

Application No. 763A/88

Trade Marks Ordinance (Cap. 43)

AND

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



The logo consists of a stylized letter 'B' on the left, which is formed by a vertical line on the left and a horizontal line at the top. A diagonal lightning bolt symbol is superimposed over the 'B'. To the right of the 'B' is the word 'BROKONIC' in a bold, sans-serif font. The letter 'O' is replaced by a square with a diagonal line through it, and the letter 'N' is replaced by a lightning bolt symbol.

in Class 11 in Part A of the
Register by Hatzlachh Supply
Inc.

AND

IN THE MATTER of an opposition
thereto by Par Intercontinental
(HK) Ltd

DECISION
OF

Mr M.W. Fox acting for the Registrar of Trade Marks after a
hearing on Tuesday, 6th September 1994.

Appearing : Mr John Yan, Counsel, instructed by Hastings & Co
on behalf of the Opponent, Par Intercontinental
(HK) Ltd.

1. On 15th February 1988 Hatzlachh Supply Inc (hereinafter called "the Applicant") of New York, America applied under the Trade Marks Ordinance ((hereinafter called "the Ordinance") for registration of a trade mark in Part A of the Register in Class 11 in respect of "apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes" (hereinafter called "the specified goods"). A representation of the mark applied for appears below :-



2. Leave to advertise the suit mark in respect of the specified goods was given on 28th February 1989 on conditions "this trade mark is to be associated with the trade mark of pending application No. 762A/88" and "registration of this trade mark shall give no right to the exclusive use of letters "S"". The suit mark was advertised in the gazette on 10th March 1989.

3. The application was opposed by Par Intercontinental (HK) Ltd (hereinafter called "the Opponent") of Central, Hong Kong, which lodged its notice of opposition on 6th August 1990 on grounds effectively that :-

- (a) The Opponent's BROKSONIC mark is registered in Hong Kong in Class 9 under No. 572/86 in respect of "transistor radios, radio cassette recorders, telephones" (hereinafter called "the Opponent's goods").
- (b) The Opponent has used its BROKSONIC mark upon its goods in Hong Kong on a substantial scale since 1983 so that it has become very well known to the trade and public as being distinctive of the Opponent and no other.
- (c) As the suit mark closely resembles the Opponent's BROKSONIC mark and the specified goods are goods of the same description as the Opponent's goods registration would contravene section 20 of the Ordinance.
- (d) As use of the suit mark by the Applicant on the specified goods would cause confusion and lead to the mistaken belief there is a connection in course of trade between the specified goods and the Opponent's goods registration would contravene section 12(1) of the Ordinance.

- (e) As the suit mark is not distinctive of (nor capable of distinguishing) the specified goods registration would contravene section 9(1) of the Ordinance.
- (f) The Applicant cannot validly claim to be proprietor of the suit mark under section 13(1) of the Ordinance.
- (g) The suit mark is calculated to deceive and lead to the specified goods being passed off as or mistaken for the Opponent's goods.
- (h) As the Applicant by choosing the suit mark is taking advantage of the Opponent's reputation in its Hong Kong registered mark the suit application was not made bona fide.

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

5. The Applicant by its counterstatement lodged on 17th October 1990 relies, effectively, on the following grounds in support to its application :-

- (a) The suit mark does not closely resemble the Opponent's BROKSONIC mark and the specified goods are different to the Opponent's goods.
- (b) As use of the suit mark would not cause confusion and lead to the mistaken belief there is a connection in course of trade between the specified goods and the Opponent's goods registration would not contravene section 12(1) of the Ordinance.
- (c) The Applicant, having used the suit mark on its goods in Hong Kong for many years, has rights in the suit mark.
- (d) As the suit mark is distinctive of the specified goods registration would not contravene section 9(1) of the Ordinance.
- (e) The Applicant can validly claim proprietorship of the suit mark under section 13(1) of the Ordinance as it was registered in America in 1976.
- (f) The suit mark is not calculated to deceive or lead to the specified goods being passed off or mistaken for the Opponent's goods.
- (g) The Applicant, as proprietor of the BROKSONIC mark, is entitled to apply for and obtain registration of such mark for the specified goods and there are no rights of a trade mark nature or otherwise vested in the Opponent to prevent this.

6. The Applicant also seeks registration in exercise of the Registrar's discretion.
7. Principal evidence on behalf of the Opponent comes in a declaration dated 1st May 1991 of Chandiram Lekhraj Gidwani, its Manager.
8. Mr. Gidwani repeats information in the notice of opposition (see paragraph 3(a) hereof) exhibiting (GCL-1) copy registration certificate in support.
9. Mr Gidwani says the Opponent has used its BROKSONIC mark on goods manufactured in Hong Kong since 1983 and exported to Brazil, Reunion Island, Mexico, Florida, Trinidad, Paraguay, Venezuela, Singapore and the Opponent's holding company Parvani International S.A. in Panama . He exhibits (GCL-2) invoices in support.
10. Mr Gidwani gives invoice export figures of the Opponent's trade marked goods from 1983 to 1990 inclusive showing a total of approximately US\$1.9 million for the first five years.
11. Mr Gidwani says the Opponent's trade marked goods are also distributed in Bolivia, Ecuador, Guatemala, Chile, Honduras, Colombia and Costa Rica, having been re-exported to those countries from Panama since 1984 by Parvani International S.A. He exhibits (GCL-3) invoices in support.
12. Mr Gidwani gives estimated re-export invoice figures of the Opponent's trade marked goods from Panama from 1983 to 1990 showing a total of some US\$2.5 million for the first five years.
13. Mr Gidwani considers the BROKSONIC mark, in which the Opponent enjoys a substantial reputation, is distinctive of the Opponent's goods in Hong Kong and the reputation and goodwill attached to that mark extends overseas where the Opponent's goods are sold.
14. Mr Gidwani considers the suit mark closely resembles the Opponent's BROKSONIC mark.
15. Mr Gidwani considers the specified goods, though in a different class, are goods of the same description as the Opponent's goods as their methods of manufacture are similar and they are likely to be sold through the same trade channels to similar purchasers. Mr Gidwani considers normal and fair use of the suit mark would cause deception and confusion among manufacturers, exporters, the trade and public because being unable to distinguish the suit mark from the Opponent's BROKSONIC mark when applied to the specified goods, they will associate them with the Opponent.
16. Mr Gidwani submits the Applicant's use of the suit mark and its application to register it for the specified goods is not co-incidental but is a deliberate attempt to erode the Opponent's

trade mark rights and ride on the Hong Kong reputation and goodwill of the Opponent's BROKSONIC mark used in relation to its Class 9 goods.

17. Mr Gidwani considers the Applicant has not shown sufficient use of the suit mark for the specified goods to establish rights in the mark for the goods. He submits that as the Opponent was first to register and use BROKSONIC in Hong Kong local rights in the mark rightfully accrue to the Opponent only.

18. Mr Gidwani considers the Applicant must establish it has registered the suit mark in Class 11 in its country of origin. He submits the Applicant cannot claim to be bona fide proprietor of the suit mark for the specified goods and that the suit application is an attempt to dilute and injure the Opponent's rights, reputation and goodwill in its BROKSONIC mark.

19. Evidence on behalf of the Applicant comes in a declaration dated 17th April 1992 of Jessie Broker, its President.

20. Mr Broker says the Applicant's business was started in America in 1959 by his father who in the early 1970s designed and created BROKSONIC as a trade mark, derived from his family name with the "ER" deleted and the word "SONIC" included.

21. Mr Broker says the Applicant first used the BROKSONIC mark on combination cassette tape recorders and FM/AM receiver tape recorders in America on 15th November 1972 registering the mark there on 17th February 1976. He exhibit (JB-1) copy registration certificate in support.

22. Mr Broker says the Applicant's BROKSONIC mark was further registered in America on 4th December 1984 (Class 9), in Paraguay on 28th July 1986 (Class 9), in Thailand on 1st March 1989 (Class 8), in Canada on 3rd September 1989 and in Japan on 30th August 1990 (Class 11). He says the Applicant's BROKSONIC and Device mark was registered in Mexico on 24th May 1988 (Classes 21 and 26), in Taiwan on 1st March and 1st May 1989 (Classes 73 and 86), in Canada on 23rd June 1989 and in South Korea on 14th July 1989 (Class 39). Mr Broker says the Applicant's B & Device mark was registered in America on 10th January 1989 (Class 9) and in Thailand on 1st March 1989 (Class 8). He exhibits (JB-2) copy registration certificates in support.

23. Mr Broker says the Applicant has applied to register the suit mark in Hong Kong in Class 9 under No. 763/88 for "scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing

apparatus". He exhibits (JB-3) copy forms of application for registration of the suit mark in Classes 9 and 11 in support.

24. Mr Broker submits substantial use and advertising have made the BROKSONIC mark distinctive of the specified goods and the trade and public associate goods bearing the BROKSONIC mark with the Applicant. He exhibits (JB-4) promotional leaflets and media advertisements in support.

25. Mr Broker gives annual worldwide expenditure incurred advertising the Applicant's suit marked products from 1984 to 1990 showing expenditure for the first four years of approximately US\$260,000.

26. Mr Broker says Applicant "has since 1972 - 1984 continuously purchased goods with its trade mark in Hong Kong in excess of US\$108 million and the annual worldwide turnovers of the Applicant products exceeded US\$100 million per year in previous years and in excess of US\$250 million". He exhibits (JB-5) invoices.

27. Mr Broker believes the Opponent's registered BROKSONIC mark is confusingly similar to the Applicant's suit mark. Mr Broker says the Applicant claims proprietorship of the suit mark based on its registration in America.

28. Mr Broker believes registration of the Opponent's BROKSONIC mark was contrary to section 13(1) of the Ordinance.

29. Mr Broker submits the Applicant's Hong Kong and worldwide use and reputation of its suit mark justifies its registration in Hong Kong.

30. Evidence in reply on behalf of the Opponent comes in a further declaration dated 2nd December 1992 of Chandiram Lekhraj Gidwani.

31. Mr Gidwani considers the Applicant's claim of first use of its BROKSONIC mark in America in 1972 is unsubstantiated.

32. Mr Gidwani considers the Applicant has not substantiated its claimed advertisement expenditure figures noting all the advertisements in exhibit (JB-4) relate to non Class 11 goods such as audio and visual apparatus and fax machines. Mr Gidwani observes no title, country or issue details of the publications are given and as the Applicant's New York address is the only contact provided he considers the advertisements were intended for the American market and no other. Mr Gidwani submits if the advertisements appeared in Hong Kong they would have included some reference to it and the Applicant would have identified the publications. Mr Gidwani submits the claimed advertising expenditure has little bearing on the proceedings.

33. Mr Gidwani considers the Applicant has not substantiated its claim "to have since 1972 continuously

purchased goods with its trade mark in Hong Kong". He observes no Hong Kong purchase orders or invoices have been produced. Mr Gidwani submits the Applicant has not provided evidence of contracts to have its Class 11 goods manufactured in Hong Kong to its order. Mr Gidwani observes the exhibit (JB-5) sales invoices post date 22nd March 1983 and relate to Class 9 audio and visual apparatus for the American domestic market only.

34. Mr Gidwani considers the Applicant has not provided evidence substantiating its claimed use of its BROKSONIC mark outside America.

35. Mr Gidwani considers the Applicant is wilfully seeking to mislead the Registrar as to the extent of the worldwide reputation of its BROKSONIC mark which reputation in any event he considers irrelevant to the Hong Kong proceedings.

36. Mr Gidwani says as the Opponent has used its BROKSONIC mark in Hong Kong bona fide for a long time on home appliances in Classes 9 and 11 the Applicant cannot claim proprietorship of the mark in Hong Kong in respect of goods in those classes.

37. Mr Gidwani considers the Applicant's claim the Opponent's Hong Kong Class 9 registration was improperly obtained is frivolous and vexatious. He says Parvani International S.A. has registered the BROKSONIC mark in Classes 9 and 11 on 27th May 1986 under Nos. 39501 and 39500 respectively. Mr Gidwani says the Opponent registered its BROKSONIC mark in Class 11 in Paraguay under No. 120468. He exhibits (GCL-4) copy registration certificates in support. Mr Gidwani says the Applicant's Hong Kong manufactured BROKSONIC marked Class 9 and 11 goods are exported to Panama and Paraguay.

38. Mr Gidwani says the Opponent has since 1983 continuously produced in and exported from Hong Kong its Classes 9 and 11 BROKSONIC marked goods. He says the Opponent's annual turnover of its Class 11 goods since 1983 is estimated between US\$3-4 million. He exhibits (GCL-5) copy invoices in support.

39. Mr Gidwani says the Opponent applied to register its BROKSONIC mark in Hong Kong in Class 11 under application No. 18325/92 in respect of "lighting apparatus, fans, air purifying apparatus and machines, refrigerators, all included in Class 11". He exhibits (GCL-6) copy application form in support.

40. Mr Gidwani considers long, extensive and bona fide use of the BROKSONIC mark in Hong Kong by the Opponent on Class 9 and Class 11 goods has given the Opponent a reputation and goodwill in that mark which is distinctive of the Opponent's goods only. He submits the Opponent's customers and the trade associate goods bearing the BROKSONIC mark with the Opponent only, particularly not the Applicant who has not shown any connection with Hong Kong. Mr Gidwani considers if the suit mark is registered in Hong Kong for the specified goods it would be likely to cause confusion and deception to the trade and the Opponent's actual or potential customers seeking to trace the Opponent here.

41. The Applicant did not appear and was not represented at the hearing. This is envisaged by the provisions of Trade Marks Rule 30.

42. Mr Yan said the opposition is based on sections 12(1) and 20 of the Ordinance.

43. Sections 12(1) and 20 of the Ordinance, applicable to these proceedings, are as follows :-

Section 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 20

"Except as provided by section 22 no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion."

44. 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.

45. The accepted tests to be applied to consideration of cases under sections 12(1) and 20 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 the recognized glosses they may be expressed as follows :-

- (a) (Under section 12(1)) "Having regard to the reputation of the Opponent's mark is the tribunal satisfied that the mark applied for, if used in a normal and fair manner in connection with the goods covered by the registration proposed, will not be likely to cause deception and 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 ?"
- (b) (Under section 20) "Assuming user by the Opponent of its mark in a normal and fair manner for the goods covered by its registration, is the tribunal satisfied

that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the Applicant also uses its mark normally and fairly in respect of the goods covered by its proposed registration ?"

46. 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.

47. I do not have a discretion under either section 12(1) or section 20 of the Ordinance. If the Opponent succeeds under either section registration must be refused. If I am in doubt registration must be refused.

48. The onus is on the Applicant to defeat the opposition. This is done by satisfying me there is no reasonable probability of confusion or deception, the test, in different words, being whether use of the suit mark by itself on 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 it is likely to cause confusion or deception in the minds of persons to whom it is addressed, even if actual purchasers will not ultimately be deceived. Purchasers must not be put into a state of doubt.

49. 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.

50. The actual extent of the reputation of the 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.

51. Section 12(1) of the Ordinance also extends to cases where an Opponent's mark has been used upon goods of a different description from or not closely related to those for which registration is sought if confusion may be likely due to the mark of an Opponent being particularly well-known or unusually inventive or the Applicant having closely copied a very distinctive mark.

52. I must decide whether the public at large, purchasers or likely purchasers of the Applicant's and the Opponent's goods bearing their respective marks, 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 Opponent's mark 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 the specified goods.

53. To bring Section 20 of the Ordinance into operation an Opponent's mark has to be registered in Hong Kong and one or more of the goods for which it is registered and one or more of the specified goods in respect of which registration is sought must be, as a matter of fact, looked at from a commercial, business and practical viewpoint, the same or otherwise of the same description.

54. The relevant date for determining these proceedings is 15th February 1988, the date the Applicant applied for registration of the suit mark.

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

56. Mr Yan submitted the Opponent's evidence, in particular exhibits GCL-2 and GCL-5, establishes the Opponent's BROKSONIC mark had sufficient reputation in Hong Kong at the 15th February 1988 application date to enable an opposition to be mounted under section 12(1) of the Ordinance.

57. The Opponent has demonstrated considerable pre-application date use of its BROKSONIC mark on goods manufactured in and exported from Hong Kong. This use dates back to March 1983. Use of a mark on invoices relating to goods is trade mark use of that mark in physical or other relation to those goods. As Mr Yan said, referring to *Excello TM (1972) HKDCLR 67*, the proprietor of a mark applied to goods exported from Hong Kong can rely on section 39(1) of the Ordinance for the purposes of an opposition under section 12(1). The Opponent can mount an opposition under section 12(1).

