

Application No. 8416 of 1990

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

AND

IN THE MATTER of an application for the
Registration of the trade mark



in Class 14 in Part B of the Register by Yuen
Nuen Sun trading as Sun's Jewellery
Company and Splendid Jewellery Company
Limited

AND

IN THE MATTER of an opposition by
OMEGA S A

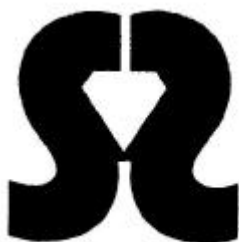
**DECISION
OF**

Mr. Kestutis Stasys Kripas acting for the Registrar of Trade Marks after a hearing on
10 February 2000.

- Appearing : Mr. Richard Khaw, counsel instructed by Messrs. Y.S. Lau & Partners on
behalf of the Applicant Yuen Nuen Sun trading as Sun's Jewellery
Company and Splendid Jewellery Company Limited
- : Mr. Colin Shipp, counsel instructed by Messrs. Wilkinson & Grist on behalf
of the Opponent OMEGA S A

Application for Registration of the device mark

1. On 16 October 1990, Yuen Nuen Sun trading as Sun's Jewellery Company together with Splendid Jewellery Company Limited ("the applicant") jointly applied to register, pursuant to the provisions of the Trade Marks Ordinance ("the Ordinance"), in Class 14, the device mark, a representation of which appears below:



(the "suit mark").

The goods intended to be covered by the registration were: jewellery, jade, diamond, ruby, sapphire and emerald (the "specified goods"). The Registrar determined that the mark was inherently capable of distinguishing the applicant's goods from similar goods of others and accepted the suit mark for registration in Part B of the Register, subject to the condition that: "Registration of this trade mark shall give no right to the exclusive use of a device of a gem." On 15 April 1994 the application was advertised in the Hong Kong Gazette.

Notice of Opposition

2. On 5 August 1994, Omega S A of Switzerland ("the opponent") filed Notice of Opposition to the application. The grounds of opposition stated, in essence, that the opponent is a world-renown designer and manufacturer of watches, horological instruments, jewellery, watches and other jewellery items and is the proprietor of the trade marks "OMEGA" and "Ω" which have been continuously used on the opponent's products since 1894. The "OMEGA" word mark was registered in Hong Kong in 1899 under Registration No. 23 of 1899, whilst the "Ω" mark was registered in Class 14 as early as 1949 (this should read 1959) under Registration No. 800 of 1960. The opponent's "Ω" mark is registered in Class 14 in Switzerland, the country from which the opponent's goods originate. The opponent has acquired a substantial reputation in its trade marks both worldwide and in Hong Kong and the trade marks have become distinctive of and identified with the opponent and its goods. Specifically :

1. Under Section 12(1)

Owing to the visual resemblance between the suit mark and the opponent's "Ω" mark, deception and confusion will be caused by the use and/or registration of the suit mark such as to disentitle the applicant to protection in a court of justice.

2. Under Section 9 or 10 of the Trade Marks Ordinance

The suit mark, being a device devoid of any other distinguishing elements cannot be said to be adapted to distinguish or be capable of distinguishing the applicant's goods from those of the opponent and therefore contravenes sections 9 and 10 of the Ordinance.

3. Under Sections 20 and 23

Owing to the Hong Kong registration and the home registration in Switzerland of the opponent's "Ω" mark, and the matters set forth above, registration of the suit mark should be refused pursuant to sections 20 and 23 of the Ordinance.

The opponent seeks that registration of the suit mark be refused with costs against the applicant.

The Counter-Statement

3. On 12 October 1994 the applicant filed its counter-statement. In brief, the applicant:

- admits that the opponent is a renowned manufacturer of watches;
- denies each and every other allegation contained in the grounds of opposition;
- relies upon its use of its device mark since 1987;
- relies on the Registrar's acceptance of the mark in Part B of the Register;
- denies that its mark resembles the opponent's "Ω" mark;
- relies on the fact that it is a jewellery manufacturer and trader whilst the opponent is principally a watchmaker;

- relies on the fact that the goods of the applicant and the opponent are of a different nature;
- denies that there would be deception or confusion if its mark were registered.

It seeks registration of the suit mark pursuant to section 13(1) of the Ordinance and a dismissal of the opposition with costs against the opponent.

The Opponent's Evidence

4. The opponent's evidence consisted of a statutory declaration by Kevin Rollenhagen. Mr. Rollenhagen states that he is the Vice President of Omega Greater China Sales & Marketing Division of SMH (Hong Kong) Limited, the opponent's Hong Kong agent. Mr. Rollenhagen states that the products of the opponent, namely "OMEGA" watches bearing the distinctive "Ω" mark, are probably amongst one of the most well-known brands of watches throughout the world. He believes that very few people in Hong Kong would not have heard of the opponent's "OMEGA" watches or would not associated the "Ω" mark with the opponent. The substantial reputation attaching to the opponent and to its "OMEGA" watches bearing the distinctive "Ω" mark has been achieved through over a century's painstaking dedication to the design and manufacture of high quality and accurate timepieces. Annexed to the statutory declaration is a document entitled "Omega Past and Present" which sets out the history of the opponent and its predecessors. Mr. Rollenhagen states that the "OMEGA" trade mark has been used by the opponent and its predecessors since about 1894. He confirms the registration of the "OMEGA" and "Ω" trade marks in Hong Kong, and annexes copies of registration No. 23 of 1899 and various other "OMEGA" trade marks, some of which feature the "Ω" device as a part of the mark.

