

Application No 4641/94

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

AND

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



in Class 32 in Part A of the Register by Wong
Wai-Fun

AND

IN THE MATTER of oppositions thereto by
Quinwood Limited and Li Chung Shing Tong
(Holdings) Limited (李眾勝堂(集團)
有限公司)

DECISION
OF

Miss Fung Shuk Hing acting for the Registrar of Trade Marks after a hearing on Friday, 30
April 1999

Appearing: Mr Gary Kwan, Counsel, instructed by Messrs Johnson Stokes & Master on
behalf of the Opponents. Quinwood Limited and Li Chung Shing Tong
(Holdings) Limited (李眾勝堂(集團)有限公司)

1. On 27 April 1994 ("Application Date") Wong Wai-Fun ("Applicant") of Hong Kong applied under the Trade Marks Ordinance (Cap 43) ("Ordinance") for registration of a trade mark in Part A of the Register in Class 32 in respect of, following a subsequent authorised amendment, "beverages blended with herbs: all included in Class 32" ("specified goods"). A representation of the mark applied for appears below:-



2. Leave to advertise the suit mark in respect of the specified goods was given on 15 January 1996 on conditions that the transliteration and translation of the Chinese characters appearing in the suit mark are: "眾勝" reading "Chung Shing" meaning "all, win", "眾勝堂" reading "Chung Shing Tong" meaning "all, win, hall", and registration of the suit mark shall give no right to the exclusive use of the word "CHUNG" and "TONG" and the Chinese character "堂".

3. The suit mark was advertised in the Gazette on 1 March 1996.

Notice of Opposition

4. The application was opposed by Quinwood Limited ("First Opponent") of Channel Islands and Li Chung Shing Tong (Holdings) Limited (李眾勝堂(集團)有限公司) ("Second Opponent") of Hong Kong, which, by their notice of opposition dated 30 April 1996, relies on grounds effectively that:-

- (a) The First Opponent is the proprietor of Hong Kong marks being:-
- (i) **PO CHAI PILLS LI CHUNG SHING TONG 保濟丸李眾勝堂** registration number 113/38 in Class 3 in respect of "chemical substances prepared for use in medicine and pharmacy"; and
 - (ii) **PO CHAI PILLS 保濟丸李眾勝堂** registration number 1684/71 in class 5 in respect of "medicinal and pharmaceutical preparations: medicated pills for use in the treatment of stomach ailments".

(The marks referred to in (i) and (ii) are collectively called the "First Opponent's marks".)

- (b) The Second Opponent is the registered user of the First Opponent's marks.

(The First Opponent and the Second Opponent are collectively called the "Opponents".)

- (c) The First Opponent's marks have been registered in other countries.
- (d) Goods bearing the First Opponent's marks have been widely and substantially sold and marketed for a long time in many places of the world including Hong Kong.
- (e) The Second Opponent, being a manufacturer and merchant of the goods bearing the First Opponent's marks, has been carrying on medicine business under the name **LI CHUNG SHING TONG (HOLDINGS) LIMITED 李眾勝堂(集團)有限公司** ("trade name") in Hong Kong and other countries for a long time.
- (f) The First Opponent's marks and the trade name have acquired substantial reputation in Hong Kong and elsewhere.
- (g) The First Opponent's marks and the trade name have become distinctive of and identified exclusively with the Opponents and their goods.
- (h) The suit mark is visually and phonetically identical to the First Opponent's marks.
- (i) The English words of the suit mark "**CHUNG SING TONG**" are almost visually and phonetically identical to the substantial part of the Second Opponent's English trade name principally "**LI CHUNG SHING TONG**". The Chinese words of the suit mark "眾勝堂" are visually and phonetically identical to three out of the four characters of the Second Opponent's Chinese trade name principally "李眾勝堂".
- (j) In view of the aforesaid and the worldwide notoriety of the First Opponent's marks and the trade name, use and/or registration of the suit mark would inevitably cause confusion or mistaken belief amongst the general public who would be misled into thinking that the Applicant's specified goods are associated or connected in the course of trade with the Opponents. Use of the suit mark would therefore be likely to deceive or cause confusion and would be disentitled to protection in a court of justice under section 12(1) of the Ordinance.

- (k) The suit mark, being almost identical with the First Opponent's marks and the trade name, is not registrable because the common law action of passing off would be available to the Opponents if the Applicant uses the suit mark.
- (l) The suit mark is neither adapted to distinguish nor capable of distinguishing the Applicant's specified goods under sections 9 and 10 of the Ordinance.
- (m) The Opponents would be prejudiced and suffer loss and damage if the Applicant is permitted to register the suit mark.

5. The Opponents also seeks refusal of registration in exercise of the Registrar's general discretion.

Counter-statement

6. The Applicant by his counter-statement lodged on 17 July 1996 relies, effectively, on the following grounds in support of his application:-

- (a) The Applicant has inherited his grandfather's mark 翠勝蔗汁食品館 which has been used in Mainland China including Guangzhou (廣州), Zhongshan (中山), Shunde (順德), Zhuhai (珠海), Foushan (佛山), Hong Kong and Macao and shops have been widely established for almost eighty years.
- (b) There are thirteen words in the marks of the Opponents whereas there are only two words in the suit mark.
- (c) The Opponents' goods are in Class 5 whereas the Applicant's specified goods are in Class 32.
- (d) The applicant is willing to accept the alteration of the suit mark.

7. The Applicant also seeks registration in exercise of the Registrar's discretion.

Evidence

8. Evidence of the Opponents consists of a statutory declaration dated 4 February 1997 by Karen Lee, Chairman of the Opponents, together with Exhibits 1 to 3 filed pursuant to Trade Marks Rule 25 ("Lee's Statutory Declaration").

9. I shall in the course of this decision refer to the relevant extracts from Lee's Statutory Declaration, where necessary. I shall also assess the evidence on its merits in the light of the submissions at the hearing.

Preliminary Point

10. Mr Kwan pointed out the Applicant was not present at the hearing. Mr Kwan also drew my attention to a note received by the agents of the Opponents, copy of which has been sent to the Registrar under cover of their letter dated 12 August 1998. The note mentioned the suit application number and “本人擬不請此商標名稱，將申請更改另一合適名稱。謝謝。此致商標註冊處。” (in English means: I do not intend to request this trade mark name and would apply to change to another suitable name. Thank you. To the Trade Marks Registry). At the bottom of the note, “WONG WAI FUN” is put therein. Mr Kwan then suggested the Applicant was not interested to pursue the suit application.

11. The Applicant did not appear and was not represented at the hearing. This is envisaged by the provisions of Trade Marks Rule 30. While this may show the Applicant's desire not to be heard, I should not draw the further inference that the Applicant is not interested in pursuing the suit application. The note received by the agents of the Opponents by no means shows the Applicant's wish not to pursue the suit application. At the most, it may show the Applicant's intention to amend the suit mark. At the hearing, Mr Kwan acknowledged that it had not been proved beyond reasonable doubt that the note was sent by the Applicant.

Grounds of Opposition

12. The Opposition is based on section 12(1) of the Ordinance. The Opponents are also relying, if necessary, on section 20(1).

Section 12(1)

13. As at the Application Date, the provisions of section 12(1) of the Ordinance are as follows:-

“ 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.”

14. Whilst there are slight differences between section 12(1) of the Ordinance and section 11 of the United Kingdom Trade Marks Act 1938 (the likelihood of deception, which is wide enough to catch confusion, being an independent ground of objection under section 12(1)) decisions on section 11 of the 1938 Act are relevant to section 12(1) of the Ordinance and it can be considered on much the same basis as section 11 of the 1938 Act.

15. Section 12(1) of the Ordinance extends to cases where the confusion is with the name on which an opponent is relying or any other matter that associates the goods in question with an opponent.

16. The accepted tests to be applied to consideration of cases under section 12(1) of the Ordinance are those propounded by Evershed J in **Smith Hayden & Co's Application (1946) 63 RPC 97** at page 101. Adapted to the features of the suit case and with recognised glosses they may be expressed as follows:-

“ Having regard to the reputation in the name on which the Opponents are relying is the tribunal satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be likely to cause deception or confusion amongst a substantial number of persons? May a number of people be caused to wonder whether goods under the respective name and mark come from the same source? Is there a real tangible danger of confusion if the applied for mark is put on the Register?”

