

2  
Crown  
Application No. 6152/89

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

AND

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



in Class 14 in Part B of the Register  
by Worldlane Limited

AND

IN THE MATTER of an opposition  
thereto by Montres Rolex S.A.

DECISION  
OF

Mr M.W. Fox acting for the Registrar of Trade Marks after a  
hearing on Tuesday, 9th March 1993.

Appearing : Mr Richard Halstead of Johnson Stokes & Master on  
behalf of the Opponent, Montres Rolex S.A.

1. On 3rd August 1989 Worldlane Limited (hereinafter called "the Applicant") of Kwai Chung, New Territories, Hong Kong applied under the Trade Marks Ordinance (hereinafter called "the Ordinance") for the registration of a trade mark in, following a subsequent authorized amendment, Part B of the Register in Class 14 in respect, following a subsequent authorized amendment, of "timepieces; watches; clocks (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 31st December 1990. The suit mark was advertised in the Gazette on 1st February 1991.

3. The application was opposed by Montres Rolex S.A. (hereinafter called "the Opponent") of Geneva, Switzerland which lodged its notice of opposition on 4th April 1991 on grounds effectively that :-

- (a) The Opponent manufactures and sells watches and related goods including parts and fittings for watches.
- (b) The Opponent uses worldwide in relation to its goods a CROWN device trade mark registered in many countries including Hong Kong under number 1276/62.
- (c) By virtue of its substantial use in Hong Kong and elsewhere the Opponent has a substantial reputation and goodwill in its CROWN device mark.
- (d) The suit mark, comprising individual elongated pointed elements with a base portion fanning out from bottom to top, looks like a CROWN and as the Opponent's CROWN device mark also has these distinguishing characteristics the marks are very similar visually and conceptually.

- (e) As the suit mark will be known and referred to as or similar to a CROWN device mark the trade or public will be confused or deceived if the Applicant uses and/or registers it in relation to the specified goods.
- (f) As the Applicant does not have the right to use the suit mark in Hong Kong, it is not a trade mark under section 2 of the Ordinance because it is incapable of indicating a connection in course of trade between the specified goods and the Applicant.
- (g) The suit mark is not registrable under sections 9 or 10 of the Ordinance as it is not adapted to or capable of distinguishing the specified goods.
- (h) Use of the suit mark would be likely to deceive or be disentitled to protection in a court of justice or be contrary to law such that registration would contravene section 12(1) of the Ordinance.
- (i) As the Applicant is not entitled to claim proprietorship of the suit mark the application does not comply with section 13(1) of the Ordinance.
- (j) The suit mark so nearly resembles the Opponent's CROWN device mark as to be likely to deceive or cause confusion when used in relation to identical goods or goods of the same description such that registration would contravene section 20 of the Ordinance.
- (k) Registration of the suit mark would unfairly prejudice the Opponent's legitimate business interests.

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

5. The Applicant, by its counter-statement lodged on 7th November 1991, relies effectively on the following grounds in support of its application :-

- (a) The suit mark is not visually similar to the Opponent's CROWN device mark and there will be no likelihood of confusion or deception between them.
- (b) The suit mark is a simple geometrical design formed by three triangles placed in reverse order with a bar underneath.

- (c) The suit mark as a whole looks like the Chinese character "山" meaning "mountain" and is intended to represent the letter "W", the first letter of the Applicant's name.
  - (d) The suit mark was fancifully designed by the Applicant for use as a housemark to distinguish its products from similar goods of others.
  - (e) The Opponent's mark is seen and easily recognized as a CROWN device different and distinct from the suit mark.
  - (f) Use and registration of the suit mark in Hong Kong will not cause confusion or deception to the trade or public.
  - (g) The suit mark is a registrable trade mark under section 2 of the Ordinance as it is a distinctive mark, fancifully created by the Applicant, inherently adapted to distinguish its products under section 9.
  - (h) Use by the Applicant of the suit mark on the specified goods would not lead to deception and registration of the suit mark would not be contrary to section 12(1) of the Ordinance.
  - (i) The Applicant is entitled to apply for and obtain registration of the suit mark in relation to the specified goods as no rights are vested in the Opponent to prevent it being registered.
  - (j) The suit mark does not closely resemble the Opponent's CROWN device mark because there are differences between them making each distinguishable from the other such that there would be no likelihood of, deception or confusion and registration would not contravene section 20 of the Ordinance.
  - (k) The Applicant relies on the Registrar's acceptance of the suit mark as indicating the Registrar does not consider it would be likely to be confused with the Opponent's CROWN device mark or cause deception.
  - (l) Registration of the suit mark would not unfairly prejudice the Opponent's business.
6. The Applicant also seeks registration in exercise of the Registrar's discretion.

