

Application No. 883 of 1998

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

AND

IN THE MATTER of an application by Chi
Wing and Law Oi Ying trading as Singapore
Headway Medicine Company to register the
mark

龍虎標

in Part A of the Register in Class 5

AND

IN THE MATTER of an opposition thereto by
Law Yan Wai trading as Singapore Medicine
Company

**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on 5, 6 and 9
December 2002.

Appearing : Mr. John Yan instructed by Messrs. Hastings & Co. for the applicant.

Mr. Gary Kwan instructed by Messrs. Wenping & Co. for the opponent.

Application for Registration

1. On 26 January 1998 (“the relevant date”), Chi Wing and Law Oi Ying trading as Singapore Headway Medicine Company (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance (“the Ordinance”), in Part A of the Register in Class 5, the trade mark “龍虎標” (“the suit mark”).

2. The goods intended to be covered by the registration were “medicated oils” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the mark for registration subject to a disclaimer of the Chinese character “標”. The application was advertised in the Government of the Hong Kong Special Administrative Region Gazette on 11 December 1998.

Pleadings and Evidence

3. On 25 March 1999, Law Yan Wai trading as Singapore Medicine Company (“the opponent”) filed notice of opposition to the application. The grounds of opposition state that the opponent has continuously and extensively used and promoted the trade mark “龍虎標記 and device” (“the opponent’s mark”) in Hong Kong for more than six years for goods of similar or identical description to the specified goods. A representation of the opponent’s mark appears below :



The sales volume of the opponent’s goods bearing the opponent’s mark in Hong Kong had a yearly average of HK\$300,000 in the past five years. The opponent asserts that the suit mark and the opponent’s mark resemble one another visually, phonetically and notionally, in that both the suit mark and the opponent’s mark contain the Chinese characters “龍虎標” having the same meaning of “dragon, tiger and mark”. The grounds of opposition comprise sections 9, 10, 12, 13(1) and 13(2) of the Ordinance.

4. In its counter-statement, the applicant admits the opponent's status as a company trading under the laws of Hong Kong and its own application for registration of the suit mark. The applicant also admits that the suit mark and the opponent's mark "so resemble one another visually phonetically and notionally, in that the opponent's trademark and the applicant's proposed trademark both contain the Chinese characters "龍虎標" having the same meaning of "dragon, tiger and mark" (paragraph 6 of the notice of opposition is admitted)". Save the aforesaid, the applicant denies each and every allegation in the notice of opposition.

5. The opponent's evidence consists of a statutory declaration dated 16 March 2000 from Law Yan Wai, the proprietor of the opponent, together with exhibits ("Law's 1st statutory declaration"); and a statutory declaration dated 20 March 2000 from Jin Mei Hua, the general manager of one Shanghai Zhonghua Pharmaceutical Factory, together with exhibits, filed pursuant to Trade Marks Rule 25; a statutory declaration dated 26 June 2001 from Law Yan Wai together with exhibits ("Law's 2nd statutory declaration"); and a statutory declaration dated 26 June 2001 from Yang Yi Chao, the general manager and legal representative of Shanghai Zhonghua Pharmaceutical Factory, together with exhibits, filed pursuant to Trade Marks Rule 27. The applicant's evidence comprises a statutory declaration dated 21 December 2000 from Law Oi Ying, one of the two partners of the applicant, together with exhibits; and a statutory declaration dated 22 December 2000 from Law Yuen Chak, the general manager of Fact Finders Limited, together with exhibits, filed pursuant to Trade Marks Rule 26.

Preliminary Points

6. Two preliminary points were dealt with at the beginning of the hearing.

Leave to file further evidence

7. At the beginning of the hearing scheduled on 5 December 2002, the applicant sought leave from the Registrar to file a calendar for the year 1999 published by the opponent. Mr. Yan argued that the 1999 calendar with photos of the opponent's products shown on different pages is relevant to the present proceedings. The opponent claims to have been selling universal oil (驅風油) before the relevant date in packaging bearing the opponent's mark which is very similar to the suit mark. The said packaging was shown on page 21 of the bundle prepared for the hearing which is reproduced below :

水松枳



星加坡祖方

MEDICINE CO

The Regal Medicine & Enation.

* MOU LOONG HO & CO. *
SINGAPORE MEDICINE CO

SINGAPORE MEDICINE CO

誠小中
獨兒風茂
一肚痰隆
無痛厥驅
二風心風
之火痛油
聖年肚專
藥痛痛冷
地無風四
名癰時
腫腳感
毒腫冒
湯蛇風
火咬寒
損蜂濕
傷針痲

SINGAPORE MEDICINE CO

茂隆
驅風油
* 龍虎標記
光顧請為認

龍虎標記



百年老號

SINGAPORE

THE FIRST THOUGH

In cuts, burns, bruises, insect bites, rheumatism, sprains, fat muscles, headaches, colds, conjunctivitis, neuralgia, cramps, etc.
An unexcelled preventive and relief for insecta and corsets.
HEALING, REVIVING, SOOTHING, A.C.

