IN THE MATTER of an application for
registration of the Trade Mark

STRIDE

in Class 25 in Part A of the Register by
Para Limited Partnership

AND

IN THE MATTER of an opposition thereto
by The Stride Rite Corporation

DECISION
OF

Miss Fung Shuk Hing acting for the Registrar of Trade Marks after a hearing on
Tuesday, 16 July 1996.

Appearing : Mr Stephen T H Tay, Counsel, instructed by Messrs Deacons Graham &
James on behalf of the Applicant, Para Limited Partnership.

Ms Winnie Tam, Counsel, instructed by Messrs Baker & McKenzie on
behalf of the Opponent, The Stride Rite Corporation.

1. On 28 August 1986 ("Application Date") Para Limited Partnership ("Applicant") of Bangkok, Thailand applied under the Trade Marks Ordinance ("Ordinance") for registration of the trade mark **STRIDE** in Part A of the Register in Class 25 in respect of, following a subsequent authorized amendment, of "shirts, T-shirts, shorts, trousers, jackets, training suits, belts and socks" ("specified goods").

2. Leave to advertise the suit mark in respect of the specified goods was given on 11 January 1989. The suit mark was advertised in the Gazette on 3 February 1989.

Notice of Opposition

3. The application was opposed by The Stride Rite Corporation ("Opponent") of Cambridge, Massachusetts, United States of America, which, by its notice of opposition lodged on 3 April 1989, relies on grounds, effectively, that:-

- (a) The Opponent has been in business in Massachusetts, United States of America since 1922 using its **STRIDE RITE** mark to indicate its high quality footwear, hosiery, footwear care products, clothing and accessories.
- (b) The Opponent's business has gradually expanded and the Opponent now operates in Algeria, Austria, Benelux, Brazil, Canada, Finland, France, West Germany, Italy, Japan, Korea, Morocco, Philippines, Sudan, Switzerland, Taiwan, Turkey and Yugoslavia, its **STRIDE RITE** mark being registered in Class 25 in all such countries.
- (c) The Opponent's name and its **STRIDE RITE** mark are known internationally.
- (d) The Opponent's **STRIDE RITE** mark was first registered in Class 25 in the United States of America in 1929 under No 263,745 with subsequent registrations in that class being effected under Nos 381,811 and 405,565.
- (e) The Opponent's **STRIDE RITE** mark is also registered in the United States of America in Class 25 under Nos 958,206 and 1,273,954 for "footwear" and Nos 1,236,944 and 1,283,933 for "hosiery, shoes, shoelaces and footwear care products".
- (f) The **STRIDE** suit mark is identical to part of the Opponent's mark and so nearly resembles the Opponent's **STRIDE RITE** mark as a whole as to be calculated to deceive and cause confusion in Hong Kong.

- (g) Due to the international reputation of the Opponent's name and **STRIDE RITE** mark, use or registration by the Applicant of the suit mark in Hong Kong would be likely to deceive and would be disentitled to protection in a court of justice or would be contrary to law such that registration would contravene the provisions of section 12(1) of the Ordinance.
- (h) The Applicant is not entitled to be registered as the proprietor of the suit mark as under section 23 of the Ordinance the Opponent's **STRIDE RITE** mark has been registered in respect of the same goods or goods of the same description as the specified goods in countries, including the United States of America, from where such goods originate. Neither the Applicant nor any predecessor in title has used the suit mark before 1929, the date of first registration by the Opponent of its **STRIDE RITE** mark in the United States of America.
- (i) The Applicant is not entitled to claim proprietorship of the suit mark under section 13(1) of the Ordinance because the Opponent is and has been for many years the owner of international reputation and goodwill in its name and the **STRIDE RITE** mark.

4. The Opponent also seeks refusal of registration in exercise of the Registrar's discretion.

Counter-statement

5. The Applicant by its counter-statement lodged on 31 May 1989 relies, effectively, on the following grounds in support of its application:-

- (a) The Opponent has no international reputation in its **STRIDE RITE** mark and use and registration of the suit mark (which does not nearly resemble the Opponent's mark) in Hong Kong would not be calculated to deceive and cause confusion.
- (b) The suit mark has been used by the Applicant in, inter alia, Hong Kong and Thailand.
- (c) The Opponent cannot rely on section 23 of the Ordinance. Alternatively, it would be inequitable for the Registrar to refuse registration of the suit mark under this section.

- (d) The Applicant is entitled to claim the proprietorship of the suit mark under section 13(1) of the Ordinance and the Opponent has to prove the international reputation and goodwill of the **STRIDE RITE** mark.

6. The Applicant also seeks registration in exercise of the Registrar's discretion.

Evidence under Rule 25

7. Principal evidence on behalf of the Opponent comes in affidavits dated 28 August 1989 of David Phillips, Controller of The Stride Rite Children's Group, Inc, a wholly owned subsidiary of the Opponent, and Suzanne M Zabitchuck, the Opponent's Associate General Counsel and Assistant Clerk.

8. Mr Phillips gives worldwide sales figures of footwear marketed under the Opponent's **STRIDE RITE** mark for the years 1984 - 1988 inclusive showing sales over the first two and a half years totalling approximately US\$264,000,000 (In the hearing Ms 甄 clarified three zeroes should be added at the end of each sales figure in the affidavit and Mr 甄 ay raised no objection. The sales figure US\$264,000,000 has already reflected Ms Tam's clarification).

9. Ms Zabitchuck produces as Exhibit 1 a list of the Opponent's worldwide registrations and pending applications for registration (including a pending application in Hong Kong in 1989) of its **STRIDE RITE** mark and copy registration certificates supporting some of the information in the notice of opposition (see paragraph 3(b)).