7. Evidence on behalf of the Opponent comes in a statutory declaration dated 25th November 1991 of Armin Anton Diethelm, since 1976 managing director of the Opponent's subsidiary Rolex (Hong Kong) Limited.
8. Mr Diethelm says the Opponent is an internationally famous Swiss manufacturer and trader of watches and related goods with subsidiaries and associated companies worldwide including Hong Kong.
9. Mr Diethelm says the Opponent uses, together or separately, two primary trade marks, Rolex and a CROWN device on its goods and in advertising and promoting them. Mr Diethelm, exhibiting (B) a brochure and photographs in support, says the two marks are used on watch faces with the CROWN device alone being used on watch bracelets. Mr Diethelm observes the CROWN device is shown on the winding knob in an exhibit (B) photograph with use of the CROWN device on watch bracelets being seen from page 11 of the exhibit (B) brochure, which, he continues, shows various watch models sold in Hong Kong with the CROWN device more prominent when relatively far from Rolex. Mr Diethelm says Hong Kong Rolex dealers invariably display the CROWN device on their shop facades either alone or with Rolex.
10. Mr Diethelm says the Opponent considers its CROWN device mark famous in its own right particularly with actual or potential customers, like many Hong Kong Chinese, who do not have a Roman alphabet based language.
11. Mr Diethelm says the Opponent manufactures other Class 14 products and Classes 3, 16 and 18 luxury goods on which the CROWN device is used alone. He exhibits (C) a photograph showing such products as perfumes, letter openers, pens and pen stands, diaries, note-pads, wallets, cheque book holders and bags, all of which he says were available locally prior to the 3rd August 1989 application date.
12. Mr Diethelm says the Opponent has registered its CROWN device in many countries including Australia, Great Britain, Japan, Malaysia, New Zealand, Philippines, Singapore, Switzerland, Taiwan, and Hong Kong, where it is registered both alone and with the Rolex mark. He exhibits (D) copy foreign and Hong Kong trade mark registration certificates in support.
13. Mr Diethelm says the trade knows well the substantial level of the Opponent's worldwide sales of watches and related products, local sales of such goods, he continues, being very high. Mr Diethelm says there is multi-million Hong Kong dollar monthly turnover of the Opponent's products. Because of the confidential nature of Hong Kong sales figures Mr Diethelm does not give any annual turnover figures but says it cannot be seriously doubted that by any standards the Opponent's business in Hong Kong is substantial.

14. Similarly Mr Diethelm does not disclose any of the Opponent's Hong Kong annual advertising expenditure on grounds of confidentiality confining himself to saying the amounts are substantial. Mr Diethelm exhibits (E), in support of claimed Hong Kong advertising, South China Morning Post advertisements appearing between 6th January 1980 and 14th May 1990. Mr Diethelm says there has been substantial expenditure on television advertising and sponsorship, including the weather report, where the CROWN device mark has been prominently displayed for many years.
15. Mr Diethelm says if the suit mark is applied to watches and similar products, in view of the relatively small size of such goods, such detailed differences as exist between the suit mark and the Opponent's CROWN device mark will become less apparent, thereby increasing the distinct likelihood of confusion or deception arising from actual or potential purchasers thinking the Applicant's products are the Opponent's or are in some way related thereto. Mr Diethelm says although the respective marks are different in detail they are conceptually very similar whether used black on white, white on black or in any colour combination.
16. Mr Diethelm believes his evidence establishes the Opponent enjoys substantial Hong Kong reputation and goodwill in its CROWN device mark, registered in many other countries too.
17. Mr Diethelm exhibits (F) a statutory declaration of Huang Yao-Ping in which he says the suit mark and the Chinese character "山" are not similar because character strokes are not triangular and the strokes in the Chinese character "山" are connected, unlike any of the elements in the suit mark. Mr Diethelm has difficulty understanding why a horizontal bar appears at the bottom of the suit mark and the two smaller triangular elements appearing on either side of it are not the same size as the centre triangular element if, as pleaded by the Applicant, the suit mark was intended to represent the letter "W". Mr Diethelm says what matters is how the mark looks rather than what it is intended to depict. Mr Diethelm submits the suit mark does not look like the Chinese character "山" or a stylized or fanciful letter "W", appearing instead as or similar to a CROWN device. Mr Diethelm repeats the suit mark will necessarily be used in fairly small size on watches rendering the detailed differences between it and the Opponent's CROWN device less readily apparent. Mr Diethelm believes public or trade confusion or deception would be likely if the suit mark is used on watches and related goods.
18. Mr Diethelm observes the suit mark has been accepted for registration in Part B of the Register under section 10 of the Ordinance (and not accepted as inherently adapted to distinguish the Applicant's goods under section 9).

19. Mr Diethelm submits the suit mark intentionally or otherwise appears visually and conceptually as or very similar to a CROWN device leading to the likelihood of confusion or deception arising in the course of trade. Mr Diethelm considers use and registration of the suit mark would unfairly dilute the Opponent's exclusive rights in its CROWN mark.

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

21. The opposition is under sections 12(1) and 20 of the Ordinance.

22. 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."

23. 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.

24. 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 user 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 any 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 any of 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 any goods covered by its proposed registration?"

25. 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.

26. 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.

27. The relevant date for determining these proceedings is 3rd August 1989, the date the Applicant applied for registration of the suit mark.

28. 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.

29. 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. Not much reputation is required.

30. 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.
31. 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.
32. 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 and confused if that mark or a similar mark is used in relation to any of the specified goods.
33. 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.
34. I will consider whether an opposition can be mounted under section 12(1) of the Ordinance.
35. The Opponent has not provided any sales figures or pre-application date invoices establishing use of its mark in Hong Kong. Notwithstanding, there will be sufficient reputation to mount an opposition under section 12(1) of the Ordinance if it is demonstrated that, such is the extent of its overseas reputation, the mark is known in Hong Kong without actual use having been made of it here. Alternatively, pre-application date advertisements in Hong Kong showing the mark will be sufficient to establish a reputation for the purposes of section 12(1) provided the goods are available for trade. Exhibit (E) to Mr Diethelm's declaration satisfies this requirement. Local pre-application date advertisements show the Opponent's CROWN device mark and make it clear the goods are available for purchase. The Opponent can mount an opposition under section 12(1).

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

37. Exhibit (D) to Mr Diethelm's declaration establishes the Opponent had, at the application date, registrations for its marks in respect of the same goods as the specified goods. Among other registrations, the Opponent's mark under 1276/62 is registered for a specification including watches and other timepieces of all kinds. The Opponent can mount an opposition under section 20 of the Ordinance.

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

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

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

40. The level of deception and confusion required for section 12(1) of the Ordinance is the same as that required for section 20. There is no higher degree of deception and confusion needed to render a mark disentitled to protection under section 12(1).

41. Under Section 12(1) of the Ordinance an Opponent's mark is to be considered as actually used. Under section 20 an Opponent's registered mark is to be considered in notional fair use. The Applicant's suit mark must be considered for the purposes of both sections 12(1) and 20 in notional fair use.

42. 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.

43. The suit mark is shown in paragraph 1 hereof.

44. The Opponent has various pre-application date Hong Kong registrations for different marks. The mark closest to the suit mark is the CROWN device mark registered under 1276/62 for, as indicated in paragraph 37 hereof, a specification including watches and other timepieces of all kinds. A representation of the Opponent's CROWN device mark registered under 1276/62 and also used in that form appears below : -



45. The suit mark is a device mark. It is a geometrical design formed by three triangles with a bar underneath. Whether this is immediately apparent depends on the perception of the particular viewer. One ordinary person of average intelligence exercising normal care may readily see it that way. Another such person may not. The Applicant's claim the mark looks like the Chinese character "山" was challenged by the experienced Mr Huang in his declaration (exhibit (F) to Mr Diethelm's declaration) on grounds that Chinese character strokes are not triangular and those forming the character "山" are connected. Though Mr Huang may unwittingly be biased in favour of the Opponent, his evidence, as an expert, carries weight. The suit mark does not look like the Chinese character "山" meaning "mountain". Though the mark may have been intended to be a fancifully designed letter "W" this is not reflected in any objective view of the mark. The Opponent's CROWN device mark is also a device mark. It comprises five evenly-spaced, similarly-shaped prongs splaying upwards from an oval base. A small circular device appears on the point of each prong. A critical comparison of the marks discloses differences between them.