58. I will consider whether an opposition can be mounted under section 20 of the Ordinance.

59. Mr Yan pointed out the Applicant has not shown any use of the suit mark on the specified goods. The Applicant, he said, referring to exhibit JB-4, has only demonstrated use of the suit mark on Class 9 goods. Mr Yan observed the Applicant has not attempted to distinguish Class 9 and Class 11 goods. Mr Yan submitted transistors, radio cassette recorders and telephones, the goods covered by the Opponent's Hong Kong registration of its BROKSONIC mark under No. 572/86 (see paragraph 3(a)), are goods of the same description as the Applicant's specified goods (see paragraph 1). He submitted both the Applicant's specified goods and the Opponent's registered goods are sold and purchased through the same trade channels, the same department stores, such as Fortress. Mr Yan argued that the respective goods of the parties are so commonly dealt in by the same trader that his customers who know the Opponent's mark in connection with its registered goods would be likely to suppose the Applicant's specified goods are the Opponent's goods if they see the Opponent's mark or a similar mark being used on them. To Mr Yan the Opponent can mount an opposition under section 20 of the Ordinance.

60. The suit application is in Class 11. The Opponent's BROKSONIC mark is registered in Hong Kong in Class 9.

61. The specified goods are set out in paragraph 1. The Opponent's goods covered by its Hong Kong registration are set out in paragraph 3(a).

62. None of the Opponent's registered goods are the same as any of the specified goods.

63. I will consider whether or not any of the Opponent's registered goods are goods of the same description as any of the specified goods. Goods of the same description may fall into different classes.

64. As Mr Yan said the nature and composition of the goods, the respective uses of the articles and the trade channels through which the commodities respectively are bought and sold are the matters to be taken into account in deciding whether goods are goods of the same description (Romer J in the "Panda" case (1946) RPC 59). No single consideration is conclusive. Each matter is considered in turn before a decision is made whether on balance the goods are sufficiently related. It is not essential all three criteria be fulfilled.

65. The nature of the specified goods, embracing the whole class, is wide-ranging. The specified goods include such items as lamps, lights, radiators, heaters, cookers, refrigerators, fans, toilets, etc. The specified goods are essential, functional hardware items for a wide variety of domestic and business uses. Some are electrically operated. Others are not. The Opponent's registered goods are audio or audio communication items. Transistor radio and radio cassette recorders are electrically operated, non-essential, recreational items. Telephones are essential, functional audio-communication items for household and business use.

66. Because the specified goods are wide-ranging the trade channels through which they are bought and sold vary. Small items such as fans, heaters, lights and some cookers are sold in neighbourhood electrical shops. These shops are not likely to stock air conditioners, washing machines, cooking stoves etc. They are found in larger household stores. Generally only specialist outlets deal in water supply and sanitary apparatus. Transistor radios, radio cassette recorders and telephones are not found in shops selling air conditioners, washing machines, water supply and sanitary apparatus, cooking stoves etc. Radios and radio cassette recorders may be found in neighbourhood electrical shops. Generally they are sold in shops specializing in audio and/or audio-visual equipment. Until recently (and possibly at the 15th February 1988 application date) the sale of telephones was controlled. Even now they are generally sold in shops specialising in communication products. It is possible a few neighbourhood electrical shops and a few audio equipment shops may sell telephones. Some large stores (i.e. Fortress) sell apparatus in the nature of some of the specified goods and

equipment in the nature of the Opponent's registered goods. Some large organizations (i.e. Phillips, Hitachi, NEC) apply the same trade mark to apparatus in the nature of some of the specified goods and equipment in the nature of the Opponent's registered goods. Those large stores and large organizations keep the trade channels different. For example a Hitachi air-conditioner and a Hitachi radio are serviced by different sections within the one organization. A large store stocking transistor radios and radio cassette recorders and fans, heaters, air-conditioners, cooking apparatus etc sells them in different departments.

67. I consider the natures and uses of the specified goods and the Opponent's registered goods are different. I consider the composition of the respective goods of the parties are generally different, though they sometimes can be similar to the extent some of both parties' goods are electrically operated. I consider the trade channels through which the respective commodities are bought and sold are generally different though there are occasions when some of both parties' goods are sold in close proximity at the same outlets.