17. The reference to “substantial” is a question to be judged in relation to the markets for the goods concerned. “Persons” are all those people likely to become purchasers of the goods involving the use of the respective name and mark.

18. The onus is on the Applicant to defeat the opposition under section 12(1) of the Ordinance. This is done by satisfying me there is no reasonable probability of deception or confusion, the test, in different words, being whether use of the suit mark by itself on the specified goods, in any manner which can be regarded as normal fair use of it, will be calculated to deceive or cause confusion, without necessarily leading to passing off. The suit mark must offend if it is likely to cause deception or confusion in the minds of persons to whom it is addressed, even if actual purchasers will not ultimately be deceived. Likely purchasers must not be put into a state of doubt.

19. To bring section 12(1) of the Ordinance into operation an opponent must show some reputation for the name on which it is relying in Hong Kong derived from user in the widest sense or awareness of it here. The onus then shifts to the applicant to show there is no reasonable likelihood of deception or confusion.

20. The actual extent of the reputation of the name on which an opponent is relying and the range of goods for which it has been achieved are factors in determining whether there is sufficient likelihood of deception or confusion to warrant refusal of registration under section 12(1) of the Ordinance.

21. Section 12(1) of the Ordinance also extends to cases where the name on which an opponent is relying has been used upon goods of a different description from or not closely related to those for which registration is sought if confusion may be likely due to the name on which an opponent is relying being particularly well-known, it is an unusual or invented word or the applicant has closely copied a distinctive name.

22. The public at large, purchasers or likely purchasers of goods involving the use of an applicant's mark and the name upon which an opponent is relying, must not be put in a position where they would infer the goods come from the same source or at least be caused to wonder whether that might not be so.

23. Having regard to the reputation in the name on which the Opponents are relying in Hong Kong at the Application Date I must decide whether it would be likely that the public would be deceived or confused if the suit mark is used in relation to any of the specified goods.

24. I do not have a discretion under section 12(1) of the Ordinance. If the Opponents succeed registration must be refused. If I am in doubt registration must be refused.

25. The relevant date for determining these proceedings is the Application Date.

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

27. Mr Kwan submitted there has been a long history of use of the name 李眾勝堂. He referred to Lee's Statutory Declaration and the exhibits therein and summarised that 李眾勝堂 was founded as a family business by a Mr Li Shiu Ki in Foushan, Guangdong in about 1890, the business of 李眾勝堂 was started in Hong Kong in about 1950 and had been continued since then, and there had been substantial sales of po chai pills (保濟丸) under and by reference to the name 李眾勝堂 in Hong Kong. By reason of the extensive sales and promotional activities relating thereto, Mr Kwan concluded, the substantial goodwill and reputation in the name 李眾勝堂 had been established.

28. Some copy advertisements at Exhibit 2 of Lee's Statutory Declaration show that 保濟丸 under the name 李眾勝堂 have been on sale in Hong Kong for tens of years. The Opponents can mount an opposition under section 12(1) of the Ordinance.

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

“ You must take the two words. You must judge 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 trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case.”

30. The resemblance between the respective name and mark 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 the respective name and mark by general impression or some significant details, rather than by photographic recollection of the whole. Too detailed an examination of the respective name and mark should not be made. The question of resemblance is one of first impression. The respective name and mark should not be compared side by side but rather as a whole, regard being had to the idea of each of the respective name and mark. Ultimately whether the respective name and mark resemble each other or not is a question of fact, to be judged objectively.

31. Under section 12(1) of the Ordinance the name upon which the Opponents are relying is considered in its form as actually used and the Applicant's suit mark is considered in notional fair use, which is any normal and fair use a registered proprietor may make of his mark in ordinary course of business in respect of goods covered by the registration.

32. Mr Kwan submitted the suit mark 眾勝堂 was virtually identical to the name 李眾勝堂 upon which the Opponents were relying in all material respects, both phonetically and visually. Mr Kwan pointed out the only difference between the respective name and mark was that the suit mark had left out the character 李 which was a common surname among the Chinese. Mr Kwan considered the Applicant could not use 李 as the surname of the Applicant was 黃.

33. Mr Kwan said the idea of the respective name and mark was the same, that is, the hall of all winning persons.

34. Mr Kwan submitted the goods that were of concern to the parties were closely allied to each other. He said the composition of po chai pills under the name 李眾勝堂 upon which the Opponents were relying and the Applicant's specified goods was very similar in that they were made of herbs. Mr Kwan, citing "Floradix" T M [1974] RPC 583, further said that the general nature of the goods that were of concern to the parties was the same as they were both intended to have a curative, palliative or fortifying effect on humans. By relying on the documents at Exhibit 2 of Lee's Statutory Declaration, Mr Kwan pointed out the use of the goods that were of concern to the parties was similar given that they were used to prevent or help people recover from problems like influenza or cold attacks or headaches and were to be administered orally. Mr Kwan considered it would be a natural extension to turn the po chai pills under the name 李眾勝堂 upon which the Opponents were relying into a liquid form, just like the trend of turning soap into a liquid form. Mr Kwan said if that happened, the goods that were of concern to the parties would be virtually the same.

35. Mr Kwan said there would be confusion if the people's minds would be put in a state of doubt or uncertainty, for example, if they would wonder whether the Applicant's specified goods were provided or associated with the name 李眾勝堂 upon which the Opponents were relying and in the circumstances the purchasing public would not be sure whether there had been the extension of business from the sale of po chai pills under the name 李眾勝堂 upon which the Opponents were relying into the field of selling herbal tea.

36. Mr Kwan concluded that the respective name and mark were deceptively or confusingly similar.

37. In the Counter-statement, there can be the suggestion from the Applicant that the number of words in the respective mark and name is different, and the Applicant's specified goods and the goods under the name upon which the Opponents are relying are in different classes.

38. It is not possible to discover from decided cases any standard as to the amount of resemblance which may suffice to deceive or cause confusion. Except in so far as they lay down a general principle, cases are of little assistance in determining new questions of fact raised on other materials.

39. The suit mark is shown in paragraph 1.

40. The Applicant has not provided evidence showing use of the suit mark in relation to the specified goods.

41. The use of the name upon which the Opponents are relying as shown at some copy advertisements at Exhibit 2 of Lee's Statutory Declaration (see paragraph 28) is 李眾勝堂, much as shown herein.

42. As name and mark are to be compared each as a whole it is correct when comparing the suit mark with the name upon which the Opponents are relying to consider its impact as a whole. The part of the suit mark requiring the disclaimer of the word "CHUNG" and "TONG" and the Chinese character "堂" (see paragraph 2) retains a trade significance when determining whether the respective name and mark are confusingly similar. It is necessary to focus attention on the content of the suit mark as a whole and not upon the content of the protection afforded it if registered.

43. The suit mark comprises three parts being arranged vertically. The first part is three English words **CHUNG SING TONG**. The second part is two Chinese words 眾勝 inside a circle, and their transliteration and translation are "Chung Shing" and "all, win" respectively. The third part is three Chinese words 眾勝堂 which are underlined and put inside two thickened brackets, and their transliteration and translation are "Chung Shing Tong" and "all, win, hall" respectively. As words generally speak louder than devices and the devices in the suit mark are peripheral in nature, the essential features of the suit mark are **CHUNG SING TONG**, 眾勝 and 眾勝堂.

44. The name upon which the Opponents are relying would be recognised visually as 李眾勝堂. It would be referred to orally as a 李眾勝堂 name.

45. Out of the three essential features of the suit mark, the whole of two essential features of the suit mark, that is, 眾勝 and 眾勝堂 forms part of the name 李眾勝堂 upon which the Opponents are relying. In another words, the common elements of the respective

name and mark are 眾勝堂. Bearing in mind 李 is a common surname and 堂 is indistinctive in relation to po chai pills, undue weight should not be given to 李 and 堂 in the name 李眾勝堂 upon which the Opponents are relying.

46. Visually the suit mark and the name upon which the Opponents are relying, when compared as wholes, are similar. Phonetically, when they are compared as wholes, are similar.