Mr. Rollenhagen continues by stating that, although the opponent has been primarily a designer and manufacturer of high quality timepieces, the opponent has also designed and produced jewellery pieces to match with its unique design of watches. Exhibited are copies of promotional pamphlets in respect of the opponent's jewellery pieces marketed under its trade mark "OMEGA" and "Ω" mark.

Also annexed is a copy of the opponent's "Ω" trade mark in respect of goods, including jewellery items, falling within International Classes 14 and 26, issued on 2 December 1983 by the Federal Office of Intellectual Property in Switzerland, the country from which the opponent's goods originate, and its corresponding Registration Certificate, issued on 17 January 1994, by the International Office of the World Intellectual Property Organisation. Mr. Rollenhagen then provides details of the opponent's worldwide and Hong Kong sales figures over which a claim of confidentiality is made. I do no more than say that the sales figures for the years 1984 through to 1990 are certainly impressive and the number of watches bearing the "Ω" mark sold in Hong Kong in the years between 1984 and 1990 are again quite substantial.

Mr. Rollenhagen details the extensive advertising and promotion undertaken by the opponent throughout the world and in Hong Kong and again, due to a claim of confidentiality, I say no more about the amounts spent on advertising beyond the fact that these figures are commensurate with the sales figures referred to earlier. In Hong Kong, promotional activities included advertisements placed in newspapers, periodicals, and on television, and promotion through window displays at watch retailers. Photographs of examples of such promotional activity are annexed. The point is made that in addition to these sums, the local distributors would spend a like amount on advertising.

The statutory declaration continues with detailing minor changes that have been made to the “Ω” mark since its inception and states that the final form, put to use on 1 January 1979, can be found on Trade Mark Certificates 3509 of 1988 and 3510 of 1988. Mr. Rollenhagen then states his belief that the suit mark is intended to be used in respect of goods incidental to those of interest to the opponent. These are likely to be sold or supplied through similar trade channels, and in those circumstances, use of the suit mark would likely mislead members of the public and trade into believing that goods bearing the suit mark either originate from, or are connected with the opponent. This is particular so when the suit mark, when applied to jewellery pieces, must necessarily be very small and therefore more likely to confuse potential purchasers as being the opponent’s “Ω” mark.

The Applicant’s Evidence

5. The applicant filed a number of statutory declarations. The first, from Yuen Nuen Sun, states that he is the sole proprietor of Sun’s Jewellery Company and also the Managing Director of Splendid Jewellery Company Limited. Mr. Yuen states that he established Sun’s Jewellery Company in March 1987 and has since that time carried on the business of manufacturing jewellery, jade, diamond, ruby, sapphire and emerald. On 20 July 1990, Splendid Jewellery Company Limited (“Splendid”) was incorporated in Hong Kong to carry on a retailing business for the goods manufactured by Sun’s Jewellery Company. Since the incorporation of Splendid, the names of Sun’s Jewellery Company and Splendid have always been used together in all promotional and advertising material.

Mr. Yuen states that the trade mark was designed and created in 1987. He initially conceived of an idea then asked Mr. Yu Cheuk Fai, a friend, who at that time worked as a professional advertising designer, to assist in drawing the sketch for the suit mark. The two main themes in mind when he devised the trade mark were a desire to use the initial “S” to reflect his name and, as diamonds were one of the applicant’s major products, a desire to incorporate, in the mark, the shape of a diamond. Mr. Yuen states that at the time that he conceived the mark he had no knowledge that the opponent had ever been involved in the trade of diamond, jade etc. and accordingly the “Ω” mark of the opponent had never come into his mind during the process of devising his own mark.

Mr. Yuen then makes a subjective comparison of the suit mark and the “Ω” mark pointing out all the areas of difference between the two marks. Mr. Yuen states, that since the incorporation of Splendid in 1990, the suit mark has always appeared in close proximity to

either the names Sun's Jewellery Company or Splendid so that the public, when looking at any of the promotional material of the applicant, would associate the goods with the applicant and no one else. Mr. Yuen details the extensive promotional activities of the applicant and lists the jewellery magazines in which advertisements have been placed. Mr. Yuen lists many of the local and international exhibitions which the applicant has attended and displayed its goods, and lists events it has sponsored. Mr. Yuen states that the jewellery manufactured by Sun's Jewellery Company is unique and very popular both in Hong Kong and in other Asian countries. Mr. Yuen lists a number of its distinguish clients and other trade accomplishments. Mr. Yuen provides figures of the sales volumes for 1989 through to 1995 and again the figures are impressive.

Mr. Yuen, drawing on his years of experience in the jewellery business denies that the opponent has a reputation for jewellery. He states that the products of the applicant are sold to the public from showrooms located at Shop 103, Island Centre, Causeway Bay, Hong Kong and at Shop 37C, Ground Floor, Jordan Road, Kowloon. Orders could also be placed at Sun's Office at Han Kow Road, Tsimshatsui. Customers who visit the showrooms are often return customers. The showrooms stock predominantly goods manufactured by Sun. The applicant has never traded in timepieces or in any goods of the opponent. The staff of the showrooms explain the origin of all products in detail. A number of leaflets are available from the showroom. As a result of sales occurring only from the applicant's own premises, the applicant denies the opponent's allegation that the goods are likely to be sold or supplied through similar trade channels or that confusion could arise.

Annexed to the Declaration are copies of advertisement from jewellery magazines in which a number of the applicant's designs are shown.

Supporting statutory declarations were filed from Poon Heung Chi and Choy Tze Fong, staff members of Splendid. Both declarants state that they work in one or other of the showrooms of Splendid and, having read the statutory declaration of Yuen Nuen Sun, confirm that goods for sale in the showrooms are predominantly the applicant's products with only a small quantity of other products offered for sale. Both declarants confirmed they have never stocked any products of "OMEGA" and all customers are made aware of the origin of the goods offered for sale. Many unique items are designed and manufactured to customer's specifications.

The Opponent's Evidence in Reply

6. Mr. Rollenhagen filed a second statutory declaration in reply. In essence, Mr. Rollenhagen observes that no evidence has been adduced by the applicant of its actual use of the suit mark and how it is used in relation to the class of goods for which registration is sought; points out that much of the material annexed to Mr. Yuen's declaration post-dates the date of application; points out that no evidence of use prior to 1990 has been filed; and points out that many of the paragraphs of Mr. Yuen's declaration are irrelevant, unsubstantiated, laudatory and serve no purpose insofar as advancing the applicant's case.

7. That concludes my summary of the evidence filed.

Decision

8. At the commencement of the hearing, Mr. Colin Shipp, counsel for the opponent, abandoned the opposition based on sections 9, 10 and 23 of the Ordinance. I shall deal with the remaining grounds of opposition in the order adopted by Mr. Shipp at the hearing.

Under Section 20

9. On 16 October 1990, section 20 provided:

“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.”

The opponent, to come within the provisions of section 20, relies upon its registration, in Hong Kong, of two marks, 450 of 1958 and 800 of 1960. Representations of the marks are reproduced below.



(450 of 1958)



(800 of 1960)

The suit mark is not identical to any of the opponent's marks. The two issues for determination therefore are, whether the goods for which the suit mark is sought to be registered are the same goods or description of goods as those of the opponent's registrations; and if so, does the suit mark so nearly resemble the opponent's mark/s as to be likely to deceive or cause confusion?

10. With respect to the opponent's trade mark 450 of 1958, I shall deal with the second part of the question first. The persons to be considered in determining whether the resemblance between the two marks in question is likely to deceive are all those who are likely to become the ultimate purchasers of the goods upon which the marks are used, provided that such persons use ordinary care and intelligence. The answer to the question, of whether there is or is not a deceptive resemblance is a finding of fact, rather than an exercise of discretion. The question is not the same question as whether use of the latter mark will lead to passing off. There may be confusion although the purchaser is not, in the end, deceived. I must, in the case of a comparison between a device mark and a mixed word and device mark, have regard to the "idea of the mark", otherwise referred to as the "essential features" of the respective marks. I must regard the marks as a whole, I must take into account the doctrine of imperfect recollection and have regard to how the marks would be seen in actual use. I must in fact have regard to all the circumstances of the trade in which the marks in question are employed. I remind myself that the onus of establishing that there is no reasonable likelihood of deception or confusion caused falls upon the applicant. If the applicant fails to discharge this onus or if I am left in doubt I must refuse registration.

11. The essential feature of the opponent's trade mark 450 of 1958 is undoubtedly the word "OMEGA" which appears in very legible bold capitals. Where a mark comprises a device and a word, it is the word that is generally recalled rather than the device. Some may know that the device is the last letter of the Greek alphabet known by the same name, Omega. To those, the device simply reinforces the word. To those that do not have this knowledge, the device will appear as an incidental element to the essential feature of the mark. This must be so when one considers the respective proportions of the two elements. The word "OMEGA" takes up half of the area of the mark (were it enclosed in a rectangle), whereas the device takes up an area equivalent to 10% of the total space.

12. The applicant's mark contains no word element. It is a pure graphic and not one that readily invokes a word equivalent. The more observant person will recognise the gem element in the middle of the mark and may recall the mark by that feature. Others may recognise the mirrored reflection of the letter "S". For those less perspicacious, the impression will remain of broad upright symmetrical curves in close proximity to each other. Had I been comparing only the device element of the two marks, the doctrine of imperfect recollection might have assumed greater importance, but I must regard the opponent's mark as a whole, and in so doing, it is impossible to discount the prominence of the word "OMEGA" in the overall presentation of the registered mark.

13. Mr. Shipp properly points out that I must consider how the applicant's mark will appear in use. Having regard to the applicant's specified goods, any use made of the mark upon the goods must of necessity be very small and therefore, argued Mr. Shipp, more

likely to be confused with the opponent's mark. I shall return to this point when I deal with the section 12(1) opposition. For now it suffices to say that, as I have said above, it is the similarity between the suit mark and the opponent's mark as a whole which must be considered. No matter the size of the suit mark in use, it will always be apparent that there is no predominant word element present and accordingly, in my judgement, there is no likelihood of confusion between the two marks.

14. There is no reason therefore for me to go on to consider whether, in respect to this mark, the goods are the same goods or description of goods.

15. "Jewellery, jade, diamond, ruby, sapphire and emerald" are not the same goods as "horological instruments and parts thereof", being the goods in respect of which trade mark 800 of 1960 is registered. A customer asking a trader for a diamond, ruby, sapphire, emerald or an item of jewellery would not expect to be offered a watch or another horological instrument. Are they the same description of goods?

16. *Kerly*, in his work *Kerly's Law of Trade Marks and Trade Names* (12th edition) in paragraph 10-11 states that [section 20] "applies where and only where some goods ... for which the existing mark is registered and some goods ... for which the applicant seeks to register are either the same [or] 'of the same description ...'." No authority is cited for the proposition but this logically must be correct. The closest convergence between the respective ranges of goods, to my mind, would be between high end, luxury dress watches on the one hand and jewellery on the other. I shall proceed on this basis. The question whether goods are "of the same description" is one of fact, and although the suit mark and the opponent's mark both fall within class 14, the question cannot be decided merely by reference to the internationally recognised classes for registration of marks - see *Australian Wine Importer's Trade Mark* 6 R.P.C. 311.

17. I take as my starting point the recognised test as promulgated by Romer J. in *Jellinek* (1946) 63 R.P.C. 59 in which the various matters to be taken into account were grouped into three classes - (a) the nature and composition of the goods; (b) the respective uses of the articles; (c) the trade channels through which the commodities respectively are bought and sold. This test was approved by the House of Lords in *Daiquiri Rum Trade Mark* [1969] R.P.C. 600 at page 620 with the caveat that there may, as business patterns change, be other relevant considerations. I shall deal with each of the sub-headings in turn.

The Nature and Composition of the Goods

18. Mr. Shipp submits that many watches contain precious stones and/or are decorated with precious stones and both watches and items of jewellery required great skill and craftsmanship in their creation. That makes them of the same nature. Mr. Khaw for the applicant says that merely because watches are sometimes adorned with precious stones does not make them of the same nature, any more than a leather bag embossed with precious stones would make it of the same description as jewellery.

19. There can be no doubt that a considerable degree of craftsmanship is required in the design and modeling of jewellery and those high-end watches which are encrusted with precious stones. The same could however be said of many other works of artistry and craftsmanship. Portraiture or still life paintings which are rendered to a level of photographic realism; etchings and high knot-count silk carpets also require a considerable degree of skill, creativity and craftsmanship. Religious icons, statues and even some weapons were encrusted with precious stones. None could be regarded as being of the same nature as either watches or jewellery. I do not therefore regard these characteristics as assisting the opponent. When it comes to the composition of the goods, jewellery is composed of static elements whereas watch movements, particularly those with mechanical as distinct from quartz movements, comprise numerous tiny parts working together with considerable precision. Horological instruments are in perpetual motion. They are miniature engines driving the hour, minute and second hands and date functions if the latter two items are provided. I do not believe that it could be seriously suggested that jewellery items, lacking as they do, these minute working mechanical parts can be regarded as having a similar composition.

The Respective Use of the Articles

20. Whilst one could loosely describe the use of both dress watches and jewellery items as articles of personal adornment, especially when the former is used flamboyantly to denote the wealth of the wearer or as a fashion statement or, as Mr. Shipp suggested, as an investment, nevertheless the primary function of horological instruments is for telling time. The other uses suggested are secondary uses. I am of the view that when considering the respective uses of the goods it is the primary rather than the secondary use to which I should have regard. Jewellery and precious stones have no use in telling time.

The Trade Channels Through which the Commodities Respectively are Bought and Sold

21. Mr. Yuen, in his statutory declaration, and Poon Heung Chi and Choy Tze Fong in their two supporting statutory declarations, state that the jewellery items manufactured by Sun's Jewellery Company are only sold through showrooms operated by Splendid or occasionally by order made through the head office. They are not sold through any other jewellery outlet in Hong Kong. Furthermore, Splendid does not sell watches nor any other "OMEGA" product. Mr. Khaw submits that the evidence therefore establishes that the respective goods are not sold through the same trade channels. Mr. Shipp argues that, for the purposes of determining whether both categories of goods are the same descriptions of goods, the test to be adopted is a purely objective one. If watches and jewellery are both sold in some shops that is enough.