68. On balance I consider none of the specified goods are goods of the same description as any of the Opponent's registered goods.

69. The Opponent is unable to mount an opposition under section 20 of the Ordinance.

70. 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 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."

71. 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. Marks should not be compared side by side. They should be 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.

72. Under Section 12(1) of the Ordinance the Opponent's mark is considered as actually used. The Applicant's suit mark is considered in notional fair use. Notional fair use is any normal and fair use a registered proprietor may make of his mark in ordinary course of business in respect of goods covered by the registration.

73. The suit mark is shown in paragraph 1. The Opponent uses its mark in its registered form (see exhibit GCL-1), a mark in plain, unadorned block capitals, much as shown herein.

74. There is no evidence the Applicant has used the suit mark in Hong Kong in relation to the specified goods. The Applicant has lodged evidence (exhibit JB-3) indicating the suit mark was not used in Hong Kong in relation to specified goods prior to the application date.

75. Though the Opponent has only demonstrated use of its BROKSONIC mark on goods exported from Hong Kong it is the position in Hong Kong that must be considered. It is the likelihood of deception or confusion in Hong Kong that is relevant.

76. The suit mark is BBROKSONIC. BROKSONIC, commencing with a small letter "b", is on the whole stylised to some extent, with the "S" in BROKSONIC, matching the "S" through the capital "B" before BROKSONIC, being stylised to a considerable degree. These "S"s give the suit mark a distinctiveness. However, having regard to the principles of notional fair use, the suit mark will be regarded visually as BROKSONIC, which is the essential feature of it. The Opponent's mark is BROKSONIC. I consider the Applicant's suit mark and the Opponent's mark are essentially the same visually.

77. It is unlikely the suit mark will be referred to orally as B-BROKSONIC and even less likely it will be referred to orally as a "B" device mark. I consider the suit mark will be referred to orally as BROKSONIC. The Opponent's mark too will be referred to orally as BROKSONIC. I consider the Applicant's suit mark and the Opponent's mark are the same phonetically.

78. There is evidence among the invoices comprising exhibits GCL-2 and GCL-5 that the Opponent was using its BROKSONIC mark on ceiling fans (invoice dated 8th January 1984), flashlights (invoice dated 17th February 1984), desk lamps (invoice dated 5th March 1984), hair driers (invoice dated 27th December 1985) and rice cookers (invoice dated 27th December 1985) exported from Hong Kong prior to the application date. These are all Class 11 goods. They are the same goods as some of the specified goods. These goods of the Applicant and Opponent are the same. They are likely to be sold and purchased through the same trade channels by the same nature and kind of customers paying the same prices.

79. Accordingly I consider there would be a likelihood of deception and confusion if each of the trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

80. That being so there is no need for me to consider in detail claimed use by the parties of their respective marks in Hong Kong on transistor radios, radio cassette recorders or other Class 9 goods. The Applicant has not demonstrated any pre-application date use of the suit mark in Hong Kong. None of the exhibits comprising JB-4 are dated. None of the exhibits comprising JB-5 (invoices issued out of New York evidencing sales in the United States only) can be related to Hong Kong. Trade marks are territorial. Use or registration by the Applicant of its BROKSONIC mark in America or elsewhere overseas does not create any reputation for that mark in Hong Kong. The Applicant's BROKSONIC mark is not a world famous mark. The Applicant's BROKSONIC mark can only acquire a reputation in Hong Kong by user or possibly advertisement here. That reputation is then tied to the actual goods on which the mark is used and goods closely related thereto or allied therewith. The Applicant has lodged evidence (exhibit JB-3) indicating the suit mark was not used in Hong Kong in relation to any Class 9 goods prior to the 15th February 1988. The Opponent demonstrated use of BROKSONIC in relation to Class 9 goods in Hong Kong prior to the application date. That use dates back to the 21st March 1983 (see exhibit GCL-2). By virtue of subsequent use of BROKSONIC in Hong Kong the Opponent's mark has acquired a reputation here in relation to all goods in connection with which the mark was actually used and goods closely related thereto or allied therewith. The Opponent is the proprietor of BROKSONIC in Hong Kong in relation to those goods. However the Opponent's pre-application date use of BROKSONIC in Hong Kong on class 9 goods would not have assisted it. Having found that such goods are not goods of the same description as any of the specified goods it could not have relied on such use to succeed under section 12(1) of the Ordinance. The goods are not sufficiently closely related or allied. If a section 20 opposition fails because goods are not of the same description a section 12(1) opposition based on user in relation to those goods will generally fail too (Lifeguard TM (1957) RPC 79).