FORMULA
Peppermint Oil 45.5%
Menthol 45.5%
Cinnamon oil 3.6%
Camphor 2.7%
Clone Oil 2.7%

特大家庭庄

藥力特強

特大家庭庄

藥力特強



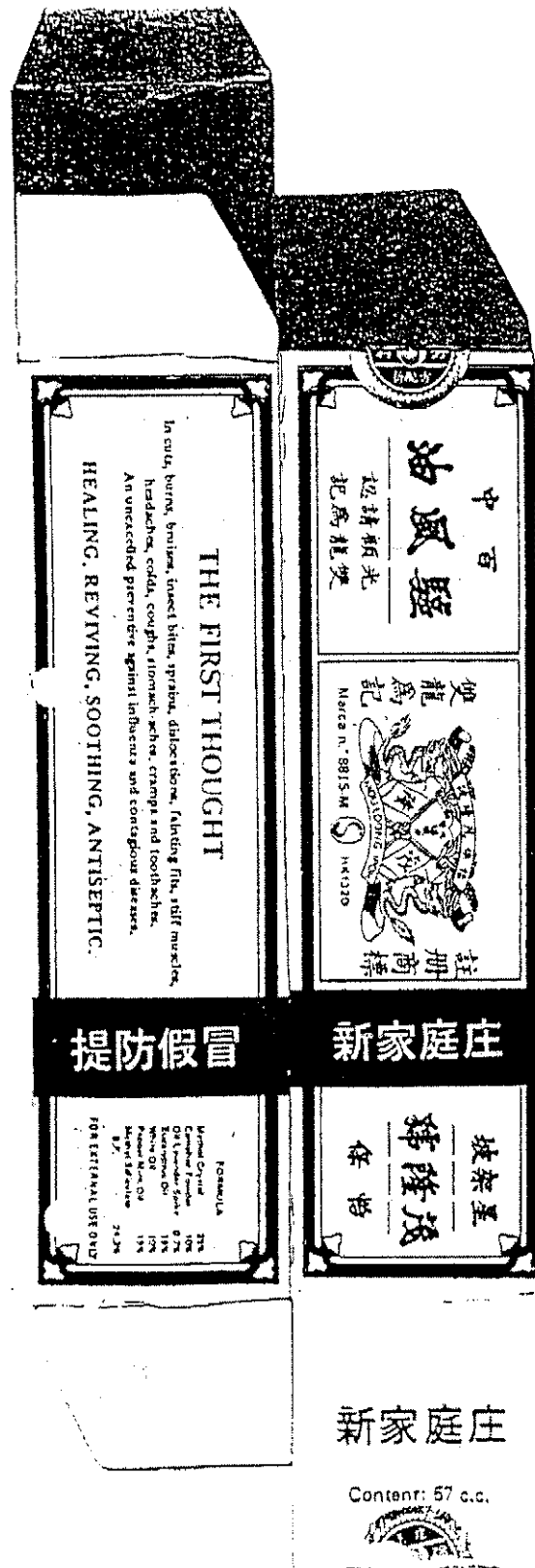
百孕病
發婦吐
百中風

茂隆
驅風油
新庄
百中強力配方



LOT NO: 1339
有效期: 9.2004

Mr. Yan said that it is the applicant's case that the opponent had not been selling the universal oil (驅風油) in the above packaging before the relevant date. The opponent had in fact been selling universal oil (驅風油) before the relevant date in the packaging shown on page 340 of the bundle on which the Chinese characters "雙龍為記" were found instead of "龍虎標記". For clarity sake, page 340 of the bundle is also reproduced below :



(page 340 of the bundle)

8. The significance of the 1999 calendar is, Mr. Yan argued, that it serves to prove that the opponent was still promoting the universal oil (驅風油) in packaging with the Chinese characters “雙龍為記” (page 340 of the bundle) in 1999 as shown by the photos of the opponent’s products appearing on the last page of the calendar. Mr. Yan contended that the calendar should have been produced by the opponent as part of its evidence. The opponent had concealed the same in order to mislead the Registrar that it had been selling the universal oil (驅風油) bearing the opponent’s mark before the relevant date.

9. Mr. Kwan objected to the admission of the 1999 calendar as evidence in these proceedings on the ground that it is irrelevant. He argued the fact that the opponent was promoting its universal oil (驅風油) in packaging with the Chinese characters “雙龍為記” in its 1999 calendar does not serve to prove that the opponent did not sell the universal oil (驅風油) in packaging with the Chinese characters “龍虎標記” in 1999. The opponent can sell universal oil (驅風油) in both packaging at the same time and chose to promote one product in any one year. There is no basis to support the applicant’s contention that by not including the 1999 calendar in its evidence, the opponent had deliberately concealed the same in order to mislead the tribunal.

10. In my judgment, I do not think that I would be able to draw the inferences that Mr. Yan wishes me to draw from the 1999 calendar even if it is admitted as part of the evidence. Even taking this piece of evidence to its highest, it serves to illustrate that the opponent was promoting the universal oil (驅風油) in packaging not bearing the Chinese characters “龍虎標記” shown on page 340 of the bundle in 1999. It does not serve to prove further that the opponent was selling universal oil (驅風油) in that packaging rather than in the packaging appearing on page 21 of the bundle bearing the opponent’s mark before and at the relevant date. I therefore declined to grant leave to the applicant to file the 1999 calendar as evidence under Trade Marks Rule 28.

Admissibility of the evidence of Shanghai Zhonghua Pharmaceutical Factory (“SZPF”)

11. The notice of opposition in the present case was filed solely by the opponent. The various grounds of opposition stated in the notice are based on the fact that the opponent itself has continuously and extensively used and promoted the opponent’s mark in Hong Kong. There is no reference of the user of any trade mark confusingly similar to the suit mark in Hong Kong by SZPF in the notice of opposition. However, a statutory declaration of Jin Mei Hua, the general manager of SZPF was filed as part of the evidence of the opponent under Trade Marks Rule 25 in which Ms Jin asserts that the opponent is one of the agents of SZPF in Hong Kong and SZPF had exported 清涼油 (essential balm) bearing the mark “龍虎” to Hong Kong before the relevant date. The applicant objected to the admissibility of Ms Jin’s statutory declaration. In paragraph 21 of her statutory declaration filed under Trade Marks Rule 26, Ms Law said that “... I reiterate that the evidence concerning the “龍虎” Mark of Shanghai Zhonghua Pharmaceutical Factory (上海中華製藥廠) is irrelevant to this opposition as it has never been pleaded in the grounds of opposition and as such, I shall for this very reason make no comment

to such evidence but if the Registrar decides otherwise or would wish to hear from the applicant in this connection, I reserve a right to make reply and comment”.

12. Mr. Yan, counsel for the applicant, said he accepts that in an opposition based on section 12 of the Ordinance, the opponent need not rely only on the use of its own trade mark. The opponent can as a matter of law rely on all relevant facts and evidence which include a third party’s user of a trade mark confusingly similar to the suit mark. The problem for the opponent in this case, he pointed out, is that the legislature has set out a procedure within which the opposition proceedings are to be conducted. The very first step which must be taken by the opponent is to file a notice of opposition setting out the grounds of opposition and then file evidence in support of those grounds of opposition. If the opponent wishes to rely on evidence in support of grounds other than those set out in the notice of opposition, the opponent has to seek leave to amend the notice of opposition accordingly. In this case, Mr. Yan submitted that the opponent should have sought leave to add in its notice of opposition the fact that it intends to rely on the user of a trade mark confusingly similar to the suit mark in Hong Kong by SZPF though there is no need for the opponent to join SZPF as a co-opponent. In particular, in the present case, the applicant expressly said in her statutory declaration that the opponent had filed evidence not covered by the grounds of opposition and indicated that she would not answer it.

13. In reply, Mr. Kwan argued that the opponent had not filed evidence not covered by the existing grounds of opposition. SZPF’s evidence could be covered by the sections 12 and 13 oppositions stated in the grounds of opposition. There is no need to specifically plead the user of the “龍虎” mark in Hong Kong by SZPF.

14. In any event, under the section 12 opposition, Mr. Kwan submitted that I have to take into account public interest. Mr. Kwan referred me to a passage on page 63 of the leading textbook *Shanahan Australian Law of Trade Mark and Passing Off, 2nd Edition* which states :

“Who may oppose

Section 49 states that “a person” may oppose and does not require any particular interest or “standing” as do those provisions of the Act governing rectification after registration. In opposition proceedings the Registrar is concerned with the protection of the public rather than the rights of the parties inter se. It has thus been held that the fraudulent or other unmeritorious conduct of an opponent does not preclude opposition, and that even where an opponent is estopped from proceeding, the tribunal must still take cognisance of any facts that would render registration improper.”

15. Mr. Kwan also drew my attention to *Re Bugatti Trade Mark* [1993] 1 HKC 557 at 562 in which a similar issue arose which was resolved by applying the principle stated in *Kerly’s Law of Trade Mark and Trade Name, 12th Edition* at paragraph 4-36 drawn from the *Brown Shoes* case :

“... But an objection, an appeal, that a point had not been pleaded and that accordingly the applicant had attended the hearing below not prepared to meet it, was dismissed as a technicality of no substance, the point having been clearly raised in the evidence.”

Mr. Kwan said that was precisely what had happened in this case. The issue of the user of a confusingly similar trade mark by SZPF in Hong Kong was clearly raised in the evidence. The applicant can neither argue that it had no due notice nor that it was taken by surprise. It is the applicant itself who chose not to reply to the evidence filed by SZPF.

16. In reply, Mr. Yan argued that the *Re Bugatti* case can be distinguished from the present case. The applicant in that case did not expressly say that the matters raised in the evidence had never been pleaded in the grounds of opposition and therefore the applicant would not reply to the evidence. In the *Bugatti's* case the applicant was told the proprietorship ground in the evidence but it did nothing to protest against the same.

17. It seems clear it is not in dispute by Mr. Kwan and Mr. Yan that the opponent can as a matter of law rely on the user of a confusingly similar trade mark by a third party under the section 12 opposition. Furthermore, both Mr. Yan and Mr. Kwan accept that as a matter of law, there is no need to join SZPF as a co-opponent. In my view, the only omission in this case is that the opponent has not pleaded in its notice of opposition that it would rely on the user of a confusingly similar trade mark by SZPF in Hong Kong. This is clearly an omission on the part of an opponent which deserves criticism, bearing in mind that this omission was picked on and criticised by the applicant at the evidence stage. I do not accept Mr. Kwan's submissions that the SZPF's evidence was properly covered by the existing grounds of opposition at all. Nevertheless, in all the circumstances of this case, and not without some hesitation, I have decided that the overall balance of factors still favours the admission of the evidence of SZPF. As pointed out by both counsel, as a matter of law, there is no need for the opponent to confine its grounds of opposition to its own use. The opponent can rely on third party's user under the section 12 opposition. As such, it is vital that I should take into account all the relevant evidence in considering the opposition proceedings in order to do justice between the parties and more importantly to protect the public interest. After all, the objection taken by the applicant is a matter of technicality. Mr. Yan has not submitted to me that the applicant will to a material extent be prejudiced by the admission of the evidence of SZPF. For example, the applicant was in possession of some evidence in reply to SZPF's evidence and it was deprived of its right to submit the evidence by way of rebuttal. It appears that the applicant only intends to deal with SZPF's evidence by way of submissions at the hearing which it was free to do. Therefore, I shall consider both the evidence of use of the opponent and SZPF in the present opposition proceedings.

Decision

18. After the conclusion of the hearing on 9 December 2002, the registry received written submissions from the solicitors for the applicant by way of a letter dated 28 December 2002 which was copied to the agent for the opponent. On 30 December 2002, the agent for the opponent sent a letter in reply to the Registrar which was copied to the solicitors for the applicant. In its letter, the agent for the opponent stated "this is inappropriate and unfair to make such submission after the hearing. Therefore, we request the Registrar to ignore this belated submission". However, the opponent's agent did make submissions in reply in its letter dated 30 December 2002. In my view, this is not a situation where I had asked the parties to research a particular point and make submissions after the hearing. It is also not a case that a significant point was overlooked by Counsel that requires elaboration after the hearing. In the

circumstances, I do not think I need to have regard to the aforesaid two letters in making a decision for the present case, bearing in mind that the matter must have a finality.

Under section 12(1)

19. Before the opponent can invoke section 12(1), it must establish a certain degree of reputation in Hong Kong of the opponent's and SZPF's marks. At its very highest, it is a question of a substantial proportion of the interested public being aware of their marks, and at its very lowest, the question relates to the significance of the numbers in relation to the market for particular goods. In any event, the reputation of the opponent and SZPF must be something more than *de minimis* (Re *Da Vinci Trade Mark* [1980] 9 RPC 237).

Use of the opponent's mark

20. I shall first deal with the evidence of use of the opponent's mark filed by the opponent. Only paragraphs 3 and 4 of Mr. Law's 1st statutory declaration and exhibits "LYW-1" and "LYW-2" thereto are in relation to the asserted use of the opponent's mark in Hong Kong. In paragraph 3 of Mr. Law's 1st statutory declaration, he said that the opponent had continuously and extensively used and promoted the opponent's mark in Hong Kong for years. This statement does not specify on what goods and the actual period during which the opponent's mark has been used. Copies of promotional materials were said to be produced and marked as exhibit "LYW-1". Page 1 of "LYW-1" consists of the packaging box bearing the opponent's mark (page 21 of the bundle) in which the opponent's universal oil (驅風油) was sold. Page 2 of "LYW-1" comprises an instructions leaflet which supposedly goes with the packaging box of the universal oil (驅風油) in "LYW-1". Mr. Yan contended that these two documents are the only documents in the opponent's evidence to show use of the opponent's mark. However, Mr. Yan submitted that they are of absolutely no value. One does not know when the packaging box and the instruction leaflet were first introduced. There is no evidence whatsoever as to when the opponent made use of this packaging box and instruction leaflet. I entirely agree with the submissions of Mr. Yan.

21. Altogether four rental receipts issued to the opponent in the years from 1994 to 1997 were produced on pages 3 and 4 of "LYW-1". All the rental receipts were in relation to the hiring of advertising signboards on the street by the opponent. There is no information shown on the rental receipts as to what trade mark was put on the advertising signboards. Four undated photographs were produced on the last two pages of "LYW-1" to show the signboards. I am unable to see the opponent's mark on any of the photographs of signboards which were very small in size and unclear. I have no idea as to when the signboards were put up and when the photographs were taken.

22. Six pages of invoices from 1993 to 1996 issued by one Brilliant Printing Company to the opponent in respect of the printing of the packaging materials including the packaging box and instruction leaflets for the universal oil (驅風油) were also exhibited in "LYW-1". There are references of "怡保百中驅風油家庭庄有水松、家庭庄有水松、新普通庄" and "百中驅風油、新家庭庄、新家庭庄(有水松枳)" on two pages of the invoices

(see pages 26 and 29 of the bundle). Mr. Yan submitted that those references are referring to the packaging box for the universal oil (驅風油) appearing on page 340 of the bundle bearing the Chinese characters “雙龍為記” instead of “龍虎標記”. The packaging box on page 340 of the bundle shows the references of “怡保”, “百中驅風油” and “新家庭庄” which, Mr. Yan contended, correspond to some of the descriptions shown on the printing invoices. The packaging box appearing on page 21 of the bundle bearing the opponent’s mark “龍虎標記 & device” shows the references to “茂隆驅風油” and “特大家庭庄”. Mr. Yan contended that those references do not appear on any of the printing invoices.

23. In reply, Mr. Kwan submitted that the opponent’s universal oil (驅風油) was concurrently sold in both the packaging boxes appearing on pages 21 and 340 of the bundle before the relevant date (I must say that this submission is unsupported by evidence). There are references to “百中強力配方” and “怡保” (in the device) and “新庄” shown on the packaging box on page 21 of the bundle which correspond to some of the descriptions on the printing invoices. Therefore, the printing invoices are in relation to the printing of the packaging box on page 21 of the bundle which bears the opponent’s mark. Mr. Yan said there is no evidence that prior to the relevant date, the two versions of products co-existed. On the packaging box on page 21 of the bundle, the Chinese characters “百中” were used descriptively together with four other Chinese characters “強力配方” (meaning strong formula). “百中” was not used in a trade mark sense. The brand name of the universal oil (驅風油) is clearly “茂隆”.

24. I am not entirely sure, on the evidence, that the printing invoices are in relation to the printing of the packaging box appearing on page 340 of the bundle as argued by Mr. Yan, but I do not think I need to make such a finding in the present case. It suffices that I am clearly of the view that the printing invoices are not in relation to the printing of the packaging box on page 21 of the bundle bearing the opponent’s mark and I accept Mr. Yan’s submissions in that respect set out in paragraphs 22 and 23 above. There is simply no evidence that the printed packaging materials bear the opponent’s mark at all as there is no reference to the opponent’s mark on any of the produced invoices. In my view, in any event, the probative value of the printing invoices is doubtful. They only serve to establish that the opponent had engaged the printing company to print the packaging materials for the universal oil (驅風油). There is no information as to whether the printed packaging materials were actually used to pack the opponent’s universal oil (驅風油) which was in turn sold or otherwise dealt with in Hong Kong.

25. I now turn to paragraph 4 of Mr. Law’s 1st statutory declaration in which he said the sales volume of the opponent’s goods bearing the opponent’s mark in Hong Kong were : HK\$180,000 in 1993; HK\$216,000 in 1994; HK\$220,000 in 1995; HK\$240,000 in 1996 and HK\$288,000 in 1997. Copy invoices for such sales were said to be produced and marked as exhibit “LYW-2”. Mr. Law continued to say that “though the description of goods in those invoices is incomplete or simply says that “驅風油, 水松大號, 1號, 2號等”, it is the trade custom and practice that such descriptions on the invoices refer to the opponent’s mark and the opponent’s goods”.

26. Mr. Yan submitted that the question as to the existence of a custom is a question of fact, and it is necessary to prove the custom in each case, until eventually it becomes so well

understood that the courts take judicial notice of it (*Moult v. Halliday* [1898] 1 QB 125 at 129). Furthermore, Mr. Yan pointed out that to establish trade custom or usage, the party must show it is notorious, certain and reasonable (*Eggar, Forrester Offshore Limited & Another v. Hong Kong United Dockyards Limited* [1987] 1 HKC 318 at 331). Mr. Yan submitted that the opponent goes nowhere near to proving that. It is only a bare assertion of trade custom and practice made by the opponent. First, the alleged trade practice must be reasonable. Mr. Yan contended that it is not reasonable to say that “驅風油, 水松大號, 1號, 2號等” refers to the opponent’s mark especially when we know from the evidence that in the relevant period, the opponent was selling the universal oil (驅風油) in the packaging appearing on page 340 of the bundle not bearing the opponent’s mark. Mr. Yan pointed out that, in fact, the alleged trade custom and practice is contradicted by the opponent’s own evidence. The opponent’s invoices on page 46 of the bundle do refer to “隆茂驅風油”, not just “驅風油”.

27. Mr. Yan contended that the evidence in paragraphs 3 and 4 of Mr. Law’s 1st statutory declaration was challenged by the applicant in its reply evidence filed under Trade Marks Rule 26. In paragraph 20 of her statutory declaration, Ms Law Oi Ying stated as follows :

“I refer to paragraph 3 of the Opposition and paragraphs (3) and (4) of Law Yan Wai’s declaration and dispute that the Opponent has used the Opponent’s Mark for six years or the past 5 years as the Opponent alleged. The invoices exhibited as “LYW-2” do not show the Opponent’s Mark and I aver that to the best of my own knowledge, the Opponent’s “驅風油” has been promoted over years under the marks “茂隆號” or “茂隆”, not showing or bearing the words “龍虎標記” as shown in the Opponent’s Mark now deposited to in Law Yan Wai’s declaration. It is now produced and shown to me marked “LOY-12” (page 340 of the bundle) a copy packaging of the Opponent’s universal oil sold under the mark “茂隆號”.”

28. In the face of that direct challenge, Mr. Law replied in paragraph 20 of his 2nd statutory declaration filed under Trade Marks Rule 27 as follows :

“12. In respect of paragraph 20 of the SD of Ms Law, I aver that I have promoted the opponent’s mark as well as the mark “茂隆”. However, some of the customers prefer to call “茂隆” or “茂隆號” instead.”

29. Mr. Yan contended that in response to an express charge that the opponent was not selling the universal oil “驅風油” bearing the opponent’s mark, the opponent only said that it also promoted the mark “茂隆”. The opponent came back with nothing whatsoever. All the opponent has is its evidence on exhibits “LYW-1” and “LYW-2”. Mr. Yan concluded that the opponent’s evidence does not prove any use of the opponent’s mark in respect of medicated oil before the relevant date.

30. In reply, Mr. Kwan said the evidence in paragraphs 3 and 4 of Mr. Law’s 1st statutory declaration was given on oath. As to the trade custom and usage point, Mr. Kwan argued that if there is no evidence to prove the same, the opponent is entitled to say what the trade practice is.

31. Having carefully considered the evidence and submissions of counsel, I do not accept as a matter of fact that the opponent has established the trade custom and practice as to the descriptions on the sales invoices. The opponent has not submitted any concrete evidence to prove the existence of the trade custom and usage apart from making a bare assertion. It follows that paragraph 4 of Mr. Law's 1st statutory declaration and exhibit "LYW-2" do not establish any use of the opponent's mark in respect of the specified goods in Hong Kong before the relevant date.

32. To conclude, the evidence that has been submitted by the opponent to establish an alleged reputation in Hong Kong for the opponent's mark whether by way of use or advertising of the mark goes nowhere to showing such a reputation at the relevant date. It follows that the opponent has not done enough to trigger off section 12(1).

Use of the SZPF's mark

33. I now turn to the evidence of use of the SZPF's mark filed by the opponent. In paragraph 7 of Mr. Law's 1st statutory declaration, he said that the opponent is an agent of SZPF who is the proprietor of the famous mark "龍虎" in China. A copy advertisement showing the "龍虎" mark was said to be produced and marked as exhibit "LYW-5". Mr. Yan submitted that one does not know what the advertisement is. There is no date on the advertisement. It seems that the advertisement is an extract from a newspaper published in China since it was written in simplified Chinese characters. It does not show any reputation of the mark "龍虎" in Hong Kong. I agree with the submissions of Mr. Yan. In the absence of evidence of the circulation of the advertisement within Hong Kong before the relevant date, I cannot give any weight to it.

34. The evidence of use of the SZPF's mark is mainly contained in the statutory declaration from Jin Mei Hua, the general manager of SZPF, filed under Trade Marks Rule 25. Ms Jin said in paragraph 3 of her statutory declaration that SZPF has used the "龍虎" mark since 1911. During the first promulgation of the trademark laws by the Beiyang Warlords (北洋政府) on 4 May 1923, SZPF made an application to the Trade Marks Registry thereof to register the "龍虎" mark. The registration was granted in 1925 with nos. 335 and 5222, and in 1928, with no. 1091. The registration has been renewed thereafter. The "龍虎" mark is a famous mark in Shanghai, China and in many other countries around the world. It has a history of over 80 years. Copies of the registration certificates issued by the Chinese authorities were produced and marked as exhibit "JMH-1". Mr. Yan submitted all that was said by Ms Jin about use of the "龍虎" mark in China. It has nothing to do with Hong Kong. The "many other countries over the world" do not include Hong Kong. The registration certificates are all Chinese registration certificates issued by the Chinese authorities in China. Mr. Yan contended that the evidence in paragraph 3 of Ms Jin's statutory declaration and exhibit "JMH-1" do not serve to establish any reputation of the mark "龍虎" in Hong Kong at all. Mr. Yan's contention is accepted by me.

35. Ms Jin continued to say in paragraph 4 of her statutory declaration that the "龍虎" mark has gained a substantial reputation and goodwill in China and occupied about 50 per cent of the market share. In paragraph 5, Ms Jin deposed to the fact that the product bearing the

“龍虎” mark is a famous brand product in Shanghai, China. As such, the “龍虎” mark has been classified and named as one of the most famous 100 marks in Shanghai. It has been protected by the State Administration for Industry and Commerce as one of the most important 280 trademarks in China. Again, Mr. Yan submitted that the evidence in paragraphs 4 and 5 of Ms Jin’s statutory declaration has nothing to do with Hong Kong. It relates to the goodwill and reputation of the “龍虎” mark in China. I accept Mr. Yan’s arguments in that aspect.

36. Ms Jin said in paragraph 6 of her statutory declaration that SZPF has exported its goods bearing the “龍虎” mark to Hong Kong for the past six years, for a total sum of HK\$1,000,000 annually. Copies of sales confirmations to buyers/agents in Hong Kong were said to be produced and marked as exhibit “JMH-4”. Mr. Yan submitted Ms Jin only said that goods bearing the mark “龍虎” were exported by SZPF to Hong Kong. She did not say that the goods bearing the “龍虎” mark had been sold or marketed or advertised in Hong Kong. The annual sales of one million is only a bare assertion without being supported by any documentary proof. Mr. Yan further contended the documents produced in “JMH-4” show that some of the goods were not exported to Hong Kong at all. They were exported elsewhere.

37. Before I move on to the further submissions made by Mr. Yan in relation to the sales confirmations exhibited in “JMH-4”, I would like to point out that altogether seven sales confirmations were produced in “JMH-4”. Out of the seven sales confirmations, two are post-relevant date (pages 158 to 161 of the bundle). Hence, I have to disregard those two sales confirmations and shall only consider the remaining five.

38. In the first sales confirmation dated 4 June 1994 (page 148 of the bundle), it was stated “CIF 仰光”. In the second sales confirmation dated 19 October 1994 (page 150 of the bundle), it was marked “CIF 仰光 by sea”. Mr. Yan submitted that according to those shipping terms appearing on the aforesaid two sales confirmations, the goods concerned were shipped to 仰光 (Rangoon), not to Hong Kong. The words “FOB Shanghai” were marked on the fourth and fifth sales confirmations dated 7 December 1996 and 8 October 1997 respectively (pages 154 to 157 of the bundle). That means, Mr. Yan said, the goods were delivered in Shanghai but it is not known where the goods went at all. There is no evidence that the goods were exported to Hong Kong. In the third sales confirmation dated 14 September 1995, it was marked “CIF 香港”. Mr. Yan accepted that the goods in relation to that sales confirmation were shipped to Hong Kong. However, Mr. Yan argued there is no evidence that the goods had been sold or marketed or advertised in Hong Kong. In any event, the sales as shown by that sales confirmation amounted to US\$2,560 only. Mr. Yan contended that a single sale of US\$2,560 does not serve to establish sufficient reputation in Hong Kong for the purpose of section 12(1).

39. Mr. Yan submitted that in fact, further evidence from the opponent filed under Trade Marks Rule 27 gives hints as to what happened to the goods of SZPF shipped to Hong Kong. In paragraph 11 of his 2nd statutory declaration, Mr. Law said that “... At the same time, the applicant was trying to make use of the survey to support its conclusion or observation. The applicant was trying to establish through the survey that the opponent’s mark, the opponent itself, the trademark “龍虎” and SZPF are unknown to people or public in Hong Kong and the said marks have not been used in Hong Kong. This is bound to fail because the goods bearing the trademark of SZPF have been imported into and exported from Hong Kong”. Mr. Yan

submitted Mr. Law confirms in that paragraph that SZPF was not selling goods in Hong Kong. In paragraph 13 of his statutory declaration, Mr. Law further pointed out that “I aver further that in the trade practice, medicine made in China was not well accepted in Hong Kong in the past. This was the reason why the products of SZPF were promoted and sold in South East Asia countries and other places rather than seriously promoting in Hong Kong”. Again, Mr. Yan contended that paragraph confirms SZPF’s goods were not sold in Hong Kong.

40. In reply, Mr. Kwan said that according to the first sales confirmation dated 4 June 1994 (page 148 of the bundle), the sale was made by SZPF to a Hong Kong company, namely 宏丰公司 (香港). It shows that at least one Hong Kong trader bought goods from SZPF. The sale was substantial consisting of a sale of 860 cartons of “龍虎牌” 清涼油 (essential balm) amounting to US\$66,220. The second sales confirmation dated 19 October 1994 (page 150 of the bundle) shows another sale to the same Hong Kong company 宏丰公司 for 860 cartons of “龍虎牌” 清涼油 (essential balm) amounting to US\$75,680. Mr. Kwan argued that the aforesaid two sales confirmations serve to establish the fact that SZPF sold goods to Hong Kong trade customers who form the relevant public. As shown by the third sales confirmation dated 14 September 1995 (page 152 of the bundle) which was marked “CIF 香港”, the goods were actually shipped to Hong Kong. It comprised a sale of 20 cartons of “龍虎牌” 清涼油 (essential balm) amounting to US\$2,560. The goods were presumably unloaded and resold in Hong Kong after shipping. That means, the goods actually reached the Hong Kong market. As to the fourth and fifth sales confirmations marked “FOB Shanghai” (pages 154 and 156 of the bundle), they show that the buyers were two Hong Kong companies, namely 港堡國際公司 and 香港永康發展公司 respectively. In conclusion, Mr. Kwan submitted that those five sales confirmations are sufficient evidence to establish reputation of the use of the “龍虎” mark by SZPF in Hong Kong. The “龍虎” mark was known to a substantial number of people in Hong Kong before the relevant date.

41. Mr. Yan said regarding the first sales confirmation (page 148 of the bundle), Mr. Kwan tried to argue that there was a sale to a Hong Kong company and therefore it was a Hong Kong sale. Mr. Yan contended that was not correct. The sales confirmation serves to establish that there was a Shanghai sale of the relevant goods to a Hong Kong purchaser “CIF” Rangoon. It was a sale to a Hong Kong company in Shanghai and the goods went straight to Rangoon. It was not a Hong Kong sale at all. Mr. Yan argued that there is no evidence of sales of the “龍虎牌” 清涼油 (essential balm) in the market of Hong Kong.

42. I was referred to the case of *Re Gaines Animal Foods Ltd* 68 RPC 178 by Mr. Yan. In that case, G. applied to register the mark “*Gro-Pal*” for animal foods. K. opposed on the ground of probable confusion with the mark “*Gro-Pup*” in use by them on a large scale in the United States of America. Some advertisements of “*Gro-Pup*” in American periodicals had reached this country, and some cases of “*Gro-Pup*” had been distributed by K. to the English trade, before the War, for the purpose of testing the market. It was held that K. had not established a reputation for their mark upon which an opposition could be founded. Lloyd – Jacob J said at page 179 :

“The decision accurately expresses the conclusion to which the evidence inevitably points, namely, that there is in the present case no proof that the general public were aware of Messrs.

Kellogg's adoption of the mark "Gro-Pup" and that the only distribution prior to the date of the application was of a meagre and limited character, confined to test purposes.

In this connection, *Tomlin, J in Impex Electrical, Ltd. V. Weinbaum*, (1927) 44 RPC 405, has set out the true test at p.410, and it is as follows : "For the purpose of seeing whether the mark is distinctive" – and I here insert : and I think the same considerations apply where you are considering whether the particular mark is calculated to deceive or not – "it is to the market of this country alone that one has to have regard. **For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods (my emphasis).** If a manufacturer having a mark abroad has made goods and imported them into this country with the foreign mark on them, the foreign mark may acquire in this country this characteristic, that it is distinctive of the goods of the manufacturer abroad. If that be shown, it is not afterwards open to somebody else to register in this country that mark" – and here I insert : or any mark colourably resembling it – "either as an importer of the goods of the manufacturer or for any other purpose. The reason of that is not the mark is a foreign mark registered in a foreign country, but that it is something which has been used in the market of this country in such a way as to be identified with a manufacturer who manufactures in a foreign country".

Reliance was further placed upon the effect of the distribution within this country of certain periodicals published in the United States of America, which carried advertisements of the opponents' products under the name "Gro-Pup", samples of which were exhibited to one of the declarations. Prior to the relevant date (that is, the date of application) such distribution appears to have been extremely limited and it is noteworthy that Mr. Smart, an officer of Messrs. Spillers, Ltd., a trade rival of the opponents, does not seem to have observed any such advertisement, although the particular nature of his business might have been thought to be such as to evoke keen interest in any reference to animal foods.

If, therefore, there was no association in the mind of the interested public between "Gro-Pup" and a brand of animal food, it follows that the basis for supposing that any confusion or deception can arise from the use of the name "Gro-Pal" in relation to animal foods is almost non-existent."

Mr. Yan submitted that in this case, the opponent has not filed any evidence of sales of the SZPF's goods bearing the "龍虎" mark in the Hong Kong market.

43. Mr. Yan said it was Mr. Kwan's submission that the sales confirmation dated 14 September 1995 (page 152 of the bundle) which was marked "CIF 香港" shows that the goods were shipped and unloaded in Hong Kong. Mr. Yan pointed out that there was no evidence that the shipment was unloaded in Hong Kong. "CIF 香港" only means that the shipment was made to Hong Kong. The shipment was not necessarily unloaded in Hong Kong. The goods could be transferred to another vessel upon arrival in Hong Kong in transit for some other places. It was not known what happened to the goods after their arrival in Hong Kong at all. There was no evidence that the goods actually reached the Hong Kong market.

44. Taking the case of SZPF to its highest, Mr. Yan argued, the five sales confirmations only serve to establish the fact that there were sales of the "龍虎牌" 清涼油 (essential balm) to three Hong Kong companies. Mr. Yan pointed out that the goods in

question being “清涼油” (essential balm) are consumer goods. The mark must be known to a substantial number of people before the requisite reputation can be established. He submitted that sales to three Hong Kong companies do not establish sufficient reputation for the purpose of section 12(1).

45. Mr. Kwan also relied on section 39(1) of the Ordinance which provides as follows :

“Use of trade mark in relation to exports or to services outside Hong Kong

(1) The application in Hong Kong of a trade mark to goods to be exported from Hong Kong, and any other act done in Hong Kong in relation to goods to be so exported which, if done in relation to goods to be sold or otherwise traded in within Hong Kong, would constitute use of a trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods for any purpose for which such use is material under this Ordinance or at common law.”

Mr. Kwan said that the SZPF’s goods bearing the “龍虎” mark were exported by the three Hong Kong buyers from Hong Kong to other countries and therefore there was use of the “龍虎” mark in Hong Kong by SZPF under section 39(1).

46. As regards the opponent’s reliance on section 39(1) of the Ordinance, Mr. Yan contended that this section only applies when there is the application in Hong Kong of a trade mark to goods and then the goods are exported from Hong Kong. In the present case, the SZPF’s trade mark was applied to the goods in Shanghai. The goods were then sold to several companies “CIF 仰光 (Rangoon)”. The goods were exported from Shanghai to elsewhere, not from Hong Kong. In respect of the sales confirmation dated 14 September 1995 (page 152 of the bundle), there was no evidence of “exporting” the goods from Hong Kong after their arrival at here (see Mr. Yan’s analysis of the sales confirmation in paragraph 43 above). As the two requisite conditions are not met by SZPF, section 39(1) is not applicable to the present case. Mr. Yan further pointed out that section 39(1) is a deeming provision only for the purpose of user. It is not a deeming provision relating to reputation for the purpose of section 12(1).

47. Mr. Kwan said that the SZPF’s “龍虎” mark is a famous mark in Shanghai, China. People do travel and there are a large number of tourists crossing the border to Mainland China from Hong Kong and vice versa. Mr. Kwan referred me to the following observation made by Sears J in *Tan-Ichi v. Jancar* [1990] FSR 151 :

“This is an evolving field of law ... a court must respond to the changes which have occurred in international communications. The large number of tourists crossing and re-crossing boundaries; the speed and efficiency of modern technology which cause business reputation to be more widely spread and recognised than in the past. Courts in other jurisdictions have responded to the change.”

Mr. Kwan submitted that in the *Tan-Ichi* case, the plaintiffs actually had no business in Hong Kong. Reputation can be found in Hong Kong by travelling of people between Hong Kong and Japan.

48. Mr. Kwan also drew my attention to *Hong Kong Caterers Ltd. v. Maