

Application No. 9224 of 1991

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

AND

IN THE MATTER of an application by NV Sumatra Tobacco Trading Company to register the mark



in Part B of the Register in Class 34

AND

IN THE MATTER of an opposition thereto by Nihon Tobacco Sangyo Kabushiki Kaisha

**DECISION  
OF**

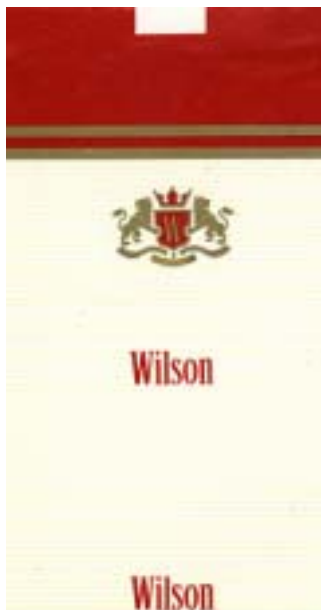
Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on 26 July 2005.

Appearing : Mr. John Yan, SC instructed by Messrs. Eccles & Lee for the applicant.

Ms. Chole Lee of Messrs. Wilkinson & Grist for the opponent.

## Application for Registration

1. On 2 December 1991 (“the application date”), NV Sumatra Tobacco Trading Company (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance Cap. 43 (“the Ordinance”), in Part A of the register in Class 34, the trade mark, a representation of which appears below :





(“the suit mark”).

2. The goods intended to be covered by the registration were “cigarettes and tobacco products” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part B of the register subject to the condition that registration of the suit mark shall give no right to the exclusive use of the words “Wilson” and the letter “W”. It is also a condition of registration that the blank space in the suit mark shall, when the mark is in use, be occupied only by matter of a wholly descriptive and non-trade mark character. The application was advertised in the Government of Hong Kong Gazette on 5 February 1997.

## Pleadings and Evidence

3. On 5 October 2000, Nihon Tobacco Sangyo Kabushiki Kaisha (“the opponent”) filed notice of opposition to the application. The grounds of opposition state, *inter alia*, that the opponent is a corporation organised under the laws of Japan. The opponent is the owner of the following prior registrations :

Trade Mark	Registration No.	Class	Goods	Date of Registration
	142 of 1958	34	cigarettes	26/9/57
	1026 of 1985	34	cigarettes	23/8/83
<b>WINSTON</b>	4470 of 1993	34	cigarettes	19/10/89

4. It is pleaded that the opponent's marks were first used by the opponent and its predecessor-in-title in Hong Kong in relation to cigarettes many years ago. A lot of efforts and substantial expenses were spent in advertising and promoting goods bearing one or more of the opponent's marks in Hong Kong. Therefore, sales have been extensive and substantial. It is the opponent's case that by reason of the foregoing, the opponent's marks are well-known "as identifying and distinctive of the opponents and their respective goods in either of them and none other". The opponent asserts that the suit mark nearly resembles the opponent's marks and the specified goods are the same goods or goods of the same description as those covered by the prior registrations of the opponent. Hence, use and/or registration of the suit mark is very likely to cause confusion or mistaken belief amongst the general unsuspecting public that the applicant's goods are the goods of the opponent and/or that the applicant's goods are associated or connected in the course of trade with the opponent. The grounds of opposition comprise sections 2, 9, 10, 12(1), 13(1), 13(2) and 20 of the Ordinance.

5. In the applicant's counter-statement, the applicant's own application for registration of the suit mark is admitted. The applicant pleads that it has no knowledge of the matters pleaded in paragraphs 1, 2 and 3 of the grounds of opposition. Save as aforesaid, each and every other allegation in the grounds of opposition is denied by the applicant.

6. The opponent's Trade Marks Rule/s, Cap. 43, Sub. Leg. ("Rule/s") 25 evidence consists of a statutory declaration declared on 27 June 2002 from Vincent F. Bick, Jr., the attorney-in-fact of the opponent, together with exhibits ("Bick's statutory declaration"). The applicant's evidence under Rule 26 comprises a statutory declaration declared on 24 June 2004

from Timin Bingei, the director of the applicant, together with exhibits (“Bingei’s statutory declaration”). The opponent, though it was entitled to do so pursuant to the provisions of Rule 27, filed no evidence in reply.

