

Application No. 9539 of 1993

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

AND

IN THE MATTER of an application for
the registration of the trade mark: -

“帝龍”

in Class 14 in Part A by Concord Watch
Co. S.A.

AND

IN THE MATTER of an opposition by
Montres Tudor S.A.

**DECISION
OF**

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

Appearing : Mr. John M.Y. YAN, counsel instructed by Messrs. Wilkinson &
Grist on behalf of the applicant, Concord Watch Co. S.A.

Application for Registration of “帝龍”

1. On 9 September 1993, Concord Watch Co. S.A. (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance (“the Ordinance”), in Part A of the Register in Class 14, the trade mark a representation of which appears below :

帝 龍

(the suit mark).

2. The goods intended to be covered by the registration were : “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments” (“the specified goods”).

3. The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part A of the Register subject to the following conditions: the transliteration of the Chinese characters is “Tai Lung”, translated as “The emperor, the dragon” in English. The trade mark application was advertised in the Hong Kong Gazette on 27 January 1995.

Notice of Opposition

1. On 17 March 1995, Montres Tudor Co. S.A. (“the opponent”) filed Notice of Opposition to the application. The grounds of opposition stated, in essence, that the opponent is the proprietor of the trade mark “帝舵” (“Tai To”) (“emperor, helm”) registered in Hong Kong under No. 3975 of 1991 in Class 14. The opponent claims that, by virtue of extensive use and advertisement, the said mark has acquired a substantial reputation and goodwill.

5. The suit mark is proposed to be used in respect of the same goods as those covered by the opponent's registration. As the first Chinese character of the suit mark is identical to the first Chinese character of the opponent's mark and the overall idea and meaning of “帝龍” and “帝舵” are the same, namely, denoting the concepts of royalty, superiority, power and control, registration of the suit mark is likely to deceive or cause confusion.

6. The opponent alleges that use of the suit mark would amount to an infringement and/or passing-off of the opponent's mark; that registration of the suit mark would interfere with the prestige and diminish the value of the opponent's mark and cause the opponent to suffer loss and damage. The suit mark is unregistrable as a trade mark, specifically:

1. Under Section 2

The suit mark is incapable of indicating a connection in the course of trade between the specified goods and the applicant.

2. Under Section 9 or 10

The suit mark is not adapted to, nor capable of, distinguishing the specified goods of the applicant.

3. Under Section 12(1)

The 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.

4. Under Section 13(1)

The applicant is not entitled to claim proprietorship of the suit mark.

5. Under Section 20(1)

The suit mark is identical to or so nearly resembles the opponent's mark as to be likely to deceive or cause confusion when used in relation to the goods specified.

6. Under Section 13(2)

The opponent seeks refusal of the application in the exercise of the Registrar's discretion.

The opponent seeks refusal of the application with an award of costs against the applicant.

The Counter-Statement

7. On 8 July 1995, the applicant filed its Counter-Statement. Essentially, the applicant:

- admits that the opponent is the registered proprietor of the mark “帝舵” under Registration No. 3975 of 1991 and that the transliteration and translation of the Chinese characters forming the opponent's mark are “Tai” and “To” meaning “emperor” and “helm”.
- admits that it has applied to register as a trade mark “帝龍” in Class 14 and its transliteration and translation is “Tai Lung” meaning “emperor, dragon”; and admits that the first Chinese character of its mark is identical to the first Chinese character of the opponent's mark.
- denies each and every other allegation contained in the Notice of Opposition.

The applicant seeks that its application be allowed to proceed and that the opposition be dismissed with costs against the opponent.

The Opponent's Evidence

25. The opponent's evidence consisted of Statutory Declarations of Cheung Kam Ping and Stephen Martin Hayward. For reasons which will become clear later, I have felt obliged to outline the evidence filed in far greater detail than I would otherwise. Mr. Cheung, the Chief Accountant of Rolex (Hong Kong) Limited (a subsidiary of the opponent) is a native Cantonese speaker. He opines that the suit mark “帝龍” is very similar to the opponent's mark “帝舵” in terms of, inter alia, appearance, pronunciation, meaning, concept and implication in the following ways :

- (a) the first Chinese character of the opponent's trade mark “帝舵” is the same as the first character of the suit mark “帝龍”;
- (b) the overall idea of the suit mark is the same as the opponent's mark;
- (c) both marks are being used or are proposed to be used in respect of the same goods which are of a similar prestige and elegance, are aimed at a similar market sector, with potential purchasers having a similar range of purchasing power.

Annexed to the declaration are copies of advertisements placed by the applicant. Mr. Cheung states that one such advertisement appears in the same publication alongside an advertisement placed by the opponent's associated company Montres Rolex S.A. [I note that no such juxtaposition of advertisement has been exhibited.]

9. Although no reference is made to any other mark of the opponent in the pleadings, Mr. Cheung also makes reference to the opponent's “MONARCH” trade mark and its Chinese counterpart “王者”. He claims that due to the similarity between the suit mark and the opponent's marks “帝舵” and “王者”, and the fact that they are both used in respect of the same goods, confusion or deception of the trade or public is likely to occur as a result of their thinking that the applicant's products are

those of the opponent or are in some way related to or endorsed by the opponent.

10. Mr. Cheung states that the likelihood of confusion and deception is enhanced by the fact that the majority of people in Hong Kong are Chinese speaking and do not read English and will therefore refer to the products of the applicant and the opponent by reference to their Chinese trade marks.

11. Mr. Cheung continues by saying that although the applicant alleges in its Counter-Statement that “帝龍” is the Chinese translation of its English mark “DELIRIUM”, the suit mark is very different from the English word delirium. Delirium means “disordered state of mind or great excitement”, whereas “帝龍” means “emperor, dragon” which is totally unrelated and different in concept and implication. “帝龍” pronounced “Tai Lung” is phonetically very different from “DELIRIUM”. “Tai To” on the other hand is phonetically similar to “TUDOR” and the meaning of its mark “王者” is the same as its English equivalent “MONARCH”.

12. Mr. Cheung then details the background, meaning and translation of the opponent’s marks, “TUDOR” and “MONARCH”.

13. The declaration continues by stating that the opponent has extensively advertised its trade marks “TUDOR” and “MONARCH” together with their corresponding Chinese trade marks “帝舵” and “王者”. Copies of its printed advertisement are annexed, states Mr. Cheung, to the declaration of Mr. Hayward. [In fact no exhibits are annexed to the said declaration of Mr. Hayward.] Mr. Cheung states that he has seen some of the applicant’s promotional and advertising materials. None of these show its Chinese mark “帝龍”. Annexed to the declaration are a small sample of advertisements from magazines and newspapers in which the applicant’s watches are depicted. Only the English marks “CONCORD” or “CONCORD DELIRIUM” are shown.

14. A supporting Statutory Declaration was filed by Stephen Martin Hayward, a solicitor who has acted for the opponent’s parent company Montres Rolex S.A. in relation to various trade mark matters for six years. Mr. Hayward states that he is the same Stephen Martin Hayward who made a Statutory Declaration in support of the opponent’s opposition to Application No. 6531 of 1993 by the applicant herein. He continues with the curious statement : “I hereby adopt the content of my said

declaration in so far as it is relevant to the present opposition.” I shall return to this statement later in this decision.

15. Mr. Hayward states that the first Chinese character of the suit mark is identical to the first Chinese character of the opponent’s mark. As both marks are to be used on watches and related products, there is a real likelihood of confusion or deception arising if the suit mark is registered, as purchasers will think that the applicant’s products are those of the opponent or are in some way related to or endorsed by the opponent.

16. Mr. Hayward points out that although the applicant alleges in its Counter-Statement that the suit mark is the Chinese equivalent of the English mark “DELIRIUM”, the translation for the suit mark is “the emperor, the dragon”. Mr. Hayward further points out there is no evidence that the applicant has ever used or promoted the suit mark in relation to their watches and that the suit mark is apparently unknown to the public or trade in Hong Kong. By contrast, Mr. Hayward states, the opponent’s Chinese mark [it is not apparent which one as no mark is referred to in the declaration] is well-known.

The Applicant’s Evidence

17. The applicant filed a Statutory Declaration from Shirley Mok. Ms. Mok is the Managing Director of Swissam Limited (“Swissam”), a subsidiary of the applicant. She states that she has been involved in the watch trade for over 15 years and she has experience in advertising, marketing, distributing and PR activities for various brands of timepieces as a result of her employment with several watch-related companies.

18. Ms. Mok states that “CONCORD” watches were first manufactured and marketed in Switzerland in about 1908 and have since been introduced to the Hong Kong market in or about 1980. Ms. Mok details the price range of “CONCORD” watches and details the advertising and promotional activities undertaken by the applicant. She states that approximately US\$15,000,000 was spent on advertising for “CONCORD” watches in the 5 years prior to June 1993 of which sum, US\$3,500,000, was spent on advertising the “DELIRIUM” range of watches.

19. The declaration continues with the statement that the “CONCORD” or “CONCORD” related trade marks are registered or pending registration in many countries. A list of such registrations and pending applications is annexed to the declaration. Ms. Mok states that the applicant, in 1979, launched what was then the thinnest watch in the world. It was given the model name “DELIRIUM”. Since then, the “DELIRIUM” range has been introduced to every market in which “CONCORD” watches are marketed and sold including Hong Kong. A sample of a watch from the “DELIRIUM” range is annexed to the declaration.

25. Ms. Mok states that a substantial number of watches in the “DELIRIUM” range have been sold in Hong Kong since 1979. The “DELIRIUM” trade mark has been registered or is pending trade mark registration in many countries. Annexed to the declaration is a list of registrations and pending applications. Ms. Mok states that, for the purpose of promoting the Asian market, the applicant wanted to adopt and use a Chinese mark in relation to its “CONCORD” and “DELIRIUM” names and finally settled on the marks “君皇” and “帝龍” respectively. Ms. Mok states that the Chinese marks will not be applied on the watches themselves but will be used on tags or labels attached to the watches and in Chinese language advertising, promotional and sales literature.

21. Ms. Mok opines that, save that the first character of the marks “帝舵” and “帝龍” are the same, the two marks are totally difference in appearance, pronunciation and meaning. The opponent’s mark means “imperial helm” whereas the suit mark means “imperial dragon”. They are two different things and convey different ideas.

22. Ms. Mok further points out that the suit mark “帝龍” will not be used in isolation as the brand name of the applicant’s watches. It will only be used in relation to watches which are marked with the marks “CONCORD” and “DELIRIUM”. Similarly “帝舵” is always used by the opponent in close relation to its “TUDOR” mark, never alone. Therefore, she opines no likelihood or possibility of confusion could arise between the applicant’s “DELIRIUM” or “帝龍” range of “CONCORD” watches and the Opponent’s “TUDOR” and “帝舵” watches.

23. Ms. Mok believes that “TUDOR” watches are marketed as a cheaper second line of “Rolex” watches. On the contrary, Ms. Mok states that “CONCORD”

watches and in particular those in the “DELIRIUM” range are marketed and sold as exclusive timepieces aimed at the high end of the market and at prices higher than the prices of “TUDOR” watches.

25. Ms. Mok states that although the applicant does not disclose in its evidence when it started to use its Chinese mark “帝舵”, Chinese consumers in Hong Kong refer to “TUDOR” watches as “刁陀表” (“Diu Tor Biu”) because it was the mark used for a long time in relation to “TUDOR” watches. Annexed to the declaration are copies of the Hong Kong Trade Mark Certificates for “刁陀表” and “刁陀 and a device” and a copy of an advertisement showing the use of the marks “刁陀” and “刁陀表” in relation to a “TUDOR” watch dated March 1988.

25. Ms. Mok suggests that the opponent, by trying to rely on its “帝舵” mark to block the registration of the applicant’s “帝龍” mark, is claiming a monopoly over the idea of royalty or a king or an emperor. She alleges that other manufacturers must have legitimate rights to use marks which convey the meanings of “royalty, superiority, power or control” so long as they do not cause deception or confusion. Ms. Mok refers to other marks in relation to watches conveying a similar meaning and which have been used in Hong Kong, such as “Royal Oak” and “Emperor”. Other registered trade marks in class 14 with the same concept are exhibited.

25. Finally Ms. Mok states that she doesn’t know why reference is made to the marks “MONARCH” and “王者” in the Statutory Declaration of Cheung Kam Ping as there was no indication in the Notice of Opposition that the opponent was relying on these marks. However, she opines that “MONARCH” and “王者” are totally different from the suit mark and that the applicant does not accept that they are well-known in Hong Kong. Ms. Mok claims that the “MONARCH” and “王者” marks are only used by the opponent as the name of a range of quartz “TUDOR” watches, and are invariably used on and/or in relation to watches bearing the mark “TUDOR”. Conversely, the applicant’s “帝龍” mark will invariably be used in relation to watches marked with the marks “CONCORD” and “DELIRIUM”.

27. That concludes my review of the evidence filed.

28. The opponent filed no evidence in reply to the applicant’s evidence as

it was entitled to do pursuant to the provisions of Rule 27 of the Trade Marks Rules.

29. A date was fixed for the hearing of argument and communicated to both parties. By letter dated 17 May 2000, the opponent's agent indicated that they were instructed not to appear at the hearing.

30. On the day appointed for the hearing of argument the opponent neither appeared nor was it represented.

Decision

1. Under section 2

31. The opponent's objection under section 2 of the Ordinance is that the suit mark is incapable of indicating a connection in the course of trade between the specified goods and the applicant.

32. The opponent does not explain how the suit mark fails in this task. If the objection is that, due to the extensive reputation the opponent enjoys in its marks anyone, seeing the suit mark applied to any of the specified goods, would believe that the goods were connected to the opponent (or some other trader), then there is simply no independent evidence to support this.

33. If the objection is that the suit mark is not a trade mark relating to goods by reason that the applicant does not intend to mark its goods with the suit mark, then this objection would be misconceived. To qualify as a trade mark relating to goods, the suit mark must firstly fall within the definition of a "mark". The suit mark comprises two Chinese characters arranged horizontally. There can be no doubt that they comprise a "sign that is visually perceptible and capable of being represented graphically". The suit mark is accordingly a "mark" by definition. Secondly it must be used or proposed to be used in relation to the goods for the purpose of indicating a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark whether with or without any indication of the identity of that person.

34. It is quite clear from the declaration of Ms. Mok that the applicant wishes to establish the suit mark as a Chinese equivalent of its “DELIRIUM” mark. It intends to do so by attaching, to its watches, tags or labels with those characters and by associating the Chinese characters with the English mark in Chinese language advertising, promotional and sale literature. This, in my judgement, is use “in relation to the goods” for the purpose specified in the Ordinance. The definition does not require the suit mark to be marked upon the goods. In *Kerly* (Kerly’s Law of Trade Marks and Trade Names 12th Ed.) paragraph 2-06 we find the following passage : “The words “in relation to” replaced in 1938 the phrase “in connection with” of the 1905 Act; they were intended to include use in advertisements, something previously considered by the Registrar not to be actual use as a trade mark.” I also refer to section 2(2)(b) of the Ordinance which provides :

“The use of a mark in relation to goods shall be construed as references to the use of the mark upon, or in physical or other relation to, goods.”

I am satisfied, were this the opponent’s thrust in its Notice of Opposition, it too must fail.

35. I find that the applicant has defeated the opposition under section 2.

2. Under sections 9 and 10

36. The opponent’s objection under sections 9 and 10 of the Ordinance is that the suit mark is not [inherently] adapted to, nor capable of, distinguishing the specified goods of the applicant.

25. The applicant, in paragraph 10 of the Statutory Declaration of Shirley Mok, explains how the suit mark was chosen. She states : “As Asia has increasingly become an important market for “CONCORD” watches and as many customers or potential customers for these watches in Asia are Chinese, the applicant had, for a number of years, wanted to adopt and use a Chinese mark in relation to “(CONCORD)” watches as well as a Chinese equivalent for the name “DELIRIUM”. The Chinese equivalent which was ultimately devised and chosen in 1993 for “CONCORD” was “君皇” (“Gwun Wong”). In the case of the “DELIRIUM” mark,

the Chinese equivalent which was chosen is “帝龍” (“Tai Lung”). The applicant intends to use this mark alongside the “CONCORD” and “DELIRIUM” trade marks on and/or in relation to its “DELIRIUM” range of ‘CONCORD’ watches.”

38. Unless the characters chosen are incapable in law of being distinctive, I am at a loss to understand in what regard the suit mark is said not to be inherently adapted to distinguish. The opponent, in paragraph eight of the Statutory Declaration of Cheung Kam Ping disagrees that the suit mark is a close translation of, or transliteration of “DELIRIUM”. He may be right, but that criticism has no bearing upon the question of whether the suit mark is inherently adapted to distinguish the applicant’s goods from the goods of others.

39. Mr. Stephen Martin Hayward, in paragraph 6 of his Statutory Declaration filed on behalf of the opponent states that he has found no evidence that the applicant has ever used or promoted the suit mark in relation to their watches. By contrast the opponent’s Chinese mark is well-known. I have already commented that, as no reference is made elsewhere in the declaration to any Chinese mark of the opponent, I cannot be certain to which Chinese mark he is referring. I shall assume it is the “帝舵” mark as this is the only mark referred to in the pleadings. I make nothing of this point as there is no prohibition to the registration of an unused mark if it otherwise fulfills the requirements for registration contained in section 9 or 10.

40. Mr. Cheung states that the overall idea of the suit mark is the same as the opponent’s trade mark “帝舵”. If by that, the opponent is alleging that the suit mark is not inherently adapted to distinguish as aforesaid because of a duplicity of concept between it and the opponent’s mark, the question is better determined in the overall context of deceptive similarity. Strictly speaking a mark which offends against section 12(1) or 20 cannot be distinctive but, as suggested by Kerly (supra) footnote 2 to paragraph 10-01, it is convenient to treat objections under those sections separately from objections under sections 9 and 10. In the absence of any further explanation of why the suit mark should be disallowed under sections 9 or 10, I shall now briefly state my reasons for finding that the Registrar properly accepted, on a prima facie case, the suit mark for registration in Part A of the Register.

41. Section 9 is a restrictive provision. To be registrable in Part A of the Register, a trade mark must, not only contain or consist of at least one of the essential

particulars contained in paragraphs (a), (b), (c) or (d) of section 9(1), but it must also be distinctive. If it does not fulfil these requirements, it cannot be registered. I have no discretion. The particular type of “distinctiveness” addressed by the section is the ability to distinguish the proprietor’s goods from the same or similar goods marketed by someone else. Though distinctiveness is always required, in a case which is shown to fall squarely within paragraphs (a), (b), (c) or (d) of section 9(1), the requirement of distinctiveness will, at any rate in the normal case, be satisfied without the need to show more – see *Elvis Presley Trade Marks* (CA) [1999] R.P.C. 567.

42. The suit mark does not fall within paragraphs (a), (b) or (c) of section 9(1). Is it a word or words having no direct reference to the character or quality of the goods so as to come within the terms of paragraph (d) of section 9(1)? In my judgment it is. The two Chinese characters of the suit mark have been translated by the Registrar, with the acquiescence of the applicant, as “the monarch, the dragon”. “The monarch, the dragon” has no direct reference to the character or quality of “precious metals and their alloys and goods in precious metals or coated therewith not included in other classes; jewellery, precious stones; horological and chronometric instruments”. The characters cannot be categorised as a laudatory epithet applied to the specified goods. As a grouping of characters, they are not characters which other traders in similar goods would be likely, in the ordinary course of their business and without improper motive, to desire to use to describe their goods within the bounds of the test propounded by Parker J. in the “*W&G*” case (1913) 30 R.P.C. 660. The suit mark has a branding function and nothing else. The suit mark is not therefore precluded in law from being distinctive. In my judgment, the suit mark is inherently adapted to distinguish the goods of the applicant from similar goods of other traders.

43. Having found that the suit mark qualifies prima facie for registration in Part A of the Register, there is no need for me to go on to consider section 10.

44. It follows from the above findings that the applicant has defeated the opposition under sections 9 and 10 of the Ordinance.

3. Under Section 12(1)

45. Before an opponent can mount an opposition under this section, it must

first overcome the burden of establishing that its mark or marks are known to a substantial number of persons in Hong Kong – see *Re Arthur Fairest Ltd.’s Application* (1951) 68 R.P.C. 197. The reason for this requirement is simply that, if the opponent’s marks are comparatively unknown in Hong Kong, deception or confusion is unlikely to arise. If the opponent discharges this burden, the onus 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 mark proceeds to registration – *Eno v Dunn* (1890) 15 App Cas 252 at 261.

46. Mr. Yan argues that, on the evidence filed, the opponent falls far short of establishing sufficient cognizance of its mark in the relevant sector of Hong Kong’s population to enable it to mount an opposition under section 12(1). I am fully in agreement.

25. The opponent relies for its reputation, in its pleadings, solely on its “帝舵” mark. Mr. Hayward refers to no mark at all by name. The only evidence to be found in his declaration is the bare assertion in paragraph six that “...the opponent’s Chinese mark is well-known”. Mr. Cheung’s declaration contains only the statement: “I am aware of many promotional and advertising materials for the opponent’s trade marks TUDOR and MONARCH together with their corresponding Chinese trade marks “帝舵” and “王者”. Examples of such advertisements are exhibited to the Statutory Declaration of Stephen Martin Hayward “SMH-5” and “SMH-6” filed herein, to which I crave leave to refer. Through such promotion and advertising the trade marks TUDOR and MONARCH and their corresponding Chinese translations “帝舵” and “王者” have become widely known as trade marks for the opponent’s watches and no other.” This too amounts to a bare assertion unsupported by any evidence. As I have noted earlier in this decision, there are no exhibits annexed to the declaration of Mr. Hayward whatever. This is the sum total of the evidence of reputation in the opponent’s mark “帝舵” adduced. There is no evidence relating to the sums of money expended on advertising, in what media such advertisements may have been placed, nor evidence of any sales of the opponent’s watches sold in Hong Kong by reference to the “帝舵” mark.

48. The relevant date to judge the cognizance of the opponent’s mark in Hong Kong, is the date of the application to register the suit mark, viz: 9 September 1993 – see *NOVA Trade Mark* [1968] R.P.C. 357 at 360; *C (Device Trade Mark)*

[1998] R.P.C. 439 at 449.

25. I must also take into consideration the evidence adduced by the applicant. Exhibited to the Statutory Declaration of Shirley Mok are two earlier but current registered trade marks of the opponent. The first is No. 441 of 1983 comprising a “shield” device, beneath which are the characters “刁陀表” (“Tiu to piu”) translated on the Register as “perverse, a steep bank, watch”, for : “watches”; and No. 442 of 1993 comprising the “shield” device beneath which are the characters “刁陀” (“Tiu to”) for : “horological and chronometric instruments and parts and fittings thereof; jewellery”. Ms. Mok states that, at the date of her declaration, she had been in the watch trade in Hong Kong for over 15 years holding positions in the Watch Division of Gilman & Co. Ltd. as Advertising and Public Relations Manager; as Business Manager of Ogilvy & Mather, China specialising in the marketing and advertising of consumer durables including Swiss watches; as Brand Manager for the Rado Division of SMH (Hong Kong) Ltd.; before becoming managing director of Swissam, representing Concord and Movado Watches in the Asia-Pacific region. I accept Ms. Mok as someone with extensive experience in the Hong Kong watch trade, in particular in respect of various brands of Swiss watches and the Chinese marks used in relation thereto.

25. Ms. Mok states that for a long time, Chinese consumers in Hong Kong referred to “TUDOR” watches as “刁陀表” (“Diu Tor Biu” or “Diu Tor” watches). She cannot state when the opponent started to use its present mark “帝舵” (“Tai Tor”) in relation to its “TUDOR” watches. Annexed as “SM-10” to the said declaration is an advertisement which appeared in the March 1988 edition of the Chinese Readers’ Digest Magazine for the opponent’s “TUDOR” watches. The characters “刁陀表” and “刁陀” feature in the advertisement in relation to the “TUDOR” watch. I note that the “Tor” character in the earlier marks (“陀”) is not the same “Tor” character as used in the new mark (“舵”).

51. The opponent’s task of establishing a trading reputation in respect of its “帝舵” mark is accordingly made more difficult for not only must it establish a public awareness by 9 September 1993 of its new mark but must also establish that it has erased from the public’s mind, by that date, their long cognizance of the opponent’s earlier marks. Given the phonetic resemblance between “Tui or Dui To[r]” and “Tai or Dai To[r]”, common sense would suggest that the process would

not be immediate.

25. I accordingly find that, upon the evidence filed in these opposition proceedings, the opponent has not established that by 9 September 1993 its mark “帝舵” had sufficient cognizance among the relevant sector of the population of Hong Kong. It follows that in the absence of awareness of the opponent’s mark by a significant number of people, there is no reasonable likelihood of deception arising in the market place if the suit mark proceeds to registration.

53. Before passing to consider the remaining objections raised under s. 12(1), I must make mention of the statement referred to by me earlier in relation to the Hayward declaration as curious. It would appear that, as Mr. Hayward had made a Statutory Declaration, albeit on the same day in other opposition proceedings between the same parties to which evidence was exhibited, the opponent intended that evidence to also be evidence in these proceedings “in so far as it is relevant”. Lest any other opponent should be tempted to adopt a similar attitude towards the filing of evidence in future proceedings I wish to make it absolutely clear that this practice cannot be accepted by the Registrar. The “other” opposition proceedings (No. 6531 of 1993) involved a totally different mark applied for by the applicant herein; was filed on 28 June 1993, three months before this application was made; and has its own registration and its own opposition files and unique number. Although, as a result of extensions of time granted to both parties, the respective files ran almost in parallel, no application has ever been made to consolidate the oppositions. The evidence filed in the “other” opposition is intituled “In the matter of an application to register a trade mark in Hong Kong under application No. 6531 of 1993 in Class 14 ...” Most importantly, if the present matter were to go on appeal, I foresee real difficulties in including, in the appeal bundle, a statutory declaration filed in another action. It would be completely wrong for me to make my decision on material different than which would be available to an appellant court.

54. That does not dispose of the opposition under section 12(1), for I must also determine whether the suit mark would be disentitled to protection in a court of justice, a ground which, since the decision of Hunter J. in *Hong Kong Caterers Ltd. v Maxim’s Ltd.* [1983] HKLR 287, is considered to be a separate ground of objection in Hong Kong. The opponent also objects that the suit mark is contrary to law. On the facts, the only matter which could disentitle the applicant from protection would

be if the application of the suit mark to the specified goods, might amount to passing-off.

25. I find no substance in these further objections under section 12(1). Having found that the opponent has not established a reputation for its mark “帝舵” sufficient to mount an opposition under section 12(1) it must equally fail to establish a sufficient reputation for the purposes of passing-off. The opponent does not explain in what way registration of the suit mark would be contrary to law within the meaning of section 12(1). Without evidence of fraud, the application of a false trade description or copyright infringement, I cannot either.

56. It follows that the applicant has defeated the opposition under section 12(1).

4. Under Section 13(1)

57. Section 13(1) provides :

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

58. The opponent has adduced no evidence to explain why it asserts that the applicant is not entitled to claim proprietorship of the suit mark. If the opponent is relying on its prior use of its mark to challenge the applicant’s claim of entitlement to proprietorship of the suit mark, then the respective marks must be identical or virtually so. This principle was clearly established in *Re Wowi & Device Trade Mark* [1998] 3 HKC 221, wherein Recorder Robert Kotewall S.C. reviewed a number of Australian authorities (the point not having been decided in Hong Kong or in the United Kingdom) and came to the conclusion :

“But ultimately, in my judgment, the applicant [for removal] fails on the issue of proprietorship since the Australian authorities to which I have referred establish the necessity of an applicant for rectification showing

virtually identical marks in respect of identical goods before such an application can succeed. Despite Mr. Garland's cogent submission that I should consider simply the device alone, I have not felt able to do so in the face of the Australian authorities which seem to me to make commercial sense and to be consonant with the general tenor and principles of trade mark law." (page 236G)

The fact that the case involved an application for the removal of a registered mark is not a point of distinction as the removal application was based upon a prior claim to proprietorship, but of what was held to be a dissimilar mark.

59. I find that none of the opponent's marks referred to in evidence, registered or otherwise, are virtually identical marks to the suit mark. It follows that the opposition under section 13(1) is defeated.

5. Under Section 20(1)

60. Section 20, in so far as it related to goods, provides :

“Prohibition of registration of identical and resembling trade marks

(1) Except as provided by section 22, no trade mark relating to goods shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a trade mark belonging to a different proprietor and already on the register in respect of –

- (a) the same goods
- (b) the same description of goods; or
- (c) services or a description of services which are associated with those goods or goods of that description.

Section 2(4) of the Ordinance, which is relevant to the definition of “nearly

resembles”, provides that a near resemblance of marks is a resemblance “so near as to be likely to deceive or cause confusion.”

61. The applicant has not pleaded section 22 in aid. The two issues for determination are, whether the goods for which the suit mark is sought to be registered, the same goods or goods of the same description as those of the opponent’s registration; and if so, is the suit mark identical to, or does it so nearly resemble the opponent’s mark as to be likely to deceive or cause confusion?

25. The opponent relies upon its registered mark “帝舵” in its pleadings. The Certificate of Registration of the mark however has not been adduced in evidence. Again I must comment on this critical omission. The comparison to be made under section 20(1) is between the opponent’s mark as it appears on the Register and the applicant’s mark as accepted by the Registrar in fair and notional use upon the specified goods. Neither has been exhibited. It has long been the practice of the Registry (and for that matter, also of the UK Patent Office) that a copy of the accepted application will be placed on the opposition file. It is accordingly understandable that the applicant has not separately proved the suit mark. No such practice however has ever existed in respect of marks the opponent wishes to rely on. These should be properly proved. Again, the reason for insisting on this practice is that I should not be making a decision on evidence not properly proved by Statutory Declaration – see Section 83 of the Ordinance, and which would be different from the evidence that would go forward to an appellate court. I can easily search the Register, but an appellate court would be inconvenienced.

63. I am mindful however of two further matters. Firstly, the applicant has specifically admitted the opponent’s registration of trade mark No. 3975 of 1991 in paragraph one of its Counter-Statement. Secondly, in *Cropper v Smith* (1883) 26 Ch. D. 700 at 710 – 711 Bowen L.J. made the following observations :

“It is a well established principle that the object of the Court is to decide the rights of the parties, and not to punish them for mistakes they make in the conduct of their cases by deciding otherwise than in accordance with their rights ... Courts do not exist for the sake of discipline, but for the sake of deciding matters in controversy, and I do not regard such amendment as a matter of favour or grace ...”

64. Although the opponent has made no application to file further evidence or to amend its pleadings, I do not believe I can do justice between the parties if I simply struck out this ground of objection for want of the Registration Certificate the applicant has not raised in issue.

65. The opponent's mark 3975 of 1991 is in respect of "precious metals and their alloys and goods in precious metals or coated therewith; jewellery, precious stones; horological and chronometric instruments and parts and fittings thereof, watch bands and wrist watches". It is quite clear from this that the goods for which the applicant seeks registration are the same goods as those for which the opponent is the registered proprietor. The first leg of the test is accordingly satisfied.

66. Does the suit mark so nearly resemble the opponent's mark or marks as to be likely to deceive or cause confusion?

67. The accepted test to be applied under section 20(1) is that stated by Evershed J. in *Smith Hayden & Co.'s Appln.* (1946) 63 R.P.C. 97. Adapted to the matter in hand, the test may be expressed as follows :

"Assuming use by the opponent of its mark "帝舵" in a normal and fair manner in respect of horological and chronometric instruments, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion among a substantial number of persons if the applicant also uses its mark "帝龍" normally and fairly in respect of horological and chronometric instruments?"

I have disregarded use by the opponent of its marks and the proposed use by the applicant of the suit mark on the other goods listed in the respective specifications as it is clear from the evidence filed that the only significant use made of the respective marks is upon watches.

25. As neither the suit mark nor the opponent's mark "帝舵" are adorned or embellished in any manner, I can make the comparison on the basis that they are word marks simpliciter.

69. The established test for the comparison of word marks is that promulgated by Parker J. in *Pianotist Co. Ltd.'s Application* (1906) 23 R.P.C. 774 at 777.

“You must take the two words. You must judge of 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 marks is used in a normal way as a trade mark for the goods of the respective owners of the marks”.

70. Both marks comprise two Chinese characters. The first character is common to both. The second character is markedly different both in appearance and in stroke count. However, trade marks are not generally seen side by side. I must instead apply the sequential or imperfect recollection test, best summarised in the following passage from *Sandow Ltd.'s Appln.* (1914) 31 R.P.C. 196 at 205.

“The question is not whether if a person is looking at two trade marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed trade mark in the absence of the other mark, and in view only of his general recollection of what the nature of the other mark was, would be liable to be deceived and to think that the trade mark before him is the same as the other, of which he has a general recollection.”

71. There is no direct evidence before me of how members of the public in Hong Kong would react on seeing the suit mark in the circumstances described above. Mr. Cheung in his Statutory Declaration surmises that as : “the overall idea and meaning of the applicant’s mark denotes royalty, superiority, power and control ...[it is] the same as the opponent’s trade mark “帝舵” ...and confusion and deception of the trade or public is likely to occur to purchasers or potential purchasers as a result of them thinking that the applicant’s products are those of the opponent, or are in some way related with or endorsed by the opponent.”

72. It has been long recognised that, in the determination of whether there is a deceptive similarity between two marks, it is important to consider any “idea”

suggested by the marks. The cases supporting this proposition have, in the main, involved device marks – see *Johnson v Orr-Ewing* (1882) 7 A.C. 219 (marks comprising elephants with banners); *Boord & Son v Huddart* (1904) 21 R.P.C. 149, and *Boord & Son v Thom and Cameron Ltd.* (1907) 24 R.P.C. 697 (the “cat and barrel” cases); “*Dreadnought*” case (1922) 17 A.O.J.P. 1196 (“Ironclad” and “Dreadnought” with similar battleship devices); *Danish Bacon Ltd.’s Appln.* (1934) 51 R.P.C. 148 (representations of pigs refused in the face of “Three Pigs Brand” and a mark comprising a representation of three pigs) to name a few.

73. However, as has been pointed out by *Kerly* (supra) in paragraph 17-08, “...with word marks, the Court is apt to be more impressed by the dangers of giving the plaintiff what amounts to a monopoly in a large class of words”. This is particularly so if, in all other respects, the marks are significantly different.

74. In *Cooper Engineering Co. Pty. Ltd. v Sigmund Pumps Ltd.* (1952) 86 C.L.R. 536 at 538-9 the following passage appears :

“‘Rainmaster’ does not look like ‘Rain King’ and it does not sound like it. There is not a single common letter in master and in King. The two words are so unlike to the eye and to the ear that counsel for the appellant was forced to rely on the likelihood of deception arising from the two words conveying the same idea of the superiority or supremacy of the article as a mechanism for making a spray similar to falling rain or artificial rain as it was called during the argument. But it is obvious that trade marks, especially word marks, could be quite unlike and yet convey the same idea of the superiority or some particular suitability of an article for the work it was intended to do. To refuse an application for registration on this ground would be to give the proprietor of a registered trade mark a complete monopoly of all words conveying the same idea as his trade mark. The fact that two marks convey the same idea is not sufficient in itself to create a deceptive resemblance between them, although this fact could be taken into account in deciding whether two marks which really looked alike or sounded alike were likely to deceive.”

75. The case has been followed in the subsequent cases of *Protim Limited v Roberts Consolidated Industries Inc.* 2 IPR 532; and in *Dial-An-Angel Pty. Ltd. v*

Sagittaur Systems Pty. Ltd. 19 IPR 171. I also propose to follow it.

25. Applying the sequential or imperfect recollection test, in my judgment, I do not believe that a purchaser of watches, have a passing familiarity with the “帝舵” mark would, upon seeing the suit mark applied to watches have reason to wonder whether they came from the same source as there are too many other visual clues to disabuse him of this notion. I shall deal more specifically with this when I consider trade outlets later in the decision. This view is not affected by the common usage of the concept of royalty.

77. I turn to the sound of the respective marks and the test laid down in the case of *Aristoc Ltd. v Rysta Ltd.* (1945) 62 R.P.C. 65.

“The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of section 12 (our section 20) of the Trade Marks Act 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived or confused. It is the person who only knows the one word, and perhaps has an imperfect recollection of it, who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution.

The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person’s wants.”

78. Applying this test I am unable to find aural similarity between the respective marks. “Tai To” or perhaps more accurately “Dai Tor” could not be confused with “Tai Lung”, the Registry’s transliteration, accepted by the applicant as accurate.

79. In addition to a comparison of the marks per se, I must also consider

the trade channels and the persons who will encounter the goods. There is a conflict in the evidence filed as to whether the respective goods compete in the same market. Mr. Yan argues that the unchallenged evidence is that the applicant's watches are marketed as exclusive and high class timepieces aimed at the top end of the market, whereas the opponent's watches are marketed as a second or cheaper line of "Rolex" watches. He relies on the statements contained in the Statutory Declaration of Shirley Mok, particularly paragraphs 3, 8, 15 and 17. Mr. Cheung, on the other hand claims, in paragraph 6(c) of his declaration that : "Watches and related products of both the opponent and the applicant are of similar prestige and elegance aiming at a similar market sector, with potential purchasers having a similar range of purchasing power."

80. It is unnecessary for me to resolve this dispute for both ranges are likely to be found for sale in the same outlets. More potent an argument is that watches at this end of the market are not a casual purchase. Whilst many may select solely on the physical appeal of a watch design, as many would purchase on the basis of brand loyalty or as a result of advertising or recommendations. Sufficient care would be exercised in the purchase of these watches to dispel any tangible danger of confusion even if the marks had been aurally or visually more similar.

25. Mr. Cheung, who was born and raised in Hong Kong and is a native Cantonese speaker is of the view (paragraph seven) that, as the majority of Hong Kong people do not read English, they will refer to the respective trade marks by reference to their Chinese names. The point is not addressed by the applicant. I have no independent evidence to back this assertion, but in the absence of a challenge, I accept it as correct. I do not however see how this assists the opponent. Whether watches are purchased by reference to their English names, "TUDOR" or "DELIRIUM" or by their Chinese names "帝舵" or "帝龍" does not appear to be relevant if the marks are not confusingly similar.

82. I have also considered the principle, propounded in cases that dealt with the issue, that when considering deceptive resemblance of two marks having a common element it is the different element that gains in significance – see *Coca-Cola of Canada v Pepsi-Cola of Canada* (1942) 59 R.P.C. 127 and *Broadhead's Application* (1950) 67 R.P.C. 209.

83. This is an appropriate moment to mention one further matter which I have found persuasive. It is that, neither the suit mark nor the mark relied upon to oppose its registration are or are intended ever to be marked upon the respective goods of the applicant and the opponent. This is established in paragraphs 10, 14 and 20 of Ms. Mok's declaration. The significance of this is that no purchaser will ever encounter goods marked “帝舵” or “帝龍” in isolation. What they will encounter are “TUDOR” watches which have the Chinese equivalent used in relation thereto (the evidence does not establish how precisely) and “CONCORD DELIRIUM” watches with the suit mark used in relation thereto by way of a label or tag or by way of Chinese language advertisements and promotional material. This, in my judgement removes any residual risk of confusion or deception in the market place.

84. I accept that this observation may be more appropriate in the context of a section 12(1) objection where the comparison to be made is between the opponent's mark as it is in fact used and the suit mark in fair and notional use. However, a tribunal cannot ignore a significant aspect of the evidence by blind adherence to technical rules. If, having found as I have, that there is no deceptive similarity visually or aurally between the respective marks it would seem to me to be obtuse if, in considering the effect the marks may have in the market place, (as the test in *Pianotist* requires) I was to have no recourse to the evidence of actual use of the opponent's mark and intended use of the applicant's mark. It is to be borne in mind that Parker J. was interpreting section 72 of the Act of 1883, the forerunner to our section 20, not section 12(1) in his classic exposition.

85. Applying all of these principles to the facts of the case, I find that there is no reasonable likelihood that members of the public will be deceived into thinking that the application's goods marked with the suit mark are those of the opponent or in some way related to or endorsed by the opponent.

86. It follows that the opposition under section 20(1) is also defeated. It also follows from this and from the findings in paragraphs 65 through 85 that the suit mark is, I find, inherently adapted to distinguish in the face of the opponent's mark and not merely on a prima facie case, a finding I had left open to this point for reasons stated in paragraph 40 hereof.

6. Under Section 13(2)

87. The exercise of discretion pursuant to section 13(2) arises when opposition under sections 12(1), 13(1) and 20(1) 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 why registration should be refused for a qualifying mark, the exercise of discretion should not be adverse to the applicant. No proper reason has been advanced by the opponent and I accordingly decline to exercise my discretion against the applicant.

Costs

88. Mr. Yan makes the unusual application for costs to be ordered against the opponent on an indemnity basis. He relies upon the totally unmeritorious opposition, the opponent's conduct in taking no further part in the proceedings once the existence of its earlier registered trade marks was exposed; and its failure to withdraw its opposition in the face of inevitable defeat, forcing the applicant to incur full costs in presenting its case.

89. Whether or not I have the power to award costs on an indemnity basis is a matter I find unnecessary to decide. It is a matter of some importance and I would benefit from full argument. I set out briefly why, after reviewing the authorities, I find the opponent's conduct in this matter has not been such as to bring it outside the general rule. As Godfrey JA said in *Sung Foo Kee Ltd. v Pak Lik Co (a firm)* [1996] 3 HKC 570 at 575, to bring the discretion to award indemnity costs into play, there has to be some special or unusual feature which could justify such an award. There has been no contempt of the tribunal, no oppressive prosecution of the opponent's case, and I do not believe there was any improper motive in bringing its opposition. I have found that the opposition failed on all grounds, but not that it was completely unmeritorious. The failure to support its "kitchen-sink" grounds and the failure to amend its pleadings to focus on the real issue in dispute is a practise I do not endorse, but unfortunately one that is all too common in oppositions coming before the Registrar. The final matter, that of failing to append exhibits to the evidence affected only the section 12(1) threshold. For all the above reasons I decline Mr. Yan's application.

90. I accordingly order that the opponent pays the costs of these proceedings. 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.

(K.S. Kripas)
p. Registrar of Trade Marks
18 August 2000