46. But too detailed an examination of marks should not be made. There could be a likelihood of deception or confusion between marks if the ideas projected to persons seeing them apart at different times may be the same. To explore this it is necessary to consider the essentials of the marks.

47. In outline the suit mark has a flat base, tapers to a point at its top with both sides projecting outwards beyond its base. The Opponent's CROWN device mark in outline exhibits these characteristics. The general impression of the shape of each mark is similar.

48. To those viewers who do not immediately perceive the mark as a geometrical design, there is no significant feature within the suit mark that readily impresses itself on the viewer. Whilst those recognizing the mark as a geometrical design may on first impression notice the triangles in the mark, particularly the large one at the centre, others will see only the device as a whole, its shape, in the absence of any essential characteristic, registering in the viewer's mind. Though the suit mark could on first impression convey the idea of a geometrical design either of triangles on a bar or, if not, of indeterminate meaning, it could also convey the general impression given by its shape. That impression could be a CROWN device. The mark could be described as CROWN shaped.

49. There is no essential characteristic within the Opponent's device mark either. It will therefore naturally be viewed as its whole. Its shape, accentuated by its oval base, causes it to be immediately recognizable as a CROWN device.

50. That the Opponent's mark will, and the suit mark could be regarded as a CROWN design mark persuades that there are, notwithstanding their design differences, visual similarities between the two marks.

51. I consider it unlikely the suit mark will be referred to orally as a geometrical design or as a device of triangles on a bar. I consider it improbable oral reference to the suit mark will allude to the geometrical design, triangles or the bar. It will not be referred to orally as a "W" device, a "山" device or a "mountain" device. In the probable or certain absence of these oral forms of reference I consider the suit mark is likely, having regard to its shape, to be referred to as a CROWN device.

52. The Opponent's mark will be referred to orally as a CROWN device mark.

53. The suit mark and the Opponent's mark are likely to be referred to orally in the same way.

54. The goods to which the respective marks are to be applied are the same. It follows the nature and kind of customer likely to buy them are the same.
55. Whilst size is not, in itself, a material factor in the comparison of marks, the necessary small size of application of the marks on some of the goods, particularly watch faces, is to be taken into account as a surrounding circumstance. This necessary small manner of use enhances any likelihood of visual deception or confusion arising between the marks.
56. The general concept of imperfect recollection is particularly relevant where device marks are involved. Without a word beacon on which the memory can fix, the likelihood of a person, seeing one device mark in the absence of another device mark of which he has only a general recollection, thinking the two are the same or very similar increases. Arguments of a lessened chance of imperfect recollection of a famous mark because of its familiarity seem balanced by the increased numbers who, attracted by their recall of the mark and aware of its cachet, will find themselves in the situation where the spectre of imperfect recollection may arise. Taking the principle of imperfect recollection into account enhances any likelihood of visual deception or confusion arising between the marks.
57. I consider deception or confusion could arise if each of the marks is used in a normal way as a trade mark for the goods of their respective owners.
58. Under section 12(1) Having regard to the user of the Opponent's mark I am not satisfied that the suit mark, if used in a normal and fair manner in connection with any of the specified goods, will not be likely to cause deception and confusion amongst a substantial number of persons. 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.
59. Under section 20 Assuming user by the Opponent of its mark in a normal and fair manner for any of the goods covered by its registration I am not satisfied that there will be no reasonable likelihood of deception or 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.
60. I find the Applicant has not defeated the opposition under section 12(1) or section 20 of the Ordinance.

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

62. The application to register the suit mark in Class 14 in Part B of the Register in respect of the specified goods fails.

63. 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.



(M.W. Fox)

P. Registrar of Trade Marks  
13th April 1993

Crown-12