22. I cannot accept that proposition as an unqualified statement of the law. It would require me to disregard the unchallenged evidence of the applicant directed at the very point.

23. In the event that I am wrong in considering this evidence, which would put the matter beyond any doubt, I rely on the acceptance of the proposition in *J. Lyons & Co. Ltd.'s Appln. for Rectification* (1959) R.P.C. 120 at 127 that, of the three characteristics referred to in *Jellinek*, one, but not always the same one, may have greater significance or emphasis than the others in different cases. Earlier in *J.J. Colman Ltd.'s Appln.* (1929) 46 R.P.C. 126 Eve J. found that even though mustard and semolina were sold side by side in the same shops and both could be properly treated as articles of food, both being used in cookery, their real nature was different.

24. Having carefully balanced all of these factors, in my judgment having regard to the differences in the composition of the goods, and in the primary use of the goods the real nature of dress watches and jewellery are such that they are not the same description of goods.

25. Having found that the opponent's goods protected by registration No. 800 of 1960 are not the same description of goods as those specified by the applicant, the opponent does not reach the threshold for further consideration of whether there is any likelihood of deception or confusion under section 20. It follows that I find that the applicant has defeated the opposition based on this ground and there is no need for me to consider whether section 22 is applicable, though not pleaded in aid by the applicant.

Under Section 12(1)

26. Section 12(1) provides:

“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.”

Reputation

27. Section 12(1) does not specify that, as a threshold question, the reputation of the opponent's mark in Hong Kong must be established before the possibility of deception can be considered. This is a judicial gloss, but one which has been so widely applied that its application could no longer be said to be in doubt. It finds expression in *Kerly* from the 9th Edition of the work in these terms:

“It should be noted that under section 11 (our section 12(1)), 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.”

In a footnote to the 12th Edition (paragraph 10-05 footnote 31) the proposition is said to be inherent in the “Ovax” test. This is a reference to the test formulating by Evershed J. in *Smith Hayden & Co. Ltd.’s Application* (1946) 63 R.P.C. 97 at page 101 which commences with the words “having regard to the reputation acquired by the name [opponent’s mark] is the court satisfied....”

28. The reason why the opponent must first show a reputation in the local market was explained by the Court of Appeal in New Zealand in the case of *Pioneer Hi-Bred Corn Co. v Hy-Line Chicks Pty. Ltd.* [1979] R.P.C. 410 at 422. To the question why such attention is paid in the cases to the reputation of the opponent in the local market, Richardson J. said :

“It seems to me that the reason is that : if the opponent’s mark is wholly unknown in the New Zealand market in which the applicant’s mark is proposed to be used, the use of the applicant’s mark could not lead to deception or cause confusion.”

29. If I have understood counsel correctly, both accept this basic principle, but they differ in the limits of its application. On the one hand, Mr. Khaw says that the opponent’s reputation must extend to the goods covered by the applicant’s application before it can rely on section 12(1). In support he referred me to passages in *Re Sterling International (HK) Ltd.* [1990] 1 HKC 294; *Re Bugatti Trade Mark* [1993] 1 HKC 557 and *Re Citizen* (unreported) a decision of Mr. R.J. Perera dated 14 December 1990. Mr. Shipp on the other hand said that all that was required was some reputation for the opponent’s mark in Hong Kong derived from user in the widest sense or awareness here. Since the decision in *Hong Kong Caterers Ltd. v Maxim’s Ltd.* [1983] HKLR 287 there is no need to even prove use of the opponent’s mark in Hong Kong, a reputation from use abroad would be sufficient. There was no requirement even that the goods of the respective parties be closely allied. Mr. Shipp relied, for the latter proposition, principally on *Re Omega* [1995] 2 HKC 473 and *Re Gay Giano Trade Mark* [1996] 2 HKC 646.

30. For my part, I do not think the decisions cited by Mr. Khaw go so far as to support his proposition. In both *Re Bugatti* and in *Re Sterling* the Registrar’s hearing officer found that the opponents had failed to establish any reputation at all in Hong Kong for their marks. The goods of the respective applicant and opponent in those two cases were indeed different, but the reason that they failed under section 12(1) was in failing to establish any reputation in Hong Kong rather than because they failed to establish a reputation in respect of the applicant’s goods. Similarly in *Re Citizen*, again a case where the applicant’s and opponent’s goods were different, the Registrar’s hearing officer found that there was sufficient reputation in the opponent’s mark to activate section 12(1) but found that its reputation in goods other than watches and timepieces was not such as to create a likelihood of deception or confusion in the minds of purchasers of goods other than watches or timepieces. It was not a failure to reach the threshold for triggering section 12(1), but rather a finding that the applicant had defeated the opposition on the substantive issue.

31. I believe the true position to be, as recently stated by Mrs. Teresa Grant in her decision in *Tiffany Lunettes Srl* (unreported) dated 17.12.1999 at page 18. “The fact that

reputation is not in respect of the particular goods is a factor to be taken into account in assessing confusion, not a pre-condition for opposing the registration of a mark under section 12". I accordingly accept Mr. Shipp's statement of the law to be correct.

32. The opponent has filed evidence of its substantial worldwide and Hong Kong reputation in respect of watches particularly and, as I understand the applicant's position, the applicant does not dispute that reputation in respect of watches and timepieces. I find there is more than sufficient cognizance of the opponent's mark in Hong Kong based upon its reputation in watches to overcome the threshold question. It follows that the opponent may ground an opposition based on section 12(1).

33. The first consideration is to identify which of the opponent's registered trade marks are relevant to the section 12(1) opposition. The opponent has put into evidence a total of 20 registrations. I can safely discount the marks comprising words only and the mark comprising Chinese characters. That leaves four registrations, 23 of 1899; 450 of 1958; 800 of 1960 and 3509 of 1988 which comprise either the 'Ω' device alone or the 'Ω' device in combination with the word "OMEGA". There is a variation in the representation of the 'Ω' device between trade mark 23 of 1899 and the others, with a further refinement in 3509 of 1988, differences which are explained in the declaration of Mr. Rollenhagen. The differences are minor and do not significantly affect the general impressions of a 'Ω' symbol. I am content to confine myself to the two marks relied upon by Mr. Shipp to support the section 20 opposition, namely 450 of 1958 and 800 of 1960, but in view of the fact that only the device element of the former mark bears any resemblance to the suit mark, the merits of the opposition can be adequately advanced by solely considering the latter.

34. I must immediately draw a distinction between this case and cases, such as *Re Omega* and *Re Gay Giano*, in which the applicant's proposed mark was identical to the proprietor's mark. No explanation was advanced in either of those cases as to why the name had been chosen by the respective applicants. Accordingly, the court was able to conclude that there had been a deliberate copying of the respective proprietor's marks for the purpose of trading on the goodwill of the proprietors and so as to deceive the purchasing public into associating the applicant's goods with the respective proprietors.

35. Here there is credible evidence of how the applicant arrived at its mark. Mr. Yuen declares that the applicant's "Ω" mark had never come into his mind during the process of devising his own mark. I accept that evidence.

36. Innocence of intention to deceive on the part of the applicant however does not absolve the Registrar from his statutory duty to refuse registration of any matter which is likely to deceive or would be disentitled to protection in a court of justice. The question of deceptive resemblance is one of fact not intention.

37. The accepted test is that promulgated by Evershed J. in *Smith Hayden & Co. Ltd.'s Appln.* (1945) 63 R.P.C. 97. Adapted to the circumstances of this case and read with

the accepted glosses, this can be stated thus :

“Having regard to the user of the “Ω” mark, is the tribunal satisfied that the suit mark, if used in a normal and fair manner in connection with any of the goods jewellery, jade, diamond, ruby, sapphire and emerald, will not be reasonably likely to cause deception and confusion among a substantial number of purchasers of the goods upon which the respective marks are used?”

38. The opponent’s evidence of its use of the “Ω” mark upon jewellery is to be found in paragraph 6 of Mr. Rollenhagen’s statutory declaration. It bears repeating. “Although the opponent has been primarily a designer and manufacturer of high quality timepieces, the opponent has also designed and produced jewellery pieces to match with its unique design of watches in order to satisfy the demands of consumers as they become more fashion conscious in recent years. There are now produced and shown to me marked “KR-3” copies of a random selection of the promotional pamphlets in respect of the opponent’s jewellery pieces marketed under its Trade Mark “OMEGA” and the “Ω” device.”

39. KR-3 comprises 5 photocopied pages. The first contains a photograph of a model wearing, what I presume to be one of the opponent’s designs for a ring, necklace, watch and earrings. Those pieces are again depicted on the second page of that exhibit no longer being worn by a model. On pages 3 and 4 there are photographs of a second design for a necklace, ring, watch, and earrings and on the fifth page, a set of cufflinks, a signet ring and what appears to be a medallion. There is no information whatever provided as to whether these items have been offered for sale in Hong Kong, and if so, whether they were offered for sale before 16 October 1990. Apart from the watch depicted on page 3, where a combined mark of “Ω” and “OMEGA” can be just discerned, I have no evidence of whether, and if so how, the opponent has applied its mark in respect of these jewellery items. I have no evidence relating to how many such jewellery pieces were sold or what proportion jewellery plays to the total “OMEGA” sales.

40. Mr. Yuen declares that, when in 1987 he was devising the suit mark he “had no knowledge or idea that the opponent had ever been involved in the trade of diamond, jade etc.” and later : “I had no knowledge regarding any of the opponent’s jewellery pieces until the opponent claimed to design and produce jewellery pieces in the opponent’s declaration. According to my 16 years of experience in the trade, I cast doubt on whether the opponent has obtained any goodwill and reputation regarding its jewellery pieces as I have not heard of anything of significance regarding the opponent’s jewellery pieces or jade products, etc.”

41. On the evidence before me I am unable to say that the purchasing public in Hong Kong was likely, leading up to October 1990, to have any cognizance of the opponent’s mark in respect of jewellery, jade and precious stones.

42. My finding in paragraph 41 would normally lead to a finding that, if there was no cognizance of the “Ω” mark in Hong Kong for jewellery, jade, diamonds etc., there could

be no real tangible danger of confusion in that market caused by the applicant's use of the suit mark on the specified goods.

43. I must however bear in mind the following passage from *Kerly* :

“...as against an applicant for registration of a new mark, particular consideration is given to earlier marks which have enjoyed “long user and extensive reputation”.”
(para. 10-05)

44. The corresponding expression of the principle in *Shanahan's Australian Law of Trade Marks Law and Passing Off* (2nd edition p 166-7) is :

“Generally speaking, an objection under section 28 [our section 12(1)] will have a greater chance of success where the marks in question are used for similar goods or services; however, objection may be sustained even where such are not even “of the same description” or “closely related” as is required under section 33 (our section 20). Though the products are very different, confusion may well be likely when, for example, the prior mark is particularly well known, it is an unusual or invented word, the applicant has closely copied a distinctive device or label or both products are sold in the same specialist stores.”

45. “OMEGA” is a very strong mark and I agree with Mr. Rollenhagen's belief that very few people in Hong Kong would not associate the “Ω” device with the opponent. I also accept that in this field of luxury goods, it is not unusual for manufacturers to diversify into a full range of associated goods – see comments in *Re Omega; Re Gay Giano; Re Borsalini* [1993] 1 HKC 587 and *Tiffany Lunettes*. Can it be said that the opponent's long and extensive reputation in Hong Kong for watches has “spilled over” to the extent that a substantial number of purchasers of jewellery, on seeing the applicant's mark applied thereto, would be caused to wonder that the goods were those of the opponent? Before that could happen however there must be a sufficient similarity between the suit mark and the “Ω” device such that potential purchasers, upon seeing the suit mark on jewellery, would call to mind the “Ω” device or the trade name OMEGA. Without a sufficient resemblance there would be no reason to think of or recall the “Ω” mark or the name OMEGA at all. I remind myself that it is for the applicant to establish that there is no reasonable likelihood of that connection being made.

46. I shall now consider the resemblance between the respective marks. 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 be of average 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 should not be made. The question of resemblance is one of first impression. Marks should not be compared side by side. Marks are compared, each as a whole, having regard to the idea of each mark. Ultimately whether marks resemble each other is a

question of fact, not an exercise of discretion. I remind myself that s.12(1) is concerned not with the protection of competitors or potential competitors of the applicant, but with protecting the relevant sector of the local buying public. In considering the question of similarity I must have regard not only to the similarity of the marks but also how they would appear in actual use and to all the circumstances of the trade in which the goods are likely to be encountered.

47. Although the “Ω” mark conjures up the word “OMEGA”, no word equivalent can be assigned to the suit mark. There is therefore no aural element involved here. I have already described what I consider to be the essential features of the suit mark – see paragraph 12. Mr. Shipp describes the “Ω” mark as being reminiscent of an ox-bow lake or as a hollow surrounded by two rims, a description he urges that is equally apt to describe the suit mark. Whilst I accept that Mr. Shipp’s description of the “Ω” mark may be appropriate to those with no knowledge of the Greek alphabet or at least the last letter of it, I do not find that description at all apt to describe the essential features of the suit mark. Ox-bow lakes are not broken on the bend. On the vitally important first impression, the suit mark appears as a solid with a gem superimposed thereon rather than as a hollow. Not agreeing with Mr. Shipp’s characterisation of the marks is not the end of the matters, I must consider the issue objectively.

48. There is no evidence of deception or lack of deception for me to consider. I am mindful therefore of the comments of Lord Diplock in the House of Lords in *GE Trade Mark* [1973] R.P.C. 297 at page 321-322.

“... where goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean : that if the issue had now, as formerly, to be tried by a jury, who as members of the public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge’s approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the dangers of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

49. Considering the question from the position of a person with an awareness of

the “Ω” mark but with an imperfect recollection of it, I do not find that upon seeing the suit mark for the first time, such a person would call to mind the opponent’s “Ω” mark. I find that the marks are so visually different that seeing one would not invoke the other, and it follows, that seeing the suit mark would not invoke the trade name OMEGA either. I go on to consider, having found no similarity in the respective marks per se, whether that finding is effected by the circumstances of the trade or by notional use of the marks.