10. Ms Zabitchuck says the Opponent advertises and promotes its products on a substantial scale. She produces as Exhibit 2 advertisements and promotional materials with the **STRIDE RITE** mark.

11. Ms Zabitchuck considers the Opponent's name and its **STRIDE RITE** mark have been widely used, the latter being identified with the Opponent's products.

Evidence under Rule 26

12. Evidence on behalf of the Applicant comes in a declaration dated 11 June 1990 of Tinagorn Thanapisitikul, its General Manager.

13. Mr Thanapisitikul says the Applicant's in-house designer independently devised the **STRIDE** mark in 1985. He says at first the mark **STRIKE** was suggested but as such word conveyed a negative meaning a slight change was made and the mark became **STRIDE** for use mainly on clothes.

14. Mr Thanapisitikul says the Applicant has used its **STRIDE** mark in Thailand continuously since 1985 in relation to clothing for men and women.

15. Mr Thanapisitikul says the Applicant employs some 1,060 office and factory staff and its business, using the **STRIDE** mark, is gradually expanding.

16. Mr Thanapisitikul says the Applicant has made applications to register the **STRIDE** mark in China, Hong Kong (which is the application under these proceedings), Malaysia, Philippines, Singapore and Taiwan. He produces as Exhibit TT1 copy application forms and trade mark journal advertisements in support.

17. Mr Thanapisitikul says the Applicant's **STRIDE** mark is registered in Bahrain, Brunei, Indonesia, Saudi Arabia, Thailand and Vietnam. He produces as Exhibit TT2 copy registration certificates in support.

18. Mr Thanapisitikul says in most countries where the Applicant's suit mark is registered or pending to be registered the Opponent does not have registrations or pending registrations for its **STRIDE RITE** mark nor does it claim to have used its **STRIDE RITE** mark in those territories and therefore it cannot assert any goodwill or reputation therein.

19. Mr Thanapisitikul gives Thai sales figures of the Applicant's suit marked clothing for the years 1985 - 1989 inclusive showing sales for the first one and a half years totalling approximately HK\$630,000. He produces as Exhibit TT3 copy invoices together with certified English translation in support.

20. Mr Thanapisitikul says since 1986 the Applicant's suit marked clothing has been sold outside Thailand. He gives such sales figures for the years 1986 - 1989 inclusive showing sales in the first half year some HK\$33,000. Mr Thanapisitikul produces as Exhibit TT4 copy invoices supporting sales in Malaysia, Singapore and Taiwan.

21. Mr Thanapisitikul says since 1986 the Applicant has exported individual articles of suit marked clothing to Hong Kong to test the market though it is awaiting registration of its suit mark in Hong Kong before exporting commercially viable quantities of clothing here. Mr Thanapisitikul says because of the small number of clothing items sold to Hong Kong he cannot produce any supporting invoices.

22. Mr Thanapisitikul says the **STRIDE** suit mark is attached to the Applicant's garments by means of labels sewn into the neck or back. He says the Applicant's name does not appear on the labels as such a requirement is not compulsory under Thai law. Mr Thanapisitikul produces as Exhibit TT5 a pair of suit marked trousers in support.

23. Mr Thanapisitikul says the Applicant's suit marked clothing has been advertised in in-house catalogues, stickers, posters and packaging. He produces Exhibit TT6 in support.

24. Mr Thanapisitikul says the Applicant has advertised its suit marked clothing in publications predominantly available in Thailand and internationally distributed English language publications. He produces Exhibit TT7 showing advertisements in Thai language publications.

25. Mr Thanapisitikul considers the Opponent's evidence does not show it was a company established and doing business in the United States of America since 1922 or that it was trading in goods prior to 1988.

26. Mr Thanapisitikul considers Exhibit 1 (see paragraph 9) does not show the Opponent has a business presence in countries where its **STRIDE RITE** mark is registered as the marks may be unused rendering them vulnerable to attack and expungement. He considers the evidence does not show the Opponent has used any trade mark in the countries claimed and there is no evidence in the form of advertisements and invoices to prove the Opponent has a worldwide reputation in its **STRIDE RITE** mark in footwear or other clothing.

27. Mr Thanapisitikul says the Opponent has not shown **STRIDE RITE** registrations in Benelux, France, Germany, Italy or Japan, the registrations in those countries being for **STRIDERITE**. He queries the validity of these registrations considering it likely the mark as registered has not been used.

28. Mr Thanapisitikul observes the registration of **STRIDERITE** or **STRIDE RITE** in Algeria, Benelux, Brazil and Italy are in respect of footwear which he considers to be goods of a different nature from the specified goods as footwear is generally sold through different retail establishments from the clothing articles sold by distributors of the Applicant's trade marked goods.

29. Mr Thanapisitikul considers the Opponent's evidence, in particular the American registrations, shows that the Opponent's products are limited, with hosiery being the single exception, to footwear, retail shoe store services and foot care products.

30. Mr Thanapisitikul notes Exhibit 2 (see paragraph 10) shows American advertisements and promotion of the Opponent's products in 1988 and 1989 only. With no evidence of advertisements or promotion outside the United States of America, Mr Thanapisitikul considers the Opponent's claim to an international reputation or established reputation for its trade marked products unsubstantiated. Mr Thanapisitikul considers the suit application and the Applicant's Thai and Malaysian trading activities predate the Opponent's evidence of use of its mark.

31. Mr Thanapisitikul considers the advertisements and promotional materials in Exhibit 2 are either undated or dated after the Application Date. Mr Thanapisitikul observes the **STRIDE RITE** mark has been used in respect of slippers, sandals and shoes only with one exception relating to socks and hosiery shown in a 1989 catalogue.

32. Mr Thanapisitikul notes the Opponent has not distinguished between sales of its products in the United States of America and elsewhere (see paragraph 8). He considers the reference to "worldwide" could relate to the United States of America only. Mr Thanapisitikul doubts whether the Opponent sold any **STRIDE RITE** products in Hong Kong prior to the Application Date.

33. Mr Thanapisitikul considers the Opponent has not shown any goodwill or reputation in its **STRIDE RITE** mark for clothing other than footwear.

34. Mr Thanapisitikul says as clothing and footwear are sold in separate areas in department stores, there would be no confusion or deception between sales of the Opponent's **STRIDE RITE** marked footwear and sales of the Applicant's **STRIDE** suit marked clothing.

35. Mr Thanapisitikul says that clothing and footwear are produced from different materials and their natures are different.

36. Mr Thanapisitikul says the specified goods are neither identical to nor goods of the same description as the footwear and/or foot care products protected under the Opponent's American **STRIDE RITE** registrations.

37. Mr Thanapisitikul considers the Applicant is entitled to registration of its **STRIDE** suit mark in Hong Kong which would not deceive or cause confusion.

Evidence under Rule 27

38. Evidence in reply on behalf of the Opponent comes in a declaration dated 9 March 1993 of John Kelliher, the Opponent's Vice President, Treasurer and Controller.

39. Mr Kelliher, understanding applications for registration of trade marks outside Hong Kong are irrelevant to these proceedings, note Exhibit TT1 (see paragraph 16) shows the applications in China, the Philippines, Singapore and Taiwan were filed after the Application Date.

40. Mr Kelliher understands applications in Bahrain, Indonesia and Saudi Arabia may be filed without prior use in those jurisdictions.

41. Mr Kelliher considers Thai sales of the Applicant's suit marked goods are irrelevant to these proceedings.
42. Mr Kelliher is not aware of any commercial sales or advertisements of the Applicant's suit marked clothing in Hong Kong.
43. Mr Kelliher says he cannot comment on the validity of Exhibit TT3 (see paragraph 19) as he is unfamiliar with the Thai language. Mr Kelliher does not know whether Boonma Tejavaniya is a qualified translator.
44. Mr Kelliher produces as Exhibit JK-1 copy certificate showing the Opponent changed its name from The Green Shoe Manufacturing Company in March 1972 and produces as Exhibit JK-2 a copy of the Opponent's 1992 annual report.
45. Mr Kelliher produces as Exhibit JK-3 a schedule which he says shows the countries in which the Opponent's **STRIDE RITE** marked goods are sold. The schedule gives details of overseas registrations and pending applications for registration of the Opponent's **STRIDE RITE** or **STRIDERITE** marks.
46. Mr Kelliher produces as Exhibit JK-4 copy invoices supporting sales of the Opponent's **STRIDE RITE** marked goods in the United States of America.
47. Mr Kelliher says the Opponent has used its **STRIDE RITE** mark on footwear in Algeria, Benelux, Brazil, France, Germany, Italy and Japan.
48. Mr Kelliher produces as Exhibit JK-5 copy advertisements for the Opponent's **STRIDE RITE** marked goods.
49. Mr Kelliher says the Opponent has advertised its **STRIDE RITE** marked footwear outside the United States of America.
50. Mr Kelliher gives sales figures of the Opponent's **STRIDE RITE** marked goods in the United States of America and elsewhere for 1984 - 1988 inclusive showing sales in the United States of America for the first two and a half years totalling approximately US\$270,000,000 and sales elsewhere over the same period of some US\$360,000.
51. Mr Kelliher says the Opponent's **STRIDE RITE** mark had an extensive worldwide reputation in relation to footwear by the Application Date, which would cause Hong Kong consumers to be confused as to the origin of clothing bearing the Applicant's **STRIDE** mark.

Grounds of Opposition

52. The Opponent's **STRIDE RITE** mark is not registered in Hong Kong. On 7 April 1989 the Opponent applied for registration of the trade mark **STRIDE RITE** in Part A of the Register in Class 25 in respect of "clothing, footwear and headgear". Since the Opponent's **STRIDE RITE** mark was not registered at the Application Date, section 20 of the Ordinance does not apply in this case.

53. The opposition is based on sections 12(1) and 23 of the Ordinance.

Section 12(1)

54. The provisions of section 12(1) as at the Application Date are as follows :

" It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or would be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design."

55. Whilst there are slight differences between section 12(1) of the Ordinance and section 11 of the United Kingdom Trade Marks Act 1938 (the likelihood of deception, which is wide enough to catch confusion, being an independent ground of objection under section 12(1)) decisions on section 11 of the 1938 Act are relevant to section 12(1) of the Ordinance and it can be considered on much the same basis as section 11 of the 1938 Act.

56. The accepted tests to be applied to consideration of cases under section 12(1) of the Ordinance are those propounded by Evershed J in **Smith Hayden & Co's Application (1946) 63 RPC 97** at page 101. Adapted to the features of the suit case and with recognized glosses they may be expressed as follows:-

" Having regard to the awareness of the mark on which the Opponent is relying is the tribunal 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 likely to cause deception or confusion amongst a substantial number of persons? May a number of people be caused to wonder whether goods under the respective marks come from the same source? Is there a real tangible danger of confusion if the applied for mark is put on the Register?"

57. The reference to "substantial" is a question to be judged in relation to the markets for the goods concerned. "Persons" are all those people likely to become purchasers of the goods upon which the respective marks are used.