## **Decision**

7. Though, by 26 July 2005, the date the matter was heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of sections 10(1) and (2) of schedule 5, oppositions to registrations still pending as of 4 April 2003 are to be determined under the provisions of the repealed Ordinance, Cap. 43.

8. Ms Lee, solicitor for the opponent, indicated at the hearing that she would only rely on the grounds of opposition under sections 12 and 20 of the Ordinance for the present proceedings.

### Under section 12(1)

9. For the purposes of this hearing, Mr. Yan, counsel for the applicant, indicated that the applicant is prepared to proceed on the assumption that the opponent is able to satisfy the threshold onus of proving sufficient user of its marks the subject matter of registrations nos. 1026 of 1985 and 4470 of 1993 (see paragraph 3 above). The remaining mark in dispute is registration no. 142 of 1958. Ms. Lee for the opponent submitted that registration no. 142 of 1958 was granted on evidence of use under section 9(1)(e) of the Ordinance. That means the mark had been used in Hong Kong since at least as early as 1952, five years prior to the application date of 26 September 1957. The registration of the mark has been continuously renewed up to date which echos that the opponent has put the mark through use.


10. Mr. Yan contended that Ms. Lee has, in the absence of evidence of use, made an ingenious argument based on the certificate of registration for registration no. 142 of 1958 which was accepted on evidence of use. The application for registration of the mark was filed on 26 September 1957. The opponent could have prior to 1957 made use of the mark in Hong Kong. However, there is no evidence at all that the mark was used after 1957. One must bear in mind that the burden of proof rests on the opponent to satisfy the Registrar that the mark was known to a substantial number of persons at the date of the application, that is, 2 December 1991 in the present case. Mr. Yan pointed out that in paragraph 11 of Bick’s statutory declaration, Mr. Bick declared that a copy of the packaging design of Winston as used in Hong Kong from the late 1950’s through 1997 was enclosed as exhibit “VFB-7”. Since 1998, Winston has been sold in Hong Kong using the packaging as shown in exhibit “VFB-8”. It is clear that before the application date, the only evidence of use submitted by the opponent is exhibit “VFB-7”. After 1998, the packaging that was used by the opponent was exhibited in “VFB-8”. This account tallies with the pre and post-1998 advertisements produced in exhibit “VFB-6”. It is apparent that there is no evidence of use of the mark the subject matter of registration no. 142 of 1958 before the application date.

11. In reply, Ms. Lee submitted that paragraph 11 of Bick's statutory declaration does not say exclusively that the packaging shown in "VFB-7" was the only packaging used in Hong Kong before 1998. As shown by the advertising materials in "VFB-6", different packagings have been used by the opponent in Hong Kong.

12. I see the force in Mr. Yan's analysis of the evidence filed by the opponent. There is no evidence that the mark the subject matter of registration no. 142 of 1958 was used by the opponent before the application date. Even if I accept what is stated on the certificate for registration no. 142 of 1958 as the evidence of use of the mark, it only serves to indicate that the mark was used by the opponent in Hong Kong before 1957 and not after. The opponent's evidence (paragraph 11 of Bick's statutory declaration) clearly shows the packaging that was used by the opponent in Hong Kong from the late 1950's to the application date is the one shown in exhibit "VFB-7" which is identical to registration no. 1026 of 1985 (save the descriptive wording and crown device are missing) and incorporates the word mark "Winston". To my mind, the reasonable inference to be drawn is that there was a change from the use of the mark the subject matter of registration no. 142 of 1958 to the use of the mark the subject matter of registration no. 1026 of 1985 by the opponent in the late 1950's. In the circumstances, I find that the opponent has established sufficient reputation in its mark the subject matter of registration no. 1026 of 1985 ("the packaging mark") and the word mark "Winston" ("the word mark") only in respect of cigarettes to trigger section 12(1) of the Ordinance. The onus then shifts to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception arising among a substantial number of persons if the suit mark proceeds to registration (*Eno. V Dunn* [1890] 15 APP case 252 at 261).

