

File No. 2295/87

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

and

IN THE MATTER of an application by M/S Avant-Garde Trading Pte. Ltd. to register the mark "BUGATTI" in Class 18

and

IN THE MATTER of an opposition by Bugatti International

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On the 13th of May 1987 an application was received by M/S Avant-Garde Trading Pte. Ltd. ("the Applicant") to register the mark "BUGATTI" ("the applied for mark") in Class 18 for the following goods :-

"Leather and imitations of leather, articles made from these materials and not included in other classes, skins, hides, trunks, travelling bags, attache cases, handbags, tourist bags, suitcases, purses, wallets, umbrellas, cheque book cases, documents cases and credit card cases, leather belts, parasols and walking sticks, whips, harness, saddlery, shopping bags, briefcases, key cases, pocket cases and satchels for both sexes".

2. The Registrar of Trade Marks ("the Registrar") issued a leave to advertise for Part B in the Register dated the 30th of January 1988 in respect of the goods for which the mark had been applied for. The application had originally been for Part A but the Applicant had transferred his application to Part A by filing a Form TM-No. 33 (correction of clerical error) dated 31st December 1987.

3. On the 12th of April 1988 a Notice of Opposition in respect of the said application was received from Bugatti International ("the Opponent").

4. The Registrar has subsequently received a Statutory Declaration made on behalf of the Applicant by Eio Cheng Chua which is dated the 15th of March 1990.

5. The Registrar has received on behalf of the Opponent Statutory Declarations dated the 20th of March 1989 and 9th November 1990 of Jan Krister Breitfeld and Bruno Telchini respectively.

6. I shall in the course of this decision refer to the relevant extracts from these Statutory Declarations, where necessary.

7. On the 1st December 1992 the Opposition Hearing took place before me. The Applicant, instructed by Messrs. Baker & McKenzie, was represented by Mr. John Yan. The Opponent, instructed by Messrs. Wenping & Co., was represented by Mr. Paul Chan.

8. As a preliminary point, Mr. Chan tried to submit certain documents. He admitted that he was not attempting to file more evidence, and I therefore refused to allow such documents to be presented at the Opposition Hearing.

9. The Notice of Opposition states the following grounds of opposition :-

"GROUNDS OF OPPOSITION

1. We, Bugatti International, a company organised under the laws of Luxembourg, having a place of business at 8, Rue - Nicolas - Petit L-2326 LUXEMBOURG.

2. We are the proprietors of the Trade Mark "BUGATTI & device" under Application No. 1540 of 1987 in respect of "precious metals and their alloys and goods in precious metals or coated therewith; jewellery, precious stones; watches; horological and chronometric instruments".

3. The applicant is now seeking to register the mark "BUGATTI" in Class 18 in respect of "Leather and imitations of leather, articles made from these materials and not included in other classes, skins, hides, trunks, travelling bags, attache cases, handbags, tourist bags, suitcases, purses, wallets, umbrellas, cheque book cases, documents cases and credit card cases, leather belts, parasols and walking sticks, whips, harness, saddlery, shopping bags, briefcases, key cases, pocket cases and satchels for both sexes.

4. The proposed mark "BUGATTI" is identical to our mark "BUGATTI & device" both phonetically and visually and the use and registration of the proposed mark will therefore deceive and cause confusion amongst the public that goods of the applicant bearing the mark "BUGATTI" emanate from our company or that the applicant is in some way associated with our company.

5. Although our company does not at present deal with goods the subject of the applicant's application, some of such goods e.g. shopping bags are connected with the goods of interest to us. It is also submitted that the proposed goods and our goods are likely to be sold together in the same shop. As such, use and registration of the proposed mark will undoubtedly cause confusion amongst the public.

6. The trade mark "BUGATTI & device" was first adopted by our company in 1983 and has since been in continuous and extensive use in some countries, including Hong Kong.

7. By reason of the aforesaid, our mark has acquired an eminent reputation and has become distinctive of and identified with our company and our products, and any use of registration of the applicant's mark would be deceptive and/or confusing and such registration or use would be disentitled to protection in a Court of Justice.

8. In the premises, the registration of the mark applied for should be refused under Section 12 of the Trade Marks Ordinance, Chapter 43 of the Laws of Hong Kong.

9. We therefore pray that the Registrar would exercise his discretion to refuse the application with costs against the Applicant.

Dated this 12th day of April, 1988."

The Counter-statement of the Applicant is in the following terms :-

"COUNTER-STATEMENT

1. Paragraph 1 of the Notice of Opposition is not admitted.

2. It is not admitted that the Opponent is the proprietor of the trade mark as alleged in paragraph 2 of the Notice of Opposition, and the Opponent is put to strict proof, thereof.

3. Paragraph 3 of the Notice of Opposition is admitted.

4. The Applicant admits that the proposed trade mark BUGATTI is phonetically identical to the trade mark BUGATTI under Application No. 1540 of 1987. The balance of paragraph 4 of the Notice of Opposition is denied. In particular, it is denied that the use and registration of the Applicant's proposed mark will deceive and cause confusion amongst the public that its goods emanate from the Opponent, or that it is in some way associated with the Opponent.

5. The Applicant admits that the Opponent does not at present deal with the goods which are the subject of the Applicant's application. The balance of paragraph 5 of the Notice of Opposition is denied.

6. Paragraph 6 of the Notice of Opposition is denied, and the Opponent is put to strict proof thereof.

7. Paragraph 7 of the Notice of Opposition is denied, and the Opponent is put to strict proof thereof. In particular, it is denied that the Opponent's trade mark has acquired an eminent reputation and that it has become distinctive of and identified with the Opponent and the products of the Opponent. Furthermore it is denied that use or registration of the Applicant's trade mark would be deceptive or cause confusion.

8. The goods of the Applicant and the Opponent are in separate classes. Even if the Opponent has any rights in this trade mark, which is denied, it could not claim rights in this mark outside the goods in class 14 designated in its trade mark application no. 1540 of 1987.

9. Paragraph 8 of the Notice of Opposition is denied.

10. By reason of the foregoing and in all the circumstances, the Applicant submits that its trade mark is entitled to be registered under the Trade Mark Ordinance. The Applicant therefore prays that the Registrar dismiss the Opposition and allow the Application to proceed to registration with costs against the Opponent.

Dated this 15th day of August, 1988".

10. It will be seen from the Grounds of Opposition that the Opponent is relying on Section 12 of the Trade Marks Ordinance (Cap. 43). I have assumed that he must be referring to Section 12(1) since Section 12(2) relates to the registration of chemical elements and cannot be relevant in this particular case. I also refer to the Statutory Declaration of Bruno Telchini and to these particular passages from paras. 9 and 10 of his Statutory Declaration :-

"(9) From perusing Eio Cheng Chua's Statutory Declaration of 15th March 1990, I note that the applicant has marketed the trade marked goods in Hong Kong since April 1988 and has spent approximately HK\$50,000.00 in promoting its goods in Hong Kong. However, the evidence so far produced has not shown that the applicant is the real proprietor of the trade mark and as such, the applicant is not entitled to make application for the registration in Hong Kong pursuant to Section 13 of the Trade Marks Ordinance.

(10) I therefore humbly crave that as my company is the real proprietor of the trade mark "BUGATTI", the application by the applicant herein ought not to be entered in the Register in Hong Kong."

11. It will be seen that there is a further claim that the Applicant is not entitled to registration of the applied for mark pursuant to Section 13 of the Trade Marks Ordinance i.e., because he is not the proprietor of the mark. At the Hearing before me there was discussion on whether the Opponent could raise the issue of proprietorship. Mr. Chan referred me to Kerly's Law of Trade Marks & Trade Names (12th Edition at para. 4-36) :-

"... But an objection, on appeal, that a point had not been pleaded and that accordingly the applicant had attended the hearing below not prepared to meet it, was dismissed as a technicality of no substance, the point having been clearly raised in the evidence."

I held that the question of proprietorship could be raised in view of what had been said in paras. 9 and 10 of Mr. Telchini's Statutory Declaration.

12. At this stage I think it is instructive if I set out the relevant provisions of the Trade Marks Ordinance :-

"Section 12

12(1). 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."

"Section 13

13(1). Any person claiming to be entitled to be registered as the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar in the prescribed manner for registration either in Part A or Part B of the register."

I do not think it necessary to quote any of the other sections of Section 13 of the Trade Marks Ordinance.

13. As a preliminary point I should note that "BUGATTI" is not an invented word. It is an Italian surname and my records show that there were, in 1987, 21 entries in the Rome telephone directory.

14. I propose to deal with this Opposition by reference to Section 12(1) and Section 13(1) of the Trade Marks Ordinance.

Section 12(1)

15. Turning to Section 12(1) of the Trade Marks Ordinance, I note that this is similar to but not identical with the provisions of Section 11 of the Trade Marks Act 1938. I consider however that for the purposes of this case the United Kingdom Trade Mark cases can be relevant to the consideration of Section 12(1) of the Trade Marks Ordinance.

16. I have considered what has been stated in Kerly's Law of Trade Marks and Trade Names ("Kerly") (12 Edition) at para. 17-03, page 434. The question of Section 11 of the 1938 Act (which is similar to Section 12(1) of the Trade Marks Ordinance) is considered in Kerly (para. 10-05 at page 148) and in particular following is stated :-

"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 opponent's mark is known to a substantial number of persons in the United Kingdom. What is a substantial number depends on 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". On the other hand, as against the applicant for registration of a new mark, particular consideration is given to earlier marks which have enjoyed "long user and extensive reputation.""

17. Kerly also goes on to say at para. 10-10 (page 153) that "... Under section 11, also, it is possible deception in the markets of this country that must be considered; thus a reputation abroad, that does not extend to this country, will not found an opposition under the section ...". Therefore, mutatis mutandis, it is the reputation of the Opponent's mark in Hong Kong that matters.

18. I should at this point also refer to these paragraphs from Kerly (para. 10-03, pages 145 and 146) :-

"In any ordinary case, however, of an opposition based upon a registered mark, the inquiry under section 12, embracing as it does notional use upon any of the goods concerned, is wider than that under section 11 : so that if the applicant succeeds under section 12 he succeeds under section 11 too. Where the opponent's mark has not been so used as to have acquired a substantial reputation, only section 12 applies."

19. The question of reputation has been considered by Miss Averil Waters in "Application for registration of Trade Mark Crest" in Class 14 and Opposition thereto in her decision dated 30th September 1982 and I quote the following extracts from pages 10, 11 and 12 of this decision :-

"This principle was followed in the "Nova" Trade Mark case (1968 R.P.C. 357) where it was submitted that the initial onus was on the opponent to establish that he had acquired a reputation in the use of the mark "Nova" and that if he succeeded in doing that the onus shifted to the applicant to establish that the registration proposed would not be reasonably likely to cause confusion among a substantial number of persons. It was held in that case that the volume of the applicant's sales had established a sizable reputation in the United Kingdom whereas the scale of the opponent's 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 applicant and that accordingly the opposition failed."

20. I have also considered the "Da Vinci" case ((1980) 9 R.P.C. 237) where the same question was reviewed by Mr. Myall the Hearing Officer who stated on p. 241 :

"I do not think it can be disputed that there is some onus on the opponent whose use, or reputation, must be something more than de minimis."

and further on p. 241 :

"The consideration which obtain when it is a question of granting an injunction to restrain passing off pending trial of the action are not, I think, the same as when it is a question of opposition to a trade mark registration under Section 11."

21. On considering whether separate markets could be considered Mr. Myall on p. 242 considered the question should be :

"At the date of the application was a substantial proportion of the interested public aware of the opponent's mark?"

and further on p. 242 Mr. Myall stated :

"The question of how widespread a public impression would be material was considered by the Supreme Court of New Zealand in Pioneer Hi-Bred Corn Co. v. Hy-Line Chicks Pty. Ltd. (1976) R.P.C. 294, where Cook J. reviewed the various expressions used in reported cases, including Jellinek and Bali, and concluded, at page 302 lines 9 - 12 :

"the varying terminology in the judgments is a reminder that it is not always necessary that large numbers of people should be, or should probably be, of the state of mind in question : rather it is a question of the significance of the numbers in relation to the market for the particular goods".

It is well established that the likelihood of confusion must be considered at the date of the application to register and that accordingly for the purposes of s. 12(1) the relevant date for consideration should, in this case, be the 21st January 1980."

22. In assessing the question of reputation I will also bear in mind the finding of Hunter J. in the Hong Kong Caterers Ltd. v. Maxim's Ltd. [1983] HKLR page 287 that :-

"... Reputation associated in trade or business with a name is recognised in law for trade mark purposes whether such reputation is based upon what should be regarded by United Kingdom or Hong Kong Law as registrable trade mark user or not".

In the Maxim's case Hunter J. said (at page 295) :-

"By contrast with the U.K. the purely factual approach appears firmly established in New Zealand and Australia. In Pioneer Hi-Bred Corn Co. v. Hy-Line Chicks Pty. Ltd. [1978] NZLR 50; [1979] RPC 410 the Court of Appeal in New Zealand rejected a user test for the New Zealand equivalent of s. 12(1) of the ordinance and s. 11 of the U.K. Act. Richardson, J. said this at page 424 :

"I prefer to use a more neutral term such as 'awareness' or 'cognizance' or 'knowledge' and on that basis to ask : having regard to the awareness of the opponent's mark in the New Zealand market for goods covered by the registration proposed, would the use of the applicant's mark be likely to deceive or cause confusion to persons in that market."

The court concluded that this result was open on the U.K. decisions and supported by decisions in Australia notably Radio Corporation Pty. Ltd. v. Disney [1957] CLR 448 ; Seven Up Co. v. O.T. Ltd. [1947] 75 CLR 103; and Kendall Co. v. Mulsyn Paint and Chemicals [1963] 109 CLR 300. Particular reliance was placed upon the view of Kitto, J. in the latter case. He said :

"I do not accept the contention that the only knowledge to be considered is knowledge obtained from experience in or in relation to the Australian market. The manner in which or the source from which knowledge has been acquired, is in my opinion immaterial."

I find the reasoning and conclusion of the New Zealand Court of Appeal highly persuasive".

23. I would also point out that there is a difference in the wording between Section 12(1) of the Trade Marks Ordinance and Section 11 of the corresponding act in the United Kingdom. The Hong Kong Ordinance omits reference to confusion. On this point I refer to my discussion of this in the Citizen Opposition (Decision of R.J. Perera, dated 14th December 1990) (pages 11 to 14).

24. It is well-established that the likelihood of deception or confusion must be considered at the date of the application to register, and accordingly the relevant date for consideration should, in this case, be 13th May 1987. As Kerly puts it at para. 10-05 :-

"... Likelihood of confusion must be considered at the date of the application to register, although subsequent experience is relevant as providing a test of tendency to confuse."

25. At the Hearing Mr. Chan sought to persuade me that I should look at the question of confusion as at the date of registration. I have rejected this contention in my decision on the Citizen Opposition dated 14th December 1990 (see final paragraph on page 14 and the 1st paragraph on page 15 of that Decision). It is the date of the application that is important, and this is an approach consistently followed by the Registrar.

26. It is also well established that the onus of establishing the proof that there is no likelihood of deception or confusion falls on the Applicant (see Kerly para. 10-06 page 148). But before Section 12(1) of the Trade Marks Ordinance can be triggered off, the Opponent must establish a certain degree of reputation in Hong Kong of his mark. It will be seen from the passages quoted above that, at its very highest, it is a question of substantial proportion of the interested public being aware of an Opponent's mark and at its very lowest, the question relates to the significance of the numbers in relation to the market for particular goods. In any event, the reputation of the Opponent must be something more than de minimis. The questions to be asked therefore with regard to the Section 12(1) objection are :-

- (1) What reputation in Hong Kong does the Opponent have, and in respect of what goods does he have this reputation?
- (2) Assuming that the Opponent does have a reputation, would the registration of the applied for mark offend Section 12(1) of the Trade Marks Ordinance. I refer to the test laid down in the Ovax Case (see para. 10-02 of Kerly) as it would apply in this case :-

"... Having regard to the reputation acquired by the name "BUGATTI", 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 ..."

In the Mitac Case (M.P. No. 2835 of 1990) Mr. Justice Mayo had this to say about Section 12 of the Trade Marks Ordinance :-

" The test to be applied in determining whether confusion is likely to arise was laid down by Lord Upjohn in his speech at p. 496 of Bali 1969 RPC 472 :-

" What, then, is the test? This must necessarily be a question of fact and degree in every case. I am content in amplification of the test laid down by Evershed, J. to take the test as in effect laid down by Romer, J. in Jellinek's Trade Mark (1946) 63 R.P.C. 59 at page 78.

It is not necessary in order to find that a mark offends against section 11 to prove that there is an actual probability of deception leading to a passing off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register. And so mutatis mutandis when it is sought to expunge a mark."

I accept that this is still the true test to be applied." (Pages 8 to 9)

In this connection, one has to take into account the question of who is to be deceived. I refer here to Kerly (at para. 17-05) :-

"... it is held that the persons to be considered in estimating whether the resemblance between the marks in question is likely to deceive are all of those who are likely to become purchasers of the goods upon which the marks are used, provided that such persons use ordinary care and intelligence ..."

#### The Applicant's Statutory Declaration

27. The Applicant has made his application for various items in Class 18. It would be helpful if I summarise what has been stated in the Statutory Declaration of Eio Cheng Chua ("the Declarant") which has been made on behalf of the Applicant. The main points of the Statutory Declaration are as follows :-

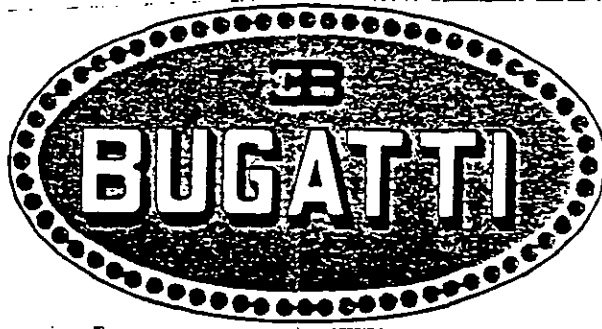
- The Declarant is the Director of the Applicant which has marketed in Hong Kong since April 1988 goods covered by the trade mark application. The Declarant attaches as Exhibit ECC-1 a copy of a mail order brochure indicating use of the mark.
- The Declarant says that the Applicant has enjoyed extensive sales of "BUGATTI" in Hong Kong since 1988.
- The Declarant says that the Applicant enjoyed extensive sales and up to 30th of October 1989 the value of sales has been in excess of HK\$160,000.
- The Declarant says that the Applicant has expended a substantial amount of money on the promotion of advertising and he says that his company has expended Hk\$50,000 in promoting its sales in Hong Kong.
- The Declarant denies that the use of the Applicant's mark will deceive and cause confusion, and says that the Applicant has a strong reputation and is particularly well known in Asia. The Declarant says that the Applicant is better known in Asia than the Opponent.
- The Declarant goes on to say that the Applicant promotes and sells its goods in Singapore, Brunei, Indonesia, and Malaysia, and the Declarant attaches promotional brochures.
- The Declarant goes on to say that the Applicant is the proprietor of various trade marks in other Asian jurisdictions (para. (12) of the Statutory Declaration).

Mr. Yan made the point that the Applicant's business was conducted through a mail order business and he referred to Exhibits ECC-1 and ECC-2 of the Declarant's Statutory Declaration which show that one could subscribe for items through American Express.

Reputation of the Opponent in Hong Kong for the mark "BUGATTI"

28. As a preliminary matter, I would like to set out the details of the registration relating to the "BUGATTI" mark which the Opponent had in Hong Kong as at 13th May 1987, the date of the application by the Applicant :-

<u>Trade</u> <u>Marks</u>	<u>Registration</u> <u>No.</u>	<u>Class</u>	<u>Goods</u>
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- |  |                                |    |   |
|--|--------------------------------|----|---|
| 1) BUGATTI & Device<br>[Condition imposed that registration gives no right to the exclusive use of a letter "B" and a letter "E"]. | B2971<br>Registered on 30.3.87 | 14 | Precious metals and their alloys and goods in precious metals or coated therewith; jewellery, precious stones; watches; horological and chronometric instruments. |
|--|--------------------------------|----|---|

29. The extent of the Opponent's reputation can be seen from the 2 Statutory Declarations filed on behalf of the Opponent by Messrs. Breitfeld and Telchini respectively. In dealing with both these Statutory Declarations I have put in parenthesis the comments of Mr. Yan at the Hearing on the various sections of the respective Statutory Declarations referred to. Where necessary I refer to the relevant paragraph headings in each of these Statutory Declarations.

30. I turn to the Statutory Declaration by Jan Krister Breitfeld. Mr. Breitfeld states, inter alia, that :-

- (a) he is the President of Bugatti International (para. 1), that his company is the proprietor in Hong Kong of the trade mark "BUGATTI & Device" under No. B2971 of 1988 for goods in Class 14 which was originally obtained by Messier Hispano Bugatti and that his company obtained this registration (together with others) by virtue of assignment, and that this registration "together with other registrations currently in the name of Messier Hispano Bugatti in other countries is being/has been assigned to my company together with the goodwill of business concerned in the goods for which the said mark is registered" (para. 2). [Mr. Yan said that opposition proceedings in Singapore had questioned the effectiveness of this assignment];

(b) that Messier Hispano Bugatti has adopted the usage of the name "BUGATTI" as its trade mark to denote in its goods ever since the establishment of its business in France and that such a name has been made known not only in France, but also in other places throughout the world as being "the finest craftsmanship in goods produced by my company predecessor-in-title" (para. 3). [Mr. Yan said that this "alleged" evidence cried out for particulars. It was not known when Messier Hispano Bugatti established business in France. No evidence had been produced as to how BUGATTI mark had been made known throughout the world. There was no evidence as to type of goods on which it was alleged the BUGATTI trade mark had been used by Messier Hispano Bugatti. No evidence had been provided as to volume of such business].

31. Mr. Breitfeld, in para. 4 of his Statutory Declaration, says :-

"In or about 1986, my company predecessor-in-title entered the Hong Kong market. As far as I am given to understand that first shipment of the goods bearing the said mark was made to the order of a Hong Kong company, namely Omtis Ltd. at Admiralty Centre, Tower 1, 28/F., 18 Harcourt Road, Hong Kong.

There is now produced and shown to me marked Exhibit "A" two copies of sales invoices issued in March 1986 and December to that Hong Kong company.

There after, my company predecessor-in-title has continuously sold its goods bearing the said mark to Hong Kong as I have been advised, but, again, as the change over the ownership of the said mark has come quite a sudden that I am not in a position to have ready access to the sales record".

32. In Exhibit "A" of the Statutory Declaration, Mr. Breitfeld attaches 2 copies of sales invoices. These invoices appear to relate to watches. The first invoice appears to be on the note paper of Muller SARL and appears to relate to 6 watches with a value of CHF 2,150. There is reference to Jet SA, 3 rue de Berne, CH 1201, Geneve, Suisse and the words "Envoi à Omtis Ltd., Admiralty Centre, Tower 1, 28/F., 18 Harcourt Road, Hong Kong" appear on the invoice. The second invoice also refers to Jet SA and Omtis Ltd. in the manner appearing in the previous invoice and refers to 20 items (5 gents steel metal bracelets, 5 ladies steel metal bracelets, 5 gents leather straps and 5 ladies leather straps) with a value of CHF 6,250. [Mr. Yan referred to Exhibit "A" and

criticised these invoices. He said that the first invoice recorded a sale to Jet SA by Muller SARL on 3.3.86. The quantity involved was 6 watches with a total value of 2,150 francs. The 2nd invoice related to a number of bracelets and straps for watches (20 items). Mr. Yan said that the sum total was 26 items and on such evidence the Opponent had had the audacity to claim a substantial reputation in Hong Kong to preclude the registration of the Applicant's mark in relation to totally different goods. The evidence showed that up to May 1987 the Opponent sold only 20 odd pieces. Mr. Yan also said that these invoices referred to Muller SARL and Muller Fritz S.A. Who were they? Mr. Yan said these companies had no connection with Bugatti International S.A.].

33. In para. 5 of his Statutory Declaration Mr. Breitfeld says that :-

"I have been advised and verily believe that the mark "BUGATTI" by the applicant, if used and registered, will undoubtly mistake the purchasing public into believing that goods by the applicant are connected with ours and indeed emanate from my company".

[Mr. Yan asked who the Declarant had been advised by. What was said was an assertion. Mr. Breitfeld had to rely on someone. Unless this person was familiar with local market, he was in no position to advise Breitfeld. Mr. Yan said that I should ignore this evidence].

34. The Statutory Declaration of Mr. Breitfeld seeks to establish that the predecessor-in-title of the Opponent has used "BUGATTI & Device" with regard to goods in Hong Kong. However, there is no indication of the extent of sales of the Opponent's goods made in Hong Kong, and Mr. Breitfeld candidly admits that he has not had access to the sales record. (See para. 4 of the Statutory Declaration quoted at para. 31 above).

35. The other Statutory Declaration filed on behalf of the Opponent is that of Bruno Telchini. I summarise the various provisions of Mr. Telchini's Statutory Declaration together with Mr. Yan's comments on these particular sections at the Hearing :-

- (i) In para. (1) he says he is the special mandatory of Bugatti International. [Mr. Yan said he did not know what a special mandatory was].

- (ii) In para. (4) he says that the trade mark "BUGATTI" was created by Ettore Bugatti, the world famous French carmaker who registered the mark in France "as early as in 1925". The registration was then transferred to the French firm Automobiles Ettore Bugatti, then to the French firm Messier Hispano Bugatti and finally to the Luxemburger firm Bugatti International, the Opponent. [Mr. Yan said that he did not know how Mr. Telchini could set out this information. The assertion that the mark had been registered in France was a bare assertion. No documentary evidence had been supplied and nothing had been adduced to prove the transfers].
- (iii) In para. (5) he says that the mark "BUGATTI" has been used as a trade mark not only for goods in Class 12 but also in a variety of goods in France and in other countries in Europe since 1925. [Mr. Yan said this was not good evidence. It was not admissible evidence since these other countries had not been identified and it was not known when use had commenced in these other countries].
- (iv) Mr. Telchini in para. (6) refers to an international registration in Exhibit JKB-1 which he says is a copy of an advertisement showing the International registration covering the goods in Classes 3, 9, 14, 16, 18, 20, 21, 25, 28, 33, 34. [Mr. Yan said he does not know what this Exhibit was].
- (v) In para. (7) Mr. Telchini states that his company has promoted its business in the Far East area and, in particular, made applications for the mark "BUGATTI" in Hong Kong in 1988 for the following classes :- 3, 9, 12, 16, 18, 20, 24, 25, 28, 33 and 34. [Mr. Yan said that these applications were in 1988 and were irrelevant. As regards the promotion of business in the Far East area, Mr. Yan asked what business was promoted? Where had it been done?]
- (vi) Mr. Telchini then refers in Exhibit JKB-2 to copies of promotional material showing use of a company's mark for a variety of goods. It is useful to look in precise detail at what JKB-2 refers to. I add that it is not clear in some cases what the exhibits are showing because the quality of the reproduction is not good. The following are the contents of JKB-2 :-
- (a) An advert from "Racing World" featuring a "BUGATTI" watch. At the top of the advert is the following wording :-
- "From an era when style conquered the open road, the Bugatti watch".

Details are given of the sole agent and the authorised retailers of the watch in Hong Kong. [Mr. Yan said that the date of this advert was not known].

- (b) An article from Autoweek dated January 25 1988 by Giancarlo Perini and John McCormick, entitled "Life Returns to a legend". It says this, inter alia :-

"Bugatti is back in business and aiming to build possibly the most expensive and exclusive car the world has seen. As we reported last month (Autoweek, Dec. 14) the famous automaker's name has been revived after lying dormant for more than 30 years. Now more details have emerged about the new Italian-based company, Bugatti Automobili S.p.A."

This article talks of the purchase of the "BUGATTI" trade name by Bugatti International S.A. from Messier-Hispano-Suiza, and mentions "BUGATTI" in connection with cars. It mentions the fact that the famous automaker's name has been revived after lying dormant for more than 30 years. It states that "BUGATTI Automobili plans to "make both a sedan and sports car" but that Bugatti Automobili S.p.A.'s "main business will be to provide an engineering consultancy service similar to that offered by Porsche". The talk then is of "BUGATTI" and cars. [Mr. Yan said that Bugatti International S.A. has something to do with Bugatti Automobili S.p.A. He said that the article by Perini and McCormick referred to the purchase of the Bugatti trade name from Messier-Hispano-Suiza. But Mr. Yan said that para. 2 of Mr. Breitfeld's Statutory Declaration had referred to the original registration of the Bugatti mark having been made by Messier Hispano Bugatti. There was a conflicting account of where the mark came from].

- (c) 3 pictures of buildings (one unmarked, but 2 others marked 2A and 2B) are then shown in Mr. Telchini's Statutory Declaration. I have no way of knowing what these buildings are. No further information on this point was given to me at the Hearing.

- (d) There is shown a photocopy of a picture of sports cars (marked 2C). The name BUGATTI appears in the photocopy. There is no indication where this photocopy comes from. No further information on this point was given to me at the Hearing.
- (e) An extract entitled "Per Informazioni Sulla Percorribilita' Delle Strade Chiamateil" which seems to be some form of an advertisement. This is in Italian and has not been translated. I have no way of knowing what this is. The mark "BUGATTI" appears on it. No further information on this point was given to me at the Hearing.
- (f) There next comes an advert which appears to be in respect of sunglasses. The word "BUGATTI" and device appears in the advert. There is no indication from which journal this advert appears in. It features the name August Wulf GMBH West Germany and may be a German advert. No further information on this point was given to me at the Hearing.
- (g) Annex 5 of Mr. Telchini's Statutory Declaration contains a picture which may be a German advert for spectacles. There are also various indistinct pictures of model cars (marked 6 and 7A). It is hard to say what these pictures represent. However, in picture 6 the mark "BUGATTI" appears, but it is difficult to say what products the mark appears on. Further, pictures marked 7B and 8 annexed to the Statutory Declaration appear to refer to items of furniture, but such is the poor quality of reproduction that I am unable to see the name of BUGATTI on these adverts or even know what some of these specific items are. At the Hearing Mr. Chan did not enlighten me on what these items were.
- (h) There then follow two adverts in the French language relating to clothing featuring the word "BUGATTI", one of which is identified as Annex 10. These adverts only appear to feature the word "BUGATTI". I have not been informed where these adverts come from, or when they appeared.

- (i) Another advert follows in French entitled "bagages de France" (Annex 11). This appears to be advertising baggage or luggage. The words "la ligne Bugatti" appear on this advert. I do not know where this advert comes from, nor was I advised on this point at the Hearing. I do not know when this advert appeared. There is a reference on the advert to a company called Guy S.A. and I do not know what this company is, nor was I so advised at the Hearing on this point.
- (j) The rest of Mr. Telchini's Statutory Declaration contains a pot-pourri of many items (some of which are difficult to identify) including :
- (pictures marked 12 and 13) what may be mats featuring the name BUGATTI. I received no clarification on this point at the Hearing;
  - an undated extract from the Revue Internationale D'Automobiles et D'Autres Objets D'Arts featuring the word BUGATTI;
  - an extract from the front page of what appears to be a motor magazine called "BUGANTICS" dated Spring 1986.
  - another advert in German featuring the word BUGATTI. This has not been translated and is undated and I therefore do not know what this relates to;
  - an advert showing an elephant and a plate with the wording "Carlo-Rembrandt-Ettore-Jean BUGATTI". This is undated. I do not know where this advert comes from, nor did I receive any enlightenment on this point from the Hearing;
  - what appears to be an extract from a German auto magazine called "Auto Bild" which shows a BUGATTI car which is dated 23 December 1989. This is after the application date for the applied for mark and cannot therefore be relevant.

Mr. Yan's Submissions

36. In para. 26 above (page 10) I stated that the Opponent must establish a certain degree of reputation in Hong Kong for his mark before Section 12(1) of the Trade Marks Ordinance can be triggered off. At the Hearing Mr. Yan contended that the Opponent did not pass this threshold and that he did not get to first base. He said that the evidence that had been submitted by the Opponent to establish an alleged reputation in Hong Kong in relation to the BUGATTI & Device mark, whether by way of use of the mark in Hong Kong or through an awareness of the use of the mark elsewhere, went nowhere to showing such a reputation.

37. Mr. Yan said that the only evidence to substantiate use in Hong Kong was the supply to Omtis of 6 watches, 10 bracelets and 10 leather straps for watches. There was nothing in Mr. Breitfeld's Statutory Declaration which said how many watches had been sold; there was nothing in Mr. Breitfeld's Statutory Declaration which said that the 2 invoices only related to samples. Mr. Breitfeld said that the invoices were invoices. Mr. Yan said there was no evidence to suggest whether the watches/bracelets had actually been sold to consumers in Hong Kong. The evidence was of a minimal sale to an agent.

38. Mr. Yan said that, as regards international reputation, there was no relevant evidence to prove that prior to May 1987 there was an international reputation attaching to the BUGATTI/Device mark of the Opponent or of the Opponent's predecessor-in-title. No evidence of international reputation had overflowed to Hong Kong. Mr. Yan said there was no evidence of any kind to prove any reputation in relation to BUGATTI/Device mark in Hong Kong in relation to any type of goods. The Opponent therefore had not managed to shift the onus of proof on to the Applicant.

39. Mr. Yan said that he might have been wrong. Even on the assumption that the Opponent had established a reputation for watches and for cars, these goods were very different from the goods for which the applied for mark had been made (i.e. in Class 18). The reputation for cars and watches were enjoyed by different people. The reputation for cars was enjoyed by Ettore Bugatti (see para. (4) of Mr. Telchini's Statutory Declaration, referred to above, page 16). Mr. Yan said that even if there was an international reputation for cars by Bugatti International S.p.A. (by which I think he meant Bugatti International S.A.), this was a reputation for different goods. The Applicant's goods were ordered by mail order. The Opponent's goods would be sold in watch shops. Mr. Yan said there was no evidence that cars had been sold in Hong Kong.

40. Mr. Yan went on to say that his client's mark was visually different from the mark of the Opponent. His client's mark was a word mark. The Opponent's mark was used with a device and that there was therefore a visual difference. Mr. Yan said there was no evidence of actual instances of confusion. Even if the Opponent had some reputation, that reputation was tenuous. There would be no likelihood of deception, I would at this point observe that, despite the presence of a device in the Opponent's mark, the main part of both marks is the word "Bugatti". The device may provide a visual difference but the main and predominant impression of both marks is "Bugatti".

Mr. Chan's Submissions

41. Mr. Chan said that the Applicant had no right to use the trade mark. The Applicant had copied the Opponent's trade mark and therefore it was wrong to allow the Applicant to use its mark. He said that the Applicant's conduct was contrary to law and was a scandalous design of copying. The application by the Applicant was disentitled to protection in a court of justice.

42. Mr. Chan went on to say that the 2 invoices which had been referred to in para. 4 of Mr. Breitfeld's Statutory Declaration (see page 14 above) had been issued by a licensee of the predecessor-in-title of the Applicant (i.e. Jet S.A.). Mr. Yan objected to this as being the giving of evidence.

43. Mr. Chan read out paras. (4) and (7) of Mr. Telchini's Statutory Declaration (see pages 16 above). He went to the Exhibit JKB-1 (see page 16 above) and he said these were trade marks of the Opponent which had been written in French. He referred to the various classes of products. Mr. Chan did not enlighten me as to what this document purported to be, whether it was a registration of a trade mark in France and, if so, whether the registration still continued.

44. Mr. Chan then went to Exhibit JKB-2 of the Statutory Declaration of Mr. Telchini (page 16 above) and said that this was clear evidence that the mark had been used in Europe. Mr. Chan said that the article in Autoweek by Giancarlo Perini and John McCormick showed that the BUGATTI car would be expensive and would cost US\$330,000 per car. He said there was no doubt from the evidence of these exhibits that BUGATTI was a very famous brand name and trade mark. He said that the Opponent had shown that the trade mark had been purchased by Bugatti International. He said that Bugatti Automobili S.p.A. was a branch of Bugatti International. Mr. Chan's argument was that the Opponent had a reputation in cars and watches which flowed in from Europe.

45. At the Hearing Mr. Chan quoted to me several cases. He relied on the Pioneer Hi-bred Corn Company v. Hy-line Chicks Pty. Ltd. (1979 R.P.C. page 410). He read out the headnote and particularly the following :-

"The test to be applied when deciding whether use in New Zealand of the applicant's mark was likely to deceive or cause confusion was not based on the use of the American mark in New Zealand but on the awareness in the relevant New Zealand market of that mark. The manner in and the source from which that knowledge had been acquired was immaterial. Advertising need not be associated with actual use in order to establish reputation. ..." (page 410).

46. Mr. Chan said that he relied on the reputation in Europe. Section 12(1) of the Trade Marks Ordinance protected the public. He said that the question depended on the awareness of the Opponent's trade mark in Hong Kong, not use or sales. How that knowledge was acquired was immaterial and it could have been acquired through travel, magazines, automobile magazines from Europe, and satellite TV. Advertising need not be associated with actual use to establish reputation. All that was required was an awareness of the mark in Hong Kong for Section 12(1) to apply.

47. Mr. Chan said that both the Applicant's mark and the Opponent's mark were essentially BUGATTI. The style of the lettering was the same and the spelling was the same though the Opponent had a device. He said that applying the test of deception the idea of both marks was the same. What would remain with customers was "BUGATTI", and that, judging through the eye and the ear and imperfect recollection and taking all circumstances into consideration, both marks were the same and the registration of the Applicant's mark would cause deception.

48. Mr. Chan said that Mr. Yan had stated that the Applicant's sales were made through mail order. He said that orders may be made by the telephone and through the telephone the Applicant's mark would be called BUGATTI and there was a dangerous point of confusion.

49. Mr. Chan then relied on the Vitamins Case (1956 R.P.C. page 1). he relied in particular on this quote from page 12 of the decision :-

"A proprietary right in a mark sought to be registered can be obtained in a number of ways. The mark can be originated by a person or can be acquired, but in all cases it is necessary that the person putting forward the application should be in possession of some proprietary right which, if questioned, can be substantiated."

50. Mr. Chan said that the Applicant not given evidence of how it had got hold of its mark. Did the Applicant invent it? He said that the Applicant had made no effort to substantiate its proprietary right to the mark. He said that since the 2 BUGATTI marks were the same, either one copied or the other had copied. There was no other good explanation. He said that the Opponent had acquired its mark through acquisition.

51. Mr. Chan then referred to the application by Brown Shoe Company Inc. Rectification [1959] R.P.C. 29 and relied on this particular passage in the headnote at page 30 :-

"(2) the evidence, and the similarity of the words, showed that the Respondents' word "Natlurizet" was copied from "Naturalizer" and that the Respondents were not, therefore, in truth proprietors of the Mark "Natlurizet" and that the Court should in the exercise of its discretion order that the Register be rectified."

52. Mr. Chan submitted that clearly the Applicant's mark had been copied from the Opponent. The Applicant was not the true proprietor of the mark. Mr. Chan said it had been suggested that since there was no evidence to show the Opponent was using the mark that the Applicant had applied for, therefore the Applicant could use it. Mr. Chan said that BUGATTI was a famous mark. He said that no one would be entitled to use Kodak which was a famous mark.

53. Mr. Chan relied on this passage on page 32 of the Brown Shoe Case :-

"This, however, does not end the matter. There remains the question as to how I should exercise the discretion vested in me by the Act. The Appellants' contention was that the Respondents had, in fact, copied the Appellants' mark : the Respondents could not, therefore, be regarded as the true proprietors of the mark, and that these circumstances, taken in conjunction with the international character of the trade in question should result in the Court exercising its discretion in favour of the Appellants."

He said that the Registrar should take into consideration international character of trade in today's world. News from one end of the globe passed to the other end of the globe.

54. Mr. Chan then referred to the Rheinliebling Trade Mark (1966 R.P.C. page 68). He relied on the following passages (at page 72):-

"With regard to the question whether there will be confusion or not, it is quite clear that the onus lies upon the person who is seeking registration. It is for him to satisfy the court that the word or mark which he seeks to have registered will not lead to any real confusion at all;" and the learned judge adds : ... If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case."

55. Mr. Chan said that confusion in the mind of the public would lead to confusion in the goods and that I should therefore refuse registration. There would be confusion because two similar word marks would lead to confusion.

56. Mr. Chan then relied on the Needle-tip Trade Mark Case (1973 R.P.C. page 113). He referred to headnote (2) which is in the following terms :-

"(2) That the fact that the applicants had succeeded in registering their mark in a foreign country had little or no bearing on whether the mark was capable of distinguishing the goods of the applicants in the United Kingdom." (page 113).

57. Mr. Chan also relied on a passage from page 118 of Falconer Q.C. (lines 3 to lines 23) in the Needle-tip Case. He said that although the evidence showed that the Applicant had succeeded in having his mark registered in foreign country this had no bearing on whether the mark was capable of distinguishing the Applicant's goods in Hong Kong. The two marks of the Applicant and the Opponent were exactly the same.

#### Whether breach of Section 12(1)

58. Having considered the evidence and the submissions of Mr. Yan and Mr. Chan I am of the view that the Opponent has failed to establish the degree of reputation in Hong Kong for his mark required so as to trigger off Section 12(1) of the Trade Marks Ordinance (see para. 26, page 10, above).

59. I do not think that the Opponent has established adequate sales of any of his products in Hong Kong. The evidence certainly does not establish any sales of motor cars in Hong Kong. The sales of watches are very poor (see para. 34, page 15, above). Sales of watches appear only to relate to a period in 1986. There has been no evidence of exact sales of any of the Opponent's products in Hong Kong to the consumers in Hong Kong.

60. At the Hearing, Mr. Chan made much of the reputation of the Opponent's mark in Europe. As a preliminary point, I note that the Opponent's own evidence shows that "Ettore Bugatti's company died in 1956". I am quoting from the article by Perini and McCormick in Autoweek magazine dated 25th January 1988 which is to be found in Exhibit JKB-2 of Mr. Telchini's Statutory Declaration. The article states :-

"As we reported last month (Autoweek, Dec. 14) the famous automaker's name has been revived after lying dormant for more than 30 years".

61. It is clear that Mr. Chan must have a bit of an uphill struggle in trying to establish that the Opponent has a reputation for his mark in Europe which has overflowed into Hong Kong, when an extract from his own evidence proves that Ettore Bugatti's company "died" in 1956 and that the famous automaker's name is being revived after lying dormant for more than 30 years. Neither the evidence filed by the Opponent nor the arguments made by Mr. Chan at the Hearing touched on the issue of whether the Opponent had any residual reputation for cars which has survived despite this hiatus. I am therefore not in a position to assess the question of what sort of residual reputation there is.

62. Is there anything in the Statutory Declaration of Messrs. Breitfeld or Telchini which suggest a reputation in Europe that can be said to have overflowed into Hong Kong?

63. There is nothing in Mr. Breitfeld's Statutory Declaration which convinces me of the Opponent's European reputation. I discuss above the Breitfeld Statutory Declaration (see paras. 30 to 34 (pages 13 to 15) of my Decision). He says in para. 3 of his Statutory Declaration that the Opponent's name "BUGATTI" has been made known not only in France but in other places of the world as being the finest craftsmanship in goods. In para. 30(b) (page 14) of my Decision, I have set out Mr. Yan's criticisms, with which I totally agree. Para. 3 of Mr. Breitfeld's Statutory Declaration contains nothing but bare assertions which cried out for particulars, and some collaborating evidence. None has been appended by Mr. Breitfeld. The most that can be said about the Breitfeld Declaration is that it shows that some watches, bracelets and straps were sent from France to Hong Kong. Again, I refer to the criticisms made by Mr. Yan at the Hearing regarding Exhibit A of the Breitfeld Statutory Declaration (the sales invoices) (see para. 32 above, page 14, of my Decision). I agree with the criticisms made by Mr. Yan. The sums mentioned in the invoices are very small, and can hardly be said to establish a European reputation.

64. Reference is also made to Mr. Yan's other criticisms of the Breitfeld Declaration recorded in para. 33 (page 15) of my Decision. I agree with them.

65. Does the Telchini Statutory Declaration establish a European reputation for the Opponent's mark which has spilled over into Hong Kong? With the greatest of respect, I do not think that it does. The evidence submitted with the Telchini's Statutory Declaration lacks the precision required to establish such a reputation. So often exhibits are left unidentified so that one does not know what they are referring to; the origin from which these exhibits come have been left unidentified (e.g. name of magazines, date of magazines). I would also add that I agree with the criticisms made by Mr. Yan referred to in paras. 35(i), (ii), (iii), (iv), (v) and (vi) of this Decision (see pages 15 to 19).

66. I turn to the specific exhibits referred to in the Telchini Statutory Declaration to support what I have written :-

JKB-1

- (i) The first exhibit is 'JKB-1' which is said by Mr. Telchini to be a "copy of an advertisement showing the international registration covering the goods in Classes 3, 9, 14, 16, 18, 20, 21, 25, 28, 33 and 34" (para. 6 of Mr. Telchini's Statutory Declaration). At the Hearing, Mr. Yan said he did not know what JKB-1 was. At the Hearing Mr. Chan said that JKB-1 referred to 3 trade marks of the Opponent written in French covering many classes. The first point I make is that JKB-1 is in the French language and has not been registered. It appears to be some form of publication in an official Bulletin, but neither the Opponent nor Mr. Chan has explained to me the effect of this publication. In any event the date "1979" seems to figure prominently in the publication. Again, if this publication purports to refer to registrations of the Opponent's mark in France, I would expect to be told this and also be provided with evidence that such marks are still extant. No such evidence has been supplied to me by the Opponent.

JKB-2

- (ii) It is to JKB-2 of Mr. Telchini's Statutory Declaration that we must turn to see whether there is any evidence of a European reputation that has overflowed into Hong Kong. I do not think there is any. I refer to para. 35(vi) (page 16) of this Decision where I discuss JKB-2 in some detail. I shall discuss JKB-2 by referring to my summary of JKB-2 at para. 35(vi) of this Decision :-

Racing World Advert

This appears to be an undated advert for a watch. If it has appeared in a Hong Kong magazine, it is not good evidence for a European reputation. Nor does it assist in determining whether the Opponent has a Hong Kong reputation because the advert is undated.

Autoweek article by Perini and McCormick

This establishes that the business of Ettore Bugatti has been dormant and is to be revived. The talk is of a revival of the famous automaker's name, but the talk is of cars. It is hard to see how this can prove the Opponent's case that it has used its mark "not only for goods in Class 12 but also in a variety of goods in France and in other countries in Europe since 1925" (para. 5 of Mr. Telchini's Statutory Declaration). In any event, this article is dated 25th January 1988 which is after the application date of the applied for mark.

3 pictures of buildings (one unmarked/2 others marked 2A and 2B)

It is difficult to see the relevance of these exhibits. It tells me nothing about the Opponent or his business.

Picture of sports cars (marked 2C)

There is no indication where this comes from, or if it comes from any journal, what date the journal is. It appears to be a picture of antique cars. It tells me nothing about the Opponent or his business.

"Per Informazioni Sulla Percorribilita' Delle Strade Chiamateil

This exhibit is in Italian and has not been translated. I have no way of knowing its significance. ,

German adverts/furniture exhibits

In para. 35(vi), (f) and (g) above (page 18 of my Decision), I deal with a number of exhibits which appear to be German adverts for spectacles together with some exhibits for, perhaps, model cars, and furniture. The evidence is very sketchy indeed. No explanation has been given to me of what journals these exhibits come, or the significance of the name "August Wulf GMBH" appearing on some of the German adverts. I have already remarked that it is difficult to tell what pictures 6 and 7A relate to (model cars?) since these pictures are so extremely indistinct. The pictures marked 7B and 8 are also of very poor quality. There is no indication of the name "BUGATTI" on these adverts and it is therefore difficult to determine the relevance of pictures 7B and 8.

It is difficult to see how such evidence can be said to prove any reputation in Europe of the Opponent's mark which has spilled over to Hong Kong. One simply does not know whether these exhibits came from journals or magazines circulating before 13th May 1987 (the date of the application of the applied for mark). There are simply no indication whatsoever of

- whether spectacles bearing the Opponent's mark have been sold in Germany, and if so, what sales were achieved;
- whether the Opponent's marks have appeared on or in relation to the other products (model cars(?), furniture etc.) and, if so, in which countries in Europe such sales were made and what was the extent of such sales.

French adverts

I refer to para. 35(vi), (h) and (i) (pages 18-19) of my Decision. One of the adverts appears to be in respect of baggages and may be relevant since one of the items for which the Applicant has made his application for is trunks and travelling bags. The point here is that I do not know where these adverts come from. Did they pre-date the 13th May 1987? If so, what sort of sales were achieved in France? There is simply no way of knowing. The evidence produced does not address these

points. It is difficult to assess what sort of reputation the Opponent's mark has in France or indeed Europe for clothing which can be said to have spilled over here. The comment can be made here, and apply equally to many of the exhibits in JKB-2, namely :- what proof has been supplied that the magazines in which any such adverts had appeared were distributed in Hong Kong? This must be a very difficult thing for the Opponent to establish, given that in many cases the magazines in which these exhibits appear have not been identified. So many of the adverts are simply undated. There is no way of knowing if these adverts ante-dated the application date of the applied for mark i.e. 13th May 1987.

Pot-Pourri of items

I refer to para. 35(vi), (j) (page 19) of my Decision. The comments I have made in the previous paragraph relating to the French adverts apply with equal force here. It is difficult to establish what goods are sometimes involved (e.g. the advert showing an elephant and a plate). The exhibits are for the most part undated, but even where dated it is not proved that any of the items have been sold or likely to have circulated in Hong Kong. In one case (the Auto Bild advert) the magazine is dated with a date after the application date of the Applicant's mark, and is therefore of little use in assessing the position as at 13th May 1987 (the date of application for the applied for mark).

67. The Opponent has not established to my satisfaction that the name BUGATTI has a reputation in Europe and that, in Mr. Chan's words, it can be considered a very famous brand name. No explanation has been given to me showing the volume of sales of products by the Opponent either in respect of cars, watches, or any other products in Europe or elsewhere. There is no indication of what sales have been achieved for clothing in France, or for cars or spectacles in Germany. What we have seen from the Telchini Declaration are simply copies of adverts, which in some cases are undated, and where the journals and magazines in which these adverts appear are often not identified.

68. At the Hearing Mr. Chan tried to persuade me that BUGATTI is a world famous mark on a par with Kodak. I mentioned to all parties at the Hearing that my record showed that BUGATTI was a surname as evidenced by entries in the Rome Telephone Directory. It is therefore not an invented word like, for example, Kodak. It is incumbent upon the Opponent to show reputation for his mark, whether by way of use in Hong Kong or whether by way of awareness of a mark which has achieved an international reputation elsewhere. This the Opponent has failed to do because of the inadequacy of his evidence which I have outlined above.

69. I therefore agree with Mr. Yan's submissions that the Opponent does not even get to first base so as to trigger off Section 12(1) of the Trade Marks Ordinance (see para. 36 (page 20) of my Decision). I therefore hold that the Applicant is not in breach of Section 12(1) of the Trade Marks Ordinance.

70. At the Hearing, Mr. Yan quite properly argued the matter in the alternative. It may well be that he and I are wrong in assuming that the Opponent has not established a reputation sufficient to trigger off Section 12(1) of the Trade Marks Ordinance. I will therefore also discuss matters on the assumption that the Opponent has established a reputation to certain goods so as to trigger off Section 12(1).

71. The only items which the Opponent might conceivably have a reputation in is watches and, possibly, cars. The Opponent has stated categorically that "Although our company does not at present deal with goods the subject of the applicant's application, some of such goods e.g. shopping bags are connected with the goods of interest to us". (Para. 5 of the Notice of Opposition, page 3, above). The Opponent does not explain what he means by the phrase "some of such goods e.g. shopping bags are connected with the goods of interest to us", and it is therefore difficult to assess what point is being made here. In my opinion, cars and watches are totally different goods from the sort of goods for which the Applicant has made his application. Cars and watches have different uses from goods in Class 18. They would not be likely to be sold in the same trade channels. In this particular case, the evidence of the Applicant shows that in fact he conducts his business through mail order. This was confirmed by Mr. Yan at the Hearing. I refer to the Judgement of Mayo J. in the Mitac Case (quoted above at page 10 of this Decision) where he quoted the Judgement by Lord Upjohn in the Bali Case to the effect that :-

"... It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register."

72. If I allow the Applicant's mark to be registered, will there be a real tangible danger of deception or confusion? I do not think there will be. The Applicant sells his goods through mail order. If one looks at the Statutory Declaration of the Declarant i.e., Eio Cheng Chua, it will be seen that Exhibit ECC-2 collaborates what was said by Mr. Yan at the Hearing. ECC-2 refers to adverts in American Express catalogues which contain Order Forms by which products can be purchased. There is also the same format involving Diners Club. The Applicant's goods are leather goods, skins, hides, trunks, travelling bags, etc. The Opponent would sell his cars in a very specialised outlet and, if he sells watches, is likely to sell watches in specialised shops. Watches are likely to be sold in watch shops. If one looks at some of the names shown in JKB-2 of the Telchini Statutory Declaration, some of the BUGATTI authorised retailers are watch shops (e.g. "Carlson Watch Co. Ltd., La Suisse Watch Co. Ltd.") There is of course a reference to "H.K. Daimaru Dept. Store Co.", and it is possible that watches may be sold in a Department Store, but they would be sold at very different counters from leather goods. However, as I said above, the Applicant sells his goods through mail order and that being the case, the chances of deception or confusion from trade channels are even further diminished.

73. I have stated earlier that I have no way of knowing from the evidence submitted to me by the Opponent whether or not the magazines (in which the adverts of all the various products referred to in JKB-2 of the Telchini Statutory Declaration may have been inserted) have ever circulated in Hong Kong. At the Hearing Mr. Chan referred me to satellite television. There is no evidence before me to suggest that, as at the relevant date in May 1987, there was satellite television but, even if there was, no satellite TV adverts of the Opponent featuring BUGATTI have been sent to me. This is just a broad assertion by Mr. Chan which has not been backed up by evidence.

74. Mr. Chan also sought to argue that confusion could arise from telephone orders mentioning the word BUGATTI. Again, this is not a significant argument when one considers that the Applicant's goods are made through mail order and that anyone wanting such goods fills in a form (e.g. American Express application form).

75. I cannot see that there would be a breach of Section 12(1) of the Trade Marks Ordinance even if I were to assume that the Opponent has a reputation in watches and cars which could trigger off Section 12(1).

Section 13(1) of the Trade Marks Ordinance

76. Section 13(1) provides that "Any person claiming to be entitled to be registered as the proprietor of a trade mark used or proposed to be used by him" may apply to the Registrar for registration in Part A or Part B of the register. Section 13(2) of the Trade Marks Ordinance states that :-

"Subject to the provisions of this Ordinance, the Registrar may refuse the application, or accept it absolutely or subject to such conditions, amendments, modifications, or limitations, if any, as he may think right".

77. The contention made by the Opponent is that the Applicant is not the real proprietor of the trade mark "BUGATTI" (see paras. 10 and 11 (page 5) and para. 41 (page 21) of this Decision).

78. Kerly has this to say at para. 4-03 when discussing the position in the United Kingdom :-

"... Provided, however, that the claim of proprietorship is made in good faith, and is not rebuttable on the ground that in fact someone else was the proprietor, it is difficult to see how it can be objected to, notwithstanding that the application (or a registration based on it) may later be held open to some objection. In particular, it is difficult to see what objection there can be to a claim to proprietorship of a mark which is not in use and has no reputation in this country, whoever makes it, provided at least that he genuinely means to use it. ..."

79. D.R. Shanahan has this to say (Australian Law of Trade Marks and Passing Off, 2nd Edition) :-

"But what is essential to a valid claim to proprietorship is that no other person has acquired a prior right to use the mark in Australia for the goods or services in question ..." [page 38].

80. Section 40 of the Australian Trade Marks Act 1955 provides, inter alia, that :-

"40(1) A person who claims to be the proprietor of a trade mark may make application to the Registrar for the registration of the trade mark in Part A or Part B of the Register".

This is similar in terminology to Section 13(1) of the Hong Kong Trade Marks Ordinance.

81. Shanahan has this to say about Section 40 of the Australian Trade Marks Act which I find of interest :-

"Section 40(1), on the other hand, raises the issue of proprietorship, and has been viewed by the High Court as precluding registration where some other trader has acquired a prior right through actual trade mark use" (page 154)

"In a passage that has found the approval of the High Court on several occasions, Holroyd J. explained in *Re Hicks' Trade Mark* :

In order to substantiate his application to be placed on the Register for this word he must have claimed to be the proprietor, and the word "proprietor" must be taken to mean the person entitled to the exclusive use of the name. If there is anyone else who would be interfered with by the registration of the word "Empress" in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the Register for that trade mark". (Page 155, my highlighting).

82. The issue in this particular case is whether the Opponent can be said to have acquired a prior right to use the "Bugatti" mark in Hong Kong, in application to the "same kind of thing" so as to obstruct the Applicant's application in Class 18. It is also well established that the rights of the parties in proceedings such as these, including those of proprietorship, are to be determined on the state of facts existing when the application is lodged. Mr. Yan said that unless it was shown that the Opponent had, prior to 1987, made a claim to proprietorship of the same mark in relation to the same goods in Hong Kong, then the Applicant could claim to be the proprietor of the "Bugatti" mark.

83. As I said earlier, I do not think it is right to say that "BUGATTI" is a world famous mark. As I pointed out at the Hearing, "BUGATTI" is a surname in Italy.

84. I found above that the Opponent had established no reputation in Hong Kong for any of his goods and, indeed, had not established to my satisfaction reputation in Europe for any goods, which can be said to have spilled over into Hong Kong.

85. Bearing in mind the statements of Kerly and Shanahan on this point, I find that there is no merit in the objection raised by the Opponent that the Applicant is not the proprietor of the mark as regards his application in Class 18. I would hold the same, even if it could be argued that the Opponent had established some kind of reputation in Hong Kong for watches and cars. Watches and cars are not, to use Holroyd J's phrase, the same kind of thing as goods in Class 18. There is nothing in the evidence to cast any doubt that the Applicant genuinely wishes to use his mark. (See the Applicant's Statutory Declaration, para. 27 above (pages 11-12)).

86. At the Hearing there was much discussion about the question of copying. It was Mr. Chan's contention that the Applicant must have copied the Opponent's mark. I am bound to say that I have found absolutely no evidence at all to substantiate this allegation. "BUGATTI" is a surname. It is not an invented word on a par with a word like Kodak. The Opponent has failed to convince me that it has any reputation in his BUGATTI mark which, as the article by McCormick and Perini, shows has been lying dormant for 30 years.

87. I refer to the discussion on the Vitamins Case, and the Brown Shoe which had been raised by Mr. Chan (see paras. 49 to 53 (pages 22 to 23) of this Decision). At the Hearing Mr. Yan discussed these cases. He referred to the Pelican Trade Mark Case (1974 R.P.C. 692).

88. In the Pelican Trade Mark Case an application by an United States company to rectify the U.K. register with the removal of the trade mark Pelican which had been registered by a British company was refused because :-

- "(1) the British company had not been aware of any prior claim to proprietorship.
- (2) the applicant had not sufficiently used the mark to rely on section 11 (which is equivalent to Hong Kong Trade Mark Ordinance Section 12(1)).

(3) the British company had made reasonable enquiries before seeking to register the marks. The fact that the mark had been copied, even if it might give rise to a "vague feeling of distaste", did not cause the Registrar's discretion to be exercised in favour of rectification."

89. In the Pelican Case, Mr. Moorby said (at page 697)  
:-

"Mr. Price referred me to some cases in which the question of an improper claim to proprietorship of a mark was raised : *Vitamin's Ltd.'s Application* [1956] R.P.C. 1, *Brown Shoe Company's Application* [1959] R.P.C. 29 and the *Genette Trade Mark* [1968] R.P.C. 148 and [1969] R.P.C. 189. The facts in the present case differ from those in all three cases. In the *Vitamins* and *Brown* cases, the person who claimed to be the proprietor of the mark in question had copied the mark from someone else who had previously asserted his proprietorship of it in the United Kingdom, and in the *Genette* case it was held on the evidence that the respondents had independently thought of the marks which were the subject of the rectification proceedings. ..."

90. Mr. Yan's contention at the Hearing was that the facts of the *Vitamins* and *Brown Shoe* Cases were very different from those of the present case. In those cases, as Mr. Moorby points out, the person who claimed to be proprietor had copied the mark from someone else who had previously asserted his proprietorship of it in the United Kingdom. This was not the case in the matter before me. Mr. Yan said that, even if the name had been copied, the *Pelican Case* was authority for the proposition that merely copying a mark did not disentitle a proprietor to claim his right as proprietor so long as there had been no prior assertion of such mark for the same goods in Hong Kong. Mr. Yan said that the Applicant had not been aware of the Opponent's application for its mark in Class 14. Mr. Yan went on to say that *BUGATTI* was a very different sort of mark from *Kodak* and *Coca Cola*. I agree with Mr. Yan's contention.

91. As I said earlier, no evidence has been placed before me to show that the Applicant has copied the *BUGATTI* mark. Mr. Yan had made the point that people liked to chose French and Italian names because it was felt such names were prestigious.

92. I feel I should mention a few final points. At the Hearing, Mr. Chan had referred to the Pioneer and the Rheinliebling Cases (see para. 45 (page 22) and 54 (page 23) of this Decision). Mr. Yan said that he did not object with statement of principles referred to in those cases. It was a question of the application of those principles to the case being decided upon at the Hearing. Mr. Chan had also referred to the Needle-tip Case (see para. 56 (page 24) of this Decision); Mr. Yan said that this case had nothing to do with the issues in the matter before me. The question was whether the mark was objectionable. The fact that the applied for mark has obtained registrations elsewhere was not relevant. I agree that the question I have to decide is whether the applied for mark conflicts with Sections 12(1) or 13(1) of the Trade Marks Ordinance in Hong Kong. What other Trade Mark Registries elsewhere may have decided cannot assist.

93. I find therefore that the Applicant has satisfied me that the registration of the applied for mark will not fall foul of Sections 12(1) and 13(1) of the Trade Marks Ordinance. The Opposition therefore fails.

94. In this decision I have considered all the documents filed by the Applicant and the Opponent and all the arguments submitted to me by both parties.

95. The opposition having failed, I find that the Applicant is entitled to an award of costs, and any representation which either party may wish to make as to the amount of this cost will be considered if received within one month from the date of this Decision and that failing such representation calling for special treatment, costs will be calculated on the usual scale, namely on the basis set forth in Part I of the 1st Schedule Order 62 of the Rules of Supreme Court (Cap. 4) as applied to trade mark matters unless otherwise agreed between the parties.

R. J. Perera  
(R. J. PERERA)

Date : 29th January 1993