58. The onus is on the Applicant to defeat the opposition under section 12(1) of the Ordinance. This is done by satisfying me there is no reasonable probability of deception or confusion, the test, in different words, being whether use of the suit mark by itself on any of the specified goods, in any manner which can be regarded as normal fair use of it, will be calculated to deceive or cause confusion, without necessarily leading to passing-off. The suit mark must offend if its use in relation to any of the specified goods is likely to cause deception or confusion in the minds of persons to whom it is addressed, even if actual purchasers will not ultimately be deceived. Likely purchasers must not be put into a state of doubt.

59. To bring section 12(1) of the Ordinance into operation an opponent must have some reputation for its mark in Hong Kong derived from user in the widest sense or awareness of it here. The onus then shifts to the applicant to show there is no reasonable likelihood of deception or confusion.

60. The actual extent of the reputation of an opponent's mark and the range of goods for which it has been achieved are factors in determining whether there is sufficient likelihood of deception or confusion to warrant refusal of registration under section 12(1) of the Ordinance.

61. I must decide whether the public at large, purchasers or likely purchasers of goods bearing the respective marks of their owners, would infer they come from the same source or at least be caused to wonder whether that might not be so. Having regard to the reputation of the mark on which the Opponent is relying in Hong Kong at the Application Date I must decide whether it would be likely that the public would be deceived or confused if that mark or a similar mark is used in relation to any of the specified goods.

62. As Ms Tam said I do not have a discretion under section 12(1) of the Ordinance. If the Opponent succeeds registration must be refused. If I am in doubt registration must be refused.

63. The relevant date for determining these proceedings is the Application Date.

64. I will consider whether an opposition can be mounted under section 12(1) of the Ordinance.

65. First of all I will consider the issue of reputation of the Opponent's **STRIDE RITE** mark in Hong Kong as at the Application Date.

66. Mr Tay argued the evidence submitted by the Opponent failed to establish any reputation of its **STRIDE RITE** mark in Hong Kong by the Application Date by way of use of the mark in Hong Kong or via an awareness of the use of the mark elsewhere.

67. Mr Tay said there was no evidence to suggest the products of the Opponent had actually been sold to consumers in Hong Kong or otherwise made available to consumers in Hong Kong through other means including sales through mail orders and sales to agents. Mr Tay said the sales invoices at Exhibit JK-4 (see paragraph 46) were all dated 1992 and did not show sales in Hong Kong. Moreover, Mr Tay said there was no evidence with respect to the amount spent and the method used for the advertising or promotion of the Opponent's **STRIDE RITE** mark in Hong Kong.

68. Mr Tay observed there was no evidence to prove that prior to the Application Date, there was an international reputation attaching to the Opponent's **STRIDE RITE** mark. Mr Tay said Exhibit 2 (see paragraph 10) could only be taken as advertisements and promotional materials used in the United States of America as their distribution elsewhere had not been proved. Mr Tay further said as the earliest date of these advertisements and promotional materials was January 1989, the Opponent could not even establish its reputation in the United States of America prior to the Application Date.

69. Mr Tay considered there was no evidence to show that any reputation Opponent's **STRIDE RITE** mark enjoyed outside Hong Kong had spilled over here.

70. Accordingly Mr Tay concluded the Opponent had no reputation in its **STRIDE RITE** mark in Hong Kong and could not mount an opposition under section 12(1) of the Ordinance.

71. Ms Tam submitted she did not agree with Mr Tay that the Opponent had no reputation of its **STRIDE RITE** mark both inside and outside the United States of America.

72. Ms Tam submitted the Opponent had a very long-standing use of its **STRIDE RITE** mark in the United States of America on footwear and hosiery. She referred me to the copy Certificate of Registration No 1,236,944 of Exhibit 1 (see paragraph 9) wherein it was mentioned that the first use of the **STRIDE RITE** mark for footwear including hosiery dated back to 1928.

73. Ms Tam submitted the marketing and advertising of the Opponent's **STRIDE RITE** mark on footwear and hosiery were well-organized and extensive. She said Exhibit 2 showed that the marketing support to retailers was of a high degree of professionalism and a brochure named "Stride Rite Marketing Programs Fall 1989" was devised for the retailers.

74. Ms Tam also considered though some materials in Exhibit 2 e.g. the "1989 Hosiery and Accessory Catalog" dated 1989, they gave the idea of the extent of

the Opponent's operation which was commensurate with its standing in the trade. Ms Tam invited me to infer that the Opponent had a long history of establishment.

75. Ms Tam referred me to the declaration of Mr Kelliher and said the Opponent had advertised its **STRIDE RITE** marked footwear outside the United States of America (see paragraph 49).

76. Ms Tam drew my attention to the sales figures given in the declaration of Mr 譚elliher (see paragraph 50) and pointed out the sales of the **STRIDE RITE** marked footwear amounted to some HK\$800 million in the United States of America in 1984. Ms Tam said in 1984 in the United States of America, it was impossible to sell some HK\$800 million worth footwear products without becoming famous and the significant level of sales told a lot about the reputation of the Opponent both inside and outside the United States of America.

77. Ms Tam further said as shown from the declaration of Mr 譚elliher, the sales value outside the United States of America in the sums of HK\$0.5 million and HK\$1.5 million in the respective years of 1984 and 1985 were by no means insignificant in view of the value of money in the 1980s. Ms Tam submitted while the foreign sale by the Application Date was not staggering, it was compensated with the substantial home sales and the long standing of the **STRIDE RITE** mark.

78. Ms Tam helpfully clarified Exhibit JK-3 (see paragraph 45) did not appear to be the right schedule showing the countries in which the Opponent's **STRIDE RITE** marked goods were sold. Ms Tam submitted Algeria, Benelux, Brazil, France, Germany, Italy and Japan were countries outside the United States of America where the **STRIDE RITE** marked goods were sold (see paragraph 47). Ms Tam pointed out these were large and developed countries.