13. It is well established that the test to be used in applying section 12(1) is that stated by Evershed J. in *Smith Hayden & Co's Application* (1946) 63 RPC 97 at 101. The test under section 12(1), adapted to this application, is as follows : -



"Having regard to the reputation of the opponent's marks "  " and "Winston" in respect of cigarettes, is the Registrar satisfied that the suit mark, if used in a normal and fair manner in respect of cigarettes and tobacco products will not be reasonably likely to cause deception and confusion amongst a substantial number of persons? May a number of people be caused to wonder whether the 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?"

#### *Comparison between the suit mark and the word mark*

14. Mr. Yan submitted it is clear that if the suit mark is used in a normal and fair manner in connection with cigarettes and tobacco products, it will not be reasonably likely to cause deception and confusion amongst a substantial number of persons. It is trite law that the approach to be adopted in comparing two marks, in particular word marks, is that set out in *Pianotist Co. Ltd's Application* (1906) 23 RPC 744, per Parker J. at 777. Applying the *Pianotist* approach, Mr. Yan argued it is clear that there is absolutely no possibility of deception. In comparing the suit mark with the opponent's word mark, Mr. Yan submitted that the suit mark consists of the well-known and ordinary name and surname "Wilson" repeated twice in a device. The word mark consists only of the equally well-known and ordinary name

and surname “Winston”. Accordingly, the look and visual impact of the marks is completely different – the latter being only of a word, the former of a device and a word twice repeated.

15. Even if one were to concentrate solely on the word “Wilson” in the suit mark and the word mark “Winston” alone, Mr. Yan contended that there will be no likelihood of confusion. First, the two marks sound completely different – the emphasis on the first syllable of the word mark “Winston” being the hard “WIN” whereas that of the suit mark being the soft “WIL”. The second syllables are also very different. More importantly, both the word element in the suit mark and the word mark are well-known and ordinary names and surnames. “Wilson” is the well-known surname of a former governor of Hong Kong, Lord Wilson, with which almost all, if not all, members of the cigarette consuming public in Hong Kong will be familiar. The famous Wilson Trail is named after him. “Winston” is an equally common and well-known name and surname.

16. My attention was then drawn to *Reed Executive Plc v. Reed Business Information Limited* [2004] RPC 767. Mr. Yan submitted that although this case was decided under the United Kingdom Trade Marks Act 1994, the principles applied therein are derived from cases which pre-date the 1994 Act. Jacob L. J. at the Court of Appeal observed at 792 as follows :

“The last sentence is an acknowledgement of a fact that has long been recognised : where a mark is largely descriptive “small differences may suffice” to avoid confusion (*per* Lord Simonds in *Office Cleaning Services v Westminster Window and General Cleaning* (1946) 63 RPC 30 at p. 43). This is not a proposition of law but one of fact and is inherent in the nature of the public perception of trade marks.

It is worth examining why that factual proposition is so – it is because where you have something largely descriptive the average consumer will recognise that to be so, expect others to use similar descriptive marks and thus be alert for detail which would differentiate one provider from another. Thus in the cited case “Office Cleaning Association” was sufficiently different from “Office Cleaning Services” to avoid passing off.

The same sort of consideration applies when there is **use of two common surnames** (my emphasis), as in this case. The average consumer will be alert for differences – just in the same way as one distinguishes WH Smith from other Smiths by the initials. That is of importance here in making the global assessment.”

17. Relying on that authority, Mr. Yan contended that members of the cigarette consuming public will be very alert for the differences between common and well-known names and surnames such as “Wilson” and “Winston” in the present case. These even apply to very young children although we do not concern young children here as we are talking about cigarettes and tobacco products. Mr. Yan submitted this is particularly so given that the matter must be looked at as at the application date – 2 December 1991 – when Lord Wilson was then the governor of Hong Kong (see exhibit “TB-8”). In this regard, it must be noted that the evidence in paragraph 10(a) of Bingei’s statutory declaration which states that “Wilson is the surname of one of Hong Kong’s previous governor between 1987 and 1992, Sir David Wilson

(now Lord Wilson of Tillyorn), and during the period when Sir David Wilson was the governor of Hong Kong, the name “Wilson” was regularly mentioned by the Hong Kong press and has become extremely well-known among the people in Hong Kong” is unchallenged by the opponent.