81. Under section 12(1) Having regard to the reputation of the Opponent's mark I am not satisfied that the suit mark, if used in a normal and fair manner in connection with the specified goods, will not be likely to cause deception and confusion amongst a substantial number of persons. I consider a number of persons may be caused to wonder whether goods under the respective marks come from the same source. I consider there is real tangible risk of confusion if the suit mark is put on the Register for the specified goods.

82. As the Opponent cannot mount an opposition under section 20 of the Ordinance the Applicant is not called upon to show that, assuming user by the Opponent of its mark in a normal and fair manner for any of the goods covered by its registration,

there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the Applicant also uses its mark normally and fairly in respect of any goods covered by its proposed registration.

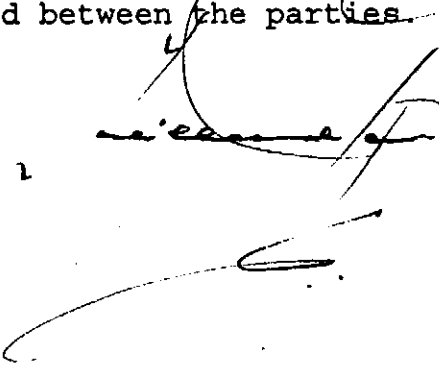
83. I find the Applicant has not defeated the opposition under section 12(1) of the Ordinance.

84. As the Opponent has succeeded under section 12(1) of the Ordinance the exercise of my discretion under section 13(2) does not arise.

85. The application to register the suit mark in Class 11 in Part A of the Register in respect of the specified goods fails.

86. Before I close I will briefly refer to MP 685/93. These are High Court proceedings taken out by the Applicant to remove the Opponent's Class 9 registration No. 572/86 from the Register. For reasons apparent from this decision those proceedings and their outcome were and are irrelevant to the opposition proceedings before me. The Registrar is a party to the High Court proceedings and in that capacity, though his role is passive, has been served with the evidence. That evidence contains nothing probative that would or may have affected the outcome of the opposition proceedings. The Applicant's evidence (exhibit JB-10) shows first use by the Applicant of BROKSONIC in Hong Kong in relation to Class 9 goods on 21st May 1984. That is after the Opponent demonstrated first use of its BROKSONIC mark in Hong Kong in relation to Class 9 goods. Exhibit JB-10 shows the Applicant used BROKSONIC in Hong Kong in 1978 in relation to watches. Watches (Class 14 goods) are different goods from goods in Classes 9 and 11. They are not closely related or allied goods. Use in Hong Kong by the Applicant of BROKSONIC on watches did not afford the Applicant's mark a reputation here for any goods in Classes 9 and 11. Mr Lippmann's evidence he was commissioned "in about 1983" to create the suit mark would not have assisted in view of the evidence before me showing the Opponent first used BROKSONIC in Hong Kong on 21st March 1983. There is nothing in the evidence showing the Opponent chose the BROKSONIC mark with the intention to deceive or mislead likely purchasers in South America. Exhibit JB-3 lodged in the opposition proceedings indicates the suit mark was not used outside the United States of America in relation to both Class 9 and Class 11 goods before the 15th February 1988 application date. The Opponent's evidence before me shows its BROKSONIC marked goods reached Brazil and Panama in 1983, Colombia, Ecuador and Paraguay in 1984 and Bolivia and Venezuela in 1985. Despite Mr Gondim's claim in his affidavits the Applicant has not provided any direct evidence (invoices, dated advertisements etc) its BROKSONIC-marked goods were available in any of those countries before those dates. Paragraph 2 of Mr Gondim's 26th July 1993 affidavit and exhibit MAAG-1 thereto may raise issues but as they relate to events that occurred in August 1992 they would not have had any relevance to the proceedings before me.

87. I award the Opponent 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.


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(M.W. Fox)
for Registrar of Trade Marks
4th October 1994