79. Ms Tam drew my attention to a copy extract from a magazine called "Motherhood" December 1991 enclosed in Exhibit JK-5 (see paragraph 48) wherein it was mentioned "Stride Rite is the first producer of baby shoes to receive the seal of approval from the American Pediatric Medical Association". Ms Tam submitted this showed the Opponent's **STRIDE RITE** marked baby shoes were professionally acclaimed.

80. Ms Tam submitted foreign reputation without trade here could suffice and it was unnecessary that the Opponent needed to prove it had traded in Hong Kong. Ms 譚am considered the reputation of the Opponent established by the substantial sale and advertisements of its **STRIDE RITE** products in the United States of America and other countries was bound to spill over outside the United States of America into Hong Kong and judicial notice ought to be taken of the fact that there were substantial traffic of tourists and international business between Hong Kong and the United States of America i.e. Hong Kong people going to the United States of America, American people coming to Hong Kong and people of other

countries travelling to both the United States of America and Hong Kong. Ms Tam submitted these three groups of people were relevant public to be considered. Ms Tam also said one had to bear in mind the United States of America was a metropolitan country and Hong Kong was an international city.

81. Ms Tam drew my attention to **Re Remfry 德 TM (1897) 23 VLR 44**. She then referred me to **Tan-Ichi v Jancar [1990] FSR 151** and the observation therein which says "a court must respond to the changes which have occurred in international communications. The large number of tourists crossing and re-crossing boundaries; the speed and efficiency of modern technology which cause business reputation to be more widely spread and recognised than in the past. Courts in other jurisdictions have responded to the change".

82. In reply, Mr Tay distinguished the present case from the **Tan-Ichi** case. He took the view that in most cases there should be an actual commercial presence and reputation grew from goodwill.

83. The invoices of the Opponent can be found at Exhibit JK-4 (see paragraph 46). The Opponent has not provided any pre-Application Date invoices in support of its claimed sales of **STRIDE RITE** marked products anywhere. Thus the sales figures referred to in paragraphs 8 and 50 and what was said by Ms 衞am in paragraphs 76 and 77 relating to the sales figures prior to the Application Date are unsubstantiated. The Opponent has provided invoices showing post-Application Date sales of its products under the **Stride Rite** mark in the United States of America.

84. The advertisements and promotional materials of the Opponent can be found at Exhibits 2 (see paragraph 10) and JK-5 (see paragraph 48). Some of the advertisements and promotional materials in these two exhibits are undated. Its advertisements and promotional materials, where dated, are all dated after the Application Date. These two exhibits show post-Application Date advertisements take place in the United States of America, Singapore and probably Malaysia.

85. There is no evidence to show that the Opponent 德 **STRIDE RITE** products have been marketed in Hong Kong or that any of its products have been advertised here prior to the Application Date. Ms Tam admitted there was no commercial sale here prior to the Application Date. I note at page 10 of Exhibit JK-2 relating to the Annual Report 1992 of the Opponent there is the reference of the highlights in 1992 which include the opening of Stride Rite retail store in Hong Kong. As the event happens some years after the Application Date, it is irrelevant.

86. Even without use or advertisement in Hong Kong, reputation can be acquired if the mark is so famous overseas that there is awareness of it here. In **Hong Kong Caterers Ltd v Maxim 德 Ltd [1983] HKLR 287** following **Wienerwald Holdings AG v Kwan & Others (1979) FSR 381**, it was held that a reputation can

exist in Hong Kong without any business having been carried on here. The view taken by Mr 譚 in paragraph 82 is too restrictive.

87. It appears to me on the evidence in this case the Opponent has demonstrated a reputation for its **STRIDE RITE** products in the United States of America at the Application Date. In one undated promotional material named "Stride Rite Sure Steps to Fitness" in Exhibit 2 (see paragraph 10), it is mentioned therein that "At Stride Rite, we've been sharing in that joy for over 70 years. During that time, we've built a reputation for quality, service and value by offering only the best in shoes, sneakers, sandals and boots for children of all ages and fitting them properly.". In another undated promotional material named "Stride Rite Co-Op Advertising Program" in the same exhibit, it is mentioned therein that "For sixty years, Stride Rite has been a leader in quality children's footwear". It appears from these two promotional materials that the **STRIDE RITE** marked products must have been in the market of the United States of America for some time prior to the Application Date. Ms Tam acknowledged that the Opponent's reputation was largely in babies' and children's shoes. These two promotional materials appear to corroborate what Ms Tam said with respect to the situation in the United States of America.

88. However, from the evidence provided before me the Opponent has not shown any reputation of its **STRIDE RITE** mark elsewhere other than the United States of America at the Application Date. No evidence is given as to the reputation established in the seven countries referred to in paragraphs 47 and 78. The advertisements at Exhibit JK-5 (see paragraph 48) are either undated or dated after the Application Date.

89. As the sales figures given by Ms 譚 in paragraphs 76 and 77 are not supported by evidence. I consider it unsafe to rely on the inferences drawn by Ms 譚. There is no indication that the Opponent's **STRIDE RITE** mark is so famous in the United States of America and/or other countries that its reputation had by the Application Date spilled over into Hong Kong notwithstanding there was no sales or advertisements here.

90. The present case should be distinguished from the **Tan-Ichi** case. The **Tan-Ichi** case concerns the plaintiff bringing passing off proceedings against the defendant and from the many affidavits and exhibits submitted the plaintiff succeeded in establishing that it possessed the reputation and goodwill which could be protected in Hong Kong.

91. However, in this case, having regard to the contents of the two affidavits and one declaration put forward on behalf of the Opponent, I come to the view that there is no evidence in support of the Opponent's assertion that its **STRIDE RITE** mark through use or advertisement outside Hong Kong prior to the Application Date has by virtue of the spilling over effect of the reputation established overseas acquired a reputation in Hong Kong at the Application Date. There is no evidence to show that

at the Application Date the **STRIDE RITE** mark was known as the Opponent's mark by a sufficient number of persons in Hong Kong.

92. I bear in mind the observation in the **Tan-Ichi** case (see paragraph 81). I also note the **Maxim** 德 case recognises that when considering whether or not a reputation is known to a sufficient number of persons, overseas visitors (from the English speaking world) are to be taken into account. While I am satisfied the Opponent's **STRIDE RITE** mark had some reputation in the United States of America at the Application Date, I consider the degree of such reputation was insufficient to bring it to the awareness of enough American visitors and/or businessmen who came to Hong Kong. Likewise, the degree of the American reputation was inadequate to bring it to the awareness of enough Hong Kong visitors and/or businessmen who went to the United States of America. At most, there might be a handful of such visitors and/or businessmen who knew the Opponent's **STRIDE RITE** mark at the Application Date. The number of such persons is insufficient to conclude a sufficient number of persons in Hong Kong at the Application Date, were aware of **STRIDE RITE**, associating it with the Opponent. In the circumstances, I come to the view that the submissions of Ms Tam (summarised in paragraph 80) that the reputation of the Opponent's **STRIDE RITE** mark was bound to extend to Hong Kong as a result of the interchange of visitors and international business cannot stand.

93. The Opponent has not established, to my satisfaction, any reputation in its **STRIDE RITE** mark in Hong Kong at the Application Date. The Opponent cannot mount an opposition under section 12(1) of the Ordinance.

94. As the Opponent cannot mount an opposition under section 12(1) of the Ordinance the Applicant is not called upon to show that the suit mark, if used in a normal and fair manner in connection with any of the specified goods, will not be likely to cause deception and confusion amongst a substantial number of persons. The Applicant does not have to show a number of people would not be caused to wonder whether goods under the respective marks come from the same source. The Applicant does not have to satisfy me there is no tangible danger of confusion if the suit mark is put on the Register for the specified goods.

95. I find the opposition under section 12(1) of the Ordinance fails.

Section 23

96. As a preliminary point, I would mention that Mr 賴 submitted as the Opponent's **STRIDE RITE** mark means "a right step" it would not be registrable without showing use. Mr Tay questioned whether the Opponent could comply with section 23 of the Ordinance under such circumstances.

97. I consider the present proceedings are not the appropriate forum to consider the registrability of the Opponent's **STRIDE RITE** mark. In any event, the

point raised by Mr 甄ay was not in issue as it appears that subject to suitable disclaimers **STRIDE RITE** is not prima facie unregistrable.

98. I now move on to consider section 23 of the Ordinance.

99. Section 23 of the Ordinance has no counterpart in the United Kingdom trade marks legislation. The provisions of section 23 as at the Application Date are as follows :-

" The Registrar may refuse to register any trade mark if it is proved to his satisfaction by the person opposing the application for registration that such mark is identical with, or so nearly resembles as to be calculated to deceive or cause confusion, a trade mark which is already registered in respect of the same goods or description of goods in a country or place from which such goods originate :

Provided that no application to register shall be refused under this section -

- (a) if the applicant proves that he or his predecessors in business have in Hong Kong, in relation to such goods, continuously used the trade mark for the registration of which he has made application from a date anterior to the date of the registration of the other mark in such country or place of origin; or
- (b) if the opponent does not give an undertaking to the satisfaction of the Registrar that he will, within 3 months from the giving of the notice of opposition, apply for registration in Hong Kong of the trade mark so registered in the country or place of origin, and will take all necessary steps to complete such registration."

100. The **Maxim's** case establishes that section 23 of the Ordinance is basically a section protecting an overseas opponent from piracy of his registered mark. Hunter J said in the **Maxim's** case that the section can be paraphrased to read that the Registrar may refuse to register a copied mark. The Registrar's power to refuse registration is discretionary. Whether or not an opponent's mark has been copied is therefore a crucial issue, a practical question to be decided in determining the exercise of the discretion under the section.

101. Section 23 of the Ordinance enables the registered proprietor of a foreign mark to rely upon his registration and the inference of use arising therefrom, without specific proof of user even abroad (the **Maxim's** case).

102. In the notice of opposition, the Opponent said the **STRIDE RITE** mark was first registered in Class 25 in the United States of America in 1929 under No

263,745 (see paragraph 3(d)). However, it is not supported by evidence. From the evidence in Exhibit 1 (see paragraph 9), Opponent's **STRIDE RITE** mark was apparently first registered in the United States of America in 1983 under No. 1,236,944 having been first used in 1928. That registration covers footwear including hosiery.

103. I first deal with the provisos to section 23.

104. Mr Tay helpfully and sensibly conceded the Applicant had not proved its case under proviso (a) to section 23 as there was no evidence showing that the Applicant had used the suit mark in Hong Kong anterior to the date of registration of the Opponent's **STRIDE RITE** mark in the United States of America.

105. There are some arguments on proviso (b) to section 23.

106. It is not in dispute that the Opponent, having filed an application to register 4 days after the filing of the notice of opposition (see paragraph 52) is not necessary to give the undertaking to apply for registration in Hong Kong of the **STRIDE RITE** mark registered in the United States of America within 3 months of the notice of opposition. That leaves the undertaking that the Opponent will take all necessary steps to complete the registration.