18. In reply, Ms. Lee for the opponent submitted that the standard of proof required under the *Smith Hayden* test as explained in *Re Bali* [1969] RPC 472 at 496 is that it is not necessary to prove an actual probability of deception leading to passing off or an infringement action. It is sufficient if the result of the registration of the mark would be that a number of persons will be caused to wonder whether it might not be case that the two products come from the same source.

19. It is important to note, Ms. Lee submitted, that marks are remembered by general impressions or some significant details. When the question as to whether a mark applied for bears such resemblance to another mark as to be likely to deceive arises, it should be determined by considering the leading characteristics of each mark (*Kerly’s Law of Trade Marks and Trade Names*, 12<sup>th</sup> Edition, paragraph 17-08). Imperfect recollection test in *Sandow Ltd’s Application* (1914) 31 RPC 196 at 205 provides that marks should not be compared side by side. Instead, the question is whether the person who sees the suit mark in the absence of the opponent’s mark, in view only of his general recollection of what the nature of the opponent’s mark was, would be liable to be deceived and to think that the suit mark before him is the same as the opponent’s mark which he has a general recollection. The leading characteristics should be determined by reference to the consumers of the relevant products. The target consumers of cigarettes and tobacco products are the general purchasing public who is of average intelligence and power of observation. He or she has an average command of English and would exercise average care in selecting cigarettes and tobacco products.

20. Turning to the comparison of the suit mark with the opponent’s word mark, Ms. Lee argued it is well-settled that words are more readily recalled than devices. Furthermore, the coat of arms device in the suit mark is a common feature used by other cigarette and tobacco products traders as well as traders in other businesses. Consumers will tend to pay more attention to other elements of the mark that are not commonly used in the trade for that helps consumers to distinguish one product from another. By reason of the aforesaid, the coat of arms device in the suit mark may be ignored or should attract less attention than the word “Wilson”. It follows that the relevant comparison between the respective marks is “Wilson” and “Winston”.

21. Visually, Ms. Lee submitted that the words “Winston” and “Wilson” look similar. The spelling differs only by two letters being the “N” in the suit mark and “L” in the opponent’s mark and also the letter “T” which is not found in the opponent’s mark. Both words begin with the letters “WI” which sound “we” and end with the letters “ON”. To the general purchasing public whose mother tongue is not English, the two words would appear as visually similar.

22. Aurally, Ms. Lee argued that the two words “Winston” and “Wilson” sound similar. “Winston” is pronounced as “WIN-S-TON” whilst “Wilson” as “WIL-SON”. In addition, there is a general tendency for consumers to give more importance to the first syllable or starting letters of a word which enhances the degree of similarity.

23. Conceptually, Ms. Lee submitted that both “Winston” and “Wilson” are English names. The coat of arms in the device part of the suit mark is common in the trade which may be ignored. Speaking of the two words alone, they are conceptually similar.

24. One further argument advanced by Ms. Lee is that the opponent’s cigarettes bearing the word mark Winston have different packaging designs (“VFB-1” and “VFB-5”). There is no consistent “get-up” adopted and applied to the products by the opponent. Recognition is thus wholly reliant on the word mark “Winston” unaided by trade dress. Seeing the word “Wilson” upon cigarettes would at least cause one to conclude “I think this is the one” and this would be primarily because of the similarities in the overall appearance of the two words “Wilson” and “Winston”, particularly the common first two letters “WI” and the common ending “ON”.

25. In my judgment, the suit mark is a composite mark consisting of the word “Wilson” repeated twice and the device of a crest or coat of arms with a letter “W” thereon superimposed on a pattern of horizontal lines. At the top, there is also a band with two lines. To me, there is some degree of distinctiveness in the overall arrangement of the words, letter and device elements in the suit mark which do convey to me a distinct impression. The first impression made by the opponent’s word mark on me is that it is a purely word mark consisting of the individual word “Winston”. Even if I take into account the principle of imperfect recollection and bear in mind that the two marks should not be placed side by side for critical examination, I have come to the conclusion that visually, the two marks do not look alike.