50. In considering all the circumstances of the trade in which the respective goods will be encountered, I place considerable weight on the fact that jewellery, jade etc. are not impulse purchases. The purchaser would take considerable time over his decision – See *Mitac* (unreported) MP 2835 of 1990 (Mayo J.) and *Lancer Trade Mark* [1982] R.P.C. 303. In stark contrast to a self-service selection, he would also be assisted by showroom staff who could answer questions raised as to the origin of the piece. This latter factor takes on added significance when one takes into consideration the evidence that the applicant’s goods are only sold at the present time through its own showrooms. In these circumstances I cannot see that there is any tangible risk of a substantial number of purchasers, viewing the applicant’s pieces in its own showrooms, having any reason to think of “OMEGA” products upon seeing the suit mark even when such persons are assumed to have an awareness of the “Ω” device.

51. In considering notional use what the tribunal must take into account is fair and normal use which, as registered proprietor the applicant would be entitled to make of the mark in the ordinary course of trade in respect of goods of the class for which it is proposed to be registered – See *GE Trade Mark*.

52. For reasons of the size of most jewellery items, and by reason of the composition of jade and precious stones, common sense dictates that in normal use, a trade mark would not be impressed on these goods. There is no evidence before me from either party which would suggest otherwise. I do not entirely accept the criticism made by Mr. Rollenhagen in his second declaration that there is no evidence of how the applicant used its mark prior to the date of the application, and what evidence of use there is, post-dates the application. There is the Hong Kong Jewellery Annual for 1990, the first part of exhibit “YNS-2” which probably, I put it no higher, was issued prior to 16 October 1990, and some pages of exhibit “YNS-8” which lists the prizes and the sponsors for the 1989 contestants to the Miss Interline Hong Kong Beauty Pageant. The use made of the applicant’s mark in these examples is as a logo in close proximity to the words Sun’s Jewellery Company, not use upon the goods themselves. This is, of course, a use permitted by section 2 of the Ordinance. I do not accept therefore the opponent’s contention that confusion will necessarily arise by the use of the applicant’s mark on goods by nature of their diminutive size. For the same reason, wear and tear which could affect the legibility of a mark applied, for example, to the inside of a ring, is not a factor that is relevant to my consideration.

53. Mr. Shipp makes two further points which have a bearing on this issue. Firstly he points out that, in the evidence appended to the statutory declaration of Mr. Yuen (“YNS-3”), there is reference to the applicant’s jewellery being exported to Japan, Taiwan, U.S.A. and Europe. There is no evidence, Mr. Shipp submits, that would inform the tribunal

how the goods are sold once they reach those countries. There is no reason to presume that these items would not be sold in those countries through jewellery outlets selling both watches and other items of jewellery. Secondly, Mr. Shipp submits that as part of my consideration of notional use I must consider the future use which could be put to the mark by the applicant, particularly to the possibility that Splendid extends its trade to sell “OMEGA” products, or Sun’s Jewellery Company extends its manufacture to the manufacture of watches, or finds that the expense of maintaining the showrooms is no longer justified and allows its goods to be marketed through outlets such as Chow Tai Fook or Chow Sang Sang which sell both watches and jewellery.

54. As to the first point, the purpose of section 12(1) is to prevent deception or confusion in the marketplace. If a mark is otherwise unobjectionable in Hong Kong, the fact that it could cause confusion in an overseas market is not a consideration. I refer to *Hassan-El-Madi* (1954) 71 R.P.C. 281 and the discussion of this topic in *Kerly* paragraph 10-10.

55. On the second matter, the points are well made and had I found there was a sufficient degree of similarity between the two marks to consider deception or confusion, I would have to consider what effect the possible future scenarios may have had on my finding. However, that is not the case and I need take the matter no further.

56. My consideration of the circumstances of the trade and notional use therefore support rather than weaken my earlier finding of there being no deceptive similarity per se. Having found that the purchasing public has no cognizance of the opponent’s “Ω” mark in respect of the specified goods and having found that there is insufficient similarity between the suit mark and the “Ω” device to cause confusion in the minds of purchasers of the specified goods despite the extent of the opponent’s reputation in watches, it follows that the applicant has defeated the opposition under section 12(1).

57. The opponent has not pleaded the provisions of section 13(2) and Mr. Shipp said he does not rely on them. Nevertheless a proper consideration of an application to register a mark should include the considerations under the sub-section.

58. The exercise of discretion pursuant to section 13(2) arises when opposition under sections 12(1) and 20 fail and the mark is acceptable for registration under either section 9 or 10. I remind myself that the Register has been created by the Ordinance for the purpose of enabling marks to be entered therein. If no proper reason can be advanced as to why registration should be refused for a qualifying mark, the exercise of discretion should not be adverse to the applicant. I have found no proper reason to refuse registration in the exercise of my discretion and accordingly order that the registration of the applicant’s suit mark may proceed.

Costs

59. The applicant has sought costs and there is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that the successful party is entitled to his costs. I accordingly order that the opponent pays the costs of these proceedings. I also note that the costs of an earlier interlocutory hearing were ordered to be costs in the cause.

60. 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 of this decision, costs will be calculated with reference to the usual scale in Part 1 of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, unless otherwise agreed between the parties.

(K S Kripas)
p. Registrar of Trade Marks
24 March 2000