107. I have been urged by Mr Tay that the Opponent has not given an undertaking to take all necessary steps to complete the registration and therefore has not complied with proviso (b) to section 23. Mr 阮 drew my attention to **Charming Co Ltd v Omega SA [1994] AIPR 385** and submitted if the Opponent wished to oppose under section 23 it had to give such an undertaking which was to ensure the Opponent's good faith. Mr 阮 took the view that the Opponent's application to register was insufficient evidence to indicate the Opponent's good faith to take all necessary steps to complete registration. Mr 阮 pointed out the requirement of proviso (b) to section 23 was expressed with the word "and" and was mandatory to compensate the harshness of section 23. Mr 阮 considered that such an undertaking should be given in the declaration and/or affidavits filed on behalf of the Opponent and preferably in the notice of opposition and in the absence of such an undertaking the Opponent could not base its opposition under section 23. He said the Opponent's application to register could be withdrawn at any time before it was put on the Register.

108. Ms Tam submitted proviso (b) to section 23 only applied when there was an undertaking to apply for registration within 3 months of the giving of the notice of opposition and "such registration" in the last line of proviso (b) to section 23 referred to the registration of a trade mark under that particular application made pursuant to the undertaking. Ms Tam maintained proviso (b) to section 23 was inapplicable in this case as the Opponent filed the application to register within 3 months therefore no such undertaking was required to be given.

109. The present case should be distinguished from the **Charming Co Ltd** case. In the **Charming Co Ltd** case, no application to register has ever been filed by the opponent either before or after the giving of the notice of opposition. Nor has the opponent given any undertaking to apply to register within 3 months of the giving of the notice of opposition. In this case, the Opponent filed the application to register shortly after the notice of opposition has been lodged. I consider Mr 祝ay takes too narrow a view of the interpretation of the proviso. A more liberal construction of the proviso should be adopted. It is clear to me that the Opponent who applied to register the **STRIDE RITE** mark soon after the notice of opposition has been lodged and who relies on section 23 as one of the grounds of opposition must be prepared to give the undertaking to take all necessary steps to complete the registration. I note the Applicant's challenges to the Opponent's good faith. There is, I think, no evidence to indicate or suggest the Opponent's good faith is in question. I cannot go with the bare assertions of Mr 祝ay which are unsubstantiated. That the Opponent would withdraw its application to register at any time is mere speculation. I am satisfied the Opponent has not demonstrated a lack of good faith.

110. I shall proceed to consider the opposition under section 23 on the basis that the provisos therein do not apply.

111. Firstly, I need to consider whether the Applicant's mark is identical with or so nearly resembles the Opponent's mark as to be calculated to deceive or cause confusion.

112. I will consider the similarity of the respective marks by comparing them. I must establish the reasonable probability of deception and confusion governed by the well established principles laid down by Parker J in **Pianotist Co's Application (1906) 23 RPC 774**. They are 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 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."

113. The resemblance between the marks must be considered with reference to the ear as well as to the eye. An ordinary person is expected to exercise normal care and intelligence but no more. His memory is imperfect. He remembers marks by general impression or some significant detail, rather than by photographic recollection of the whole. Too detailed an examination of the marks should not be made. The question of resemblance is one of first impression. They should not be compared side by side. Marks are compared as a whole, regard being had to the idea of each mark.

Ultimately whether marks resemble each other or not is a question of fact, to be judged objectively.

114. The suit mark is **STRIDE**. The Opponent's 標 mark registered in the United States of America is **STRIDE RITE**.

115. Ms Tam submitted **STRIDE** constituted the whole of the suit mark and was the predominant part of the Opponent's **STRIDE RITE** mark with **RITE** being laudatory and indistinctive. Ms 譚 considered the public tended to disregard the indistinctive part of a mark. Ms 譚 further submitted both the suit mark and the Opponent's mark conjured up the same idea or image.

116. Mr 譚 said the suit mark and the Opponent's mark were visually and phonetically different. Mr 譚 submitted the main visual difference was that the suit mark consisted of only one word **STRIDE** whereas the Opponent's mark made up two words **STRIDE RITE**. The former was shorter and the latter was longer. Mr 譚 considered the differences in length of the two marks would ensure that they be considered dissimilar. Mr Tay also submitted phonetically the two marks had to sound differently. Mr 譚 took the view that emphasis would be placed on "de" of **STRIDE** when it was a single word whereas less emphasis would be placed on "de" of **STRIDE** and more emphasis would be placed on "te" of **RITE** when **STRIDE RITE** as a whole was pronounced. Mr Tay further pointed out the pronunciation of the first and last syllables of the respective marks was different.

117. The suit mark is in unadorned plain block capitals. The Opponent's mark is also in unadorned plain block capitals. The suit mark comprises the first word of the Opponent's two-word mark. **STRIDE** is a 6-letter word having an ordinary dictionary meaning. **RITE** is phonetically the same as "Right" which means "correct", "proper" or "satisfactory".

118. In the Opponent's mark, **RITE** clearly qualifies **STRIDE**. As **RITE** qualifies **STRIDE** it follows that **STRIDE** is the essential feature of the Opponent's mark, a view reinforced by the fact that it is the first word in the mark. Both marks convey similar impressions. Visually both marks are similar.

119. Phonetically **STRIDE** being the first word in the Opponent's mark would be recognised as the most significant part of the mark particularly as **RITE** which qualifies it being used in an indistinctive manner. That being so people hearing **STRIDE** and **STRIDE RITE** would consider the products come from the same source. The two marks are phonetically similar.

120. It then falls to me to consider whether the specified goods of the Applicant and those of the Opponent are the same goods or goods of the same description.