47. The Applicant's specified goods are "beverages blended with herbs: all included in Class 32". "Herb", according to Webster's Encyclopedic Unabridged Dictionary of the English Language, New Revised Edition, means "1. a flowering plant whose stem above ground does not become woody and persistent. 2. such a plant when valued for its medicinal properties, flavor, scent, or the like." (my underlining).

48. The goods under the name 李眾勝堂 upon which the Opponents are relying are po chai pills (保濟丸) (in English means: guarantee relief pills). According to some copy advertisements at Exhibit 2 of Lee's Statutory Declaration which show the use of such name for po chai pills (see paragraph 28), such po chai pills are "家居健康良藥" (in English means: efficacious medicine for health at home). "精選國藥製成" (in English means: manufactured by carefully chosen medicine in China) and "具有治病防病能力。凡病、嘔、肚痛、各種痧症、四時感冒、身熱、頭痛、傷風、咳嗽、氣喘痰多、濕熱扭肚及各種痢症、小兒疳癆等，服之均奏實效。保濟丸對於噎食、嘔酸，酒醉，食滯、舟車暈浪等，效用尤著，如身體微覺不適，服用保濟丸可回復常態。" (in English means: Having curative and preventive effect. When having diarrhoea, vomiting, stomach ache, different types of cholera, influenza, fever, headache, common cold, coughing, asthma, phlegm, wetness-heat, stomach ache, different types of dysentery, paediatric intestinal disorders, take [po chai pills] can effectively provide the cure. With respect to dysphagia, regurgitation of stomach acid, drunkenness, over-eating, travel-sickness and nausea, po chai pills are particularly effective. If feeling slightly unwell, po chai pills can restore one's health.).

49. I agree with Mr Kwan that the nature and use of the respective goods are essentially the same. As the respective goods have medicinal properties, it follows that they are likely to be sold and purchased through the same or similar trade channels, like the chemists' shops, dispensaries, drugstores, health food shops and pharmacies at the same or similar prices. The nature and kind of customers likely to buy the respective goods are essentially the same, being generally of average intelligence and exercising normal care and attention.

50. In considering the applicability of section 12(1) of the Ordinance, I must remember that it exists not merely for the benefit of traders but also for the benefit of the public at large.

51. Given the reputation in Hong Kong of the 李眾勝堂 name upon which the Opponents are relying for po chai pills at the Application Date, I do see as at the Application Date a real tangible danger of the specified goods bearing the suit mark being taken to be

products from the proprietor of the 李眾勝堂 name upon which the Opponents are relying. I consider a substantial number of persons in Hong Kong at the Application Date seeing the suit marked specified goods would associate them with the proprietor of the 李眾勝堂 name upon which the Opponents are relying or at least be caused to wonder whether that might not be so.

52. Mr Kwan relying on **Re Omega [1995] 2 HKC 473** submitted that the marketing of the specified goods under the suit mark would constitute passing off and the use of the suit mark is therefore disentitled to protection in a court of justice under section 12(1) of the Ordinance. Having reached the conclusion in paragraph 51 I need not consider this additional ground of objection under section 12(1) of the Ordinance.

53. **Under section 12(1)** Having regard to the name on which the Opponents are relying I am not satisfied that the suit mark, if used in a normal and fair manner in connection with the specified goods, will not be likely to cause deception or confusion amongst a substantial number of persons. I consider a number of people may be caused to wonder whether goods under the respective name and mark comes from the same source. I consider there is a real tangible danger of confusion if the suit mark is put on the Register for the specified goods.

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


55. That being so, there is no need for me to consider the opposition under section 20(1) of the Ordinance.

56. As the Opponents have succeeded the exercise of my discretion under section 13(2) of the Ordinance does not arise.

Conclusion

57. The application to register the suit mark in Class 32 in Part A of the Register in respect of the specified goods fails.

58. I award the Opponents costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date hereof, costs will be calculated with reference to the usual scale, set forth in Part I of the First Schedule to Order 62 of the Rules of High Court (Cap 4A) as applied to trade mark matters, unless otherwise agreed between the parties.


(Fung Shuk Hing)
p. Registrar of Trade Marks
2 June 1999