26. So far as the ideas of the two marks are concerned, I agree with the submissions of Mr. Yan that both Wilson and Winston are well-known and ordinary names and surnames. The average consumer will be alert for differences between these two common names and surnames, in particular Wilson is the well-known surname of the Governor of Hong Kong, Lord Wilson, at the application date.

27. Aurally, although both “Wilson” and “Winston” begin with the letters “WI” and end with the letters “ON”, that does not mean that they sound similar. I agree with Mr. Yan that both the first and second syllables of the words Winston and Wilson are pronounced differently. I am of the opinion that the aural references to the respective marks are well separated and that there is no reasonable likelihood that one will be mistaken for the other even when proper allowance is made for imperfect recollection and mispronunciation, bearing in mind that they are well-known and ordinary names and surnames.

28. In actual use in advertising, the opponent’s word mark or packaging mark was at times used in conjunction with the opponent’s Chinese mark “雲絲頓” (see the first page of

exhibit “VFB-6” containing a copy advertisement with a copyright notice of 1987 at the top right hand corner). In actual use on the packaging, there is the presence of a crown device (see the first page “VFB-6” and “VFB-7”). These further help to reduce the likelihood of deception or confusion.

29. Regarding the consistent “get-up” argument, I consider it is not necessary for me to decide the validity of this argument as the submissions of Ms. Lee on this point can shortly be rejected as being grounded on erroneous facts. The evidence in “VFB-1” and “VFB-5” do not show that different packaging designs were used by the opponent in Hong Kong as at the application date. What is exhibited in “VFB-1” is just a computer printout listing all the registrations and pending applications of the opponent’s “Winston” or “Winston and device” marks throughout the world including Hong Kong. The evidence contained in “VFB-5” are selected copies of advertising materials for the “Winston” cigarettes throughout the world excluding Hong Kong. As found by me in paragraph 12 above, the only packaging that was used by the opponent in Hong Kong as shown by the evidence from the late 1950’s to the application date is that depicted in exhibit “VFB-7”.

30. Having regard to the visual, aural and conceptual differences between the suit mark and the opponent’s word mark, I find that they are not confusingly similar.

*Comparison between the suit mark and the packaging mark*

31. Mr. Yan submitted that all the arguments in paragraphs 14 to 17 above apply with equal force. In addition, once the opponent’s packaging mark is compared to the suit mark, there is even less likelihood of confusion as visual impact of the packaging mark is completely different from that of the suit mark. The former consists of two broad red bands at the top and bottom encasing a broad white band in which the word “Winston” appears whereas the latter consists of a band at the top and no middle or bottom band. In the part of the suit mark below the band, there is a crest (which is absent in the opponent’s packaging mark) and the word “Wilson” repeated twice. There is also a pattern of horizontal lines which is also absent in the packaging mark.

32. So far as the comparison between the suit mark and the packaging mark is concerned, Ms. Lee submitted as both the device parts in the suit mark, that is, the coat of arms and the band and the device parts in the opponent’s packaging mark, that is, the cigarette packaging layout with bands are common in the trade and non-distinctive, the relevant comparison between the respective marks is again Wilson and Winston *simpliciter*. Therefore, she also adopted the arguments in paragraphs 18 to 24 above.

33. Applying the same reasoning in comparing the suit mark with the opponent’s word mark, I also find that there is no conceptual, visual or aural similarity between the suit mark and the opponent’s packaging mark. It suffices for me to supplement that although the suit mark and the packaging mark are both composite marks in comparison, they do not look

alike. The packaging mark is simpler in look with the word “Winston” standing out. It follows that the suit mark and the opponent’s packaging mark are not confusingly similar.

*Likelihood of deception and confusion*

34. I must also consider the goods, trade channels and in fact all the surrounding circumstances. Mr. Yan submitted that when one takes into account the goods (cigarettes and tobacco products) and the nature and kind of customers who would be likely to buy the goods, it is further confirmed that there is no likelihood of confusion. Consumers of cigarettes and tobacco products are adults and are notoriously brand-conscious and brand-loyal. They would accordingly be particularly circumspect when seeking out the brand of their choice and will not be easily misled, especially when the packaging of the two products are completely different.

35. Further, it was the contention of Mr. Yan that when one takes into account “what is likely to happen if each of those trade marks is used in a normal way as a trade mark of the goods of the respective owners of the marks”, this lends further support to the applicant’s case that there will be no likelihood of confusion. The normal way in which cigarettes are sold in Hong Kong is to have different brands displayed side by side at cigarette stands, convenience stores and supermarkets so that smokers are able to select the packet and brand of their choice. Smokers looking for the opponent’s cigarettes will clearly not be confused into choosing a packet of the applicant’s cigarettes with a wholly different packaging design and brand name.

36. Ms. Lee pointed out that it is not in the parties’ contention that the specified goods and opponent’s goods are the same or closely related or goods of the same description. The opponent’s trade marks when applied to the opponent’s goods have some variant forms (as shown in “VFB-5” and also in the registrations for the opponent’s trade marks in Hong Kong set out in paragraph 3 above. The word “Winston” is prominently featured and sometimes an eagle device or a crown device also appears above the word Winston.

37. Applying the test in *Pianotist*, supra, Ms. Lee contended that all surrounding circumstances including the nature and kind of customers who would be likely to buy the goods should be considered. In the absence of direct evidence, the judge must substitute himself as the ordinary purchaser with imperfect recollection according to the comments of Lord Diplock in the House of Lords in *GE Trade Mark* [1973] RPC 297 at 321-322.

38. Ms. Lee submitted that cigarettes are ordinarily purchased and consumed by the general public. The general public takes only a cursory glance at the marks in picking up the cigarettes from convenience stores, cigarette stands and supermarkets. Given the aural similarities between Wilson and Winston, when one asks for a packet of Winston cigarettes from the shopkeeper, the shopkeeper may pass over a packet of Wilson cigarettes to the consumers by mistake.

39. In my view, the opponent's goods in this particular case are cigarettes which are covered by the specification of the suit mark. As such, the goods of the parties overlap and it follows that the nature and kind of purchasers who would be likely to buy the parties' goods are the same. In this aspect, I am convinced by Mr. Yan's contention that consumers of cigarettes and tobacco products are adults and are notoriously brand-conscious and brand-loyal. I also take judicial notice that the normal way in which cigarettes are sold in Hong Kong is to have different brands displayed side by side at cigarette stands, convenience stores and supermarkets so that smokers are able to select the packet and brand of their choice. Coupled with the considerable visual, conceptual and aural differences between the suit mark and the opponent's packaging and word marks, I consider that there is no real tangible risk that the purchasing public would be confused into believing the goods of the parties come from the same source or wondering whether or not that might be so.

40. In the result the opponent fails under the section 12(1) opposition.

#### Under section 20(1)

41. For the purpose of section 20(1) of the Ordinance, the opponent relies on its prior registrations nos. 142 of 1958, 1026 of 1985 and 4470 of 1993 (see paragraph 3 above), the latter two are essentially the same marks relied upon by it under section 12(1). I have already found that the suit mark and the opponent's packaging and word marks in actual use are not confusingly and deceptively similar under section 12(1) of the Ordinance. The level of deception and confusion required for section 12(1) is the same as that required for section 20(1). It follows that the opponent also fails in its opposition under section 20(1) of the Ordinance so far as registration nos. 1026 of 1985 and 4470 of 1993 are concerned.

42. In respect of registration no. 142 of 1958, Mr. Yan submitted that the same arguments as those made in respect of registrations nos. 1026 of 1985 and 4470 of 1993 apply. Indeed, it is clear that these arguments apply with even greater force as the device mark in this registration is even more distinct and different from that of the suit mark. In particular, there is present on the device an eye-catching device of a cigarette which serves to distinguish more. I accept the submissions of Mr. Yan and also find that the suit mark and the opponent's mark the subject matter of registration no. 142 of 1958 are not confusingly and deceptively similar under section 20(1).

43. It follows that the opponent fails in its opposition under section 20(1) of the Ordinance.

#### **Costs**

44. 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.

45. 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, with one counsel certified unless otherwise agreed between the parties.

*(original signed)*

(Ms Fanny S. F. Pang)  
p. Registrar of Trade Marks  
9 September 2005