121. Mr 甄 referred me to **Sannex and Device (26 June 1982)** at page 13 which reads :

" As in the case of Section 20 of the Trade Marks Ordinance, Section 23 applies only where some goods for which the Opponent's mark seeks to register and some goods for which the Applicant's mark seeks to register are, if not the same, at least of the same description. Accordingly, in my view, the test to be applied in considering under Section 20 whether the relevant goods are the same goods or description of goods, equally applies to similar consideration under Section 23."

Ms Tam agreed this was the acceptable test.

122. The Applicant's specified goods are "shirts, T-shirts, shorts, trousers, jackets, training suits, belts and socks". The Opponent's specification of goods covered by trade mark **STRIDE RITE** No. 1,236,944 in Class 25 in the United States of America is in respect of "footwear - namely, shoes, sneakers, boots, athletic shoes, sandals and hosiery". "Footwear" means "anything worn to cover the feet". The meaning of "hosiery" is "stockings, socks, and knitted underclothing collectively". The specified goods include "socks". Therefore the Applicant's specified goods and the Opponent's goods covered by the American registration overlap.

123. During the hearing, both Ms 甄 and Mr 甄 put forward submissions as to whether clothing and footwear were goods of the same description. They referred me to **“Rodiak” TM [1990] FSR 49** and **Dinning v New Balance Athlete Shoe Inc (1992) AIPC 90-931**. As I find the specified goods and the Opponent's goods overlap, I need not consider the matter.

124. The same goods of the respective parties which are socks are likely to be sold and purchased through the same trade channels to the same nature and kind of customers paying the same prices. Because the goods are cheap likely purchasers will exercise only normal care and will make no more than averagely intelligent examinations of the marks.

125. I consider the suit mark so nearly resembles as to be calculated to deceive or cause confusion the Opponent's **STRIDE RITE** mark which is already registered in respect of the same goods or description of goods in the United States of America from which such goods originate.

126. All the conditions in section 23 having been complied with, the exercise of my discretion under section 23 of the Ordinance therefore arises.

127. This discretion is of a judicial nature to be exercised upon judicial principles affected neither by caprice nor over caution and on reasonable grounds,

with regards to all the circumstances of the case. My prime concern is for the public interest. A bona fide application should not be refused on fanciful grounds or grounds which are unsubstantial in a business sense. I am justified in exercising my discretion against an applicant where it is shown that its conduct was such as to secure it some advantage (**Rectico**” (1935) 52 RPC 136).

128. Mr Tay submitted from case law it was firmly established that the intention of section 23 was to prevent piracy of marks. He further submitted whether or not the Applicant had copied the Opponent’s mark was a crucial issue in determining the manner of the exercise of the Registrar’s discretion under section 23. Mr Tay pointed out there was no evidence that the Applicant had copied or adopted the Opponent’s mark nor any inference of copying by the Applicant could be drawn and in the circumstances the Registrar should exercise his discretion in favour of the Applicant.

129. Ms Tam submitted section 23 protected public interest just like section 12(1) of the Ordinance. Ms Tam said though copying might be a relevant element to consider when the Registrar exercised his discretion, proof of deliberate copying or fraud by the Applicant was not a requisite element under section 23. Ms Tam considered if the Registrar was satisfied that the public would be confused, then he should exercise his discretion to refuse the registration of the suit mark. Ms Tam pointed out whether the Applicant was a good boy or a bad guy was irrelevant.

130. As indicated in paragraph 100, section 23 is primarily concerned with the protection of an overseas opponent from piracy of his registered mark. From the evidence submitted there is no indication or suggestion that the suit mark is copied from the Opponent’s mark. In the notice of opposition the Applicant explains how it came up with the suit mark (see paragraph 13). The Opponent does not dispute this. The Opponent has not alleged the Applicant has copied the Opponent’s mark. The suit mark **STRIDE** is an ordinary English word. It is not an invented word. The Opponent’s mark is not comprised of any invented words. The suit mark and the Opponent’s **STRIDE RITE** mark are not identical. I do not suspect the Applicant has derived the suit mark, either consciously or unconsciously, from the Opponent’s mark. I am satisfied the Applicant chose the suit mark in good faith.

131. The evidence shows at the Application Date neither the Applicant’s mark nor the Opponent’s mark was in use here and both parties had not established any reputation of their respective marks in Hong Kong. It appears logical there is no evidence showing actual deception or confusion between the suit mark and the Opponent’s mark here. Absence of such evidence does not prejudice the Opponent’s case.

132. Having regard to the intention of section 23 and having taken into account of the above matters including the Opponent’s mark had no reputation in

Hong Kong at the Application Date and all the circumstances of this case, I am not minded to exercise my discretion in manner adverse to the Applicant. I decline to do so.

Section 13(2)

133. That being so the exercise of my general discretion arises. This is a discretion under section 13(2) of the Ordinance to refuse registration to a mark which complies, as the suit mark does, with section 9 of the Ordinance that is not prohibited by section 12(1).

134. This discretion too is of a judicial nature to be exercised on the same principles and grounds as set out in paragraph 127. The arguments put before me on behalf of the parties in relation to the exercise of my discretion under section 23 of the Ordinance apply here as well. I need not repeat them. Nothing was added to them.

135. I see no cause to exercise my general discretion under section 13(2) of the Ordinance in a manner adverse to the Applicant. I decline to do so.

Conclusion

136. As the suit mark meets the requirement of section 9 of the Ordinance and the opposition has failed I find and direct the suit mark is acceptable for registration in Part A of the Register in Class 25 in respect of the specified goods.

137. The Applicant is entitled to an award of costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date hereof, costs will be calculated with reference to the usual scale set forth in Part I of the First Schedule to Order 62 of the Rules of the Supreme Court (Cap 4) as applied to trade mark matters, unless otherwise agreed between the parties.

(Fung Shuk Hing)
p. Registrar of Trade Marks
3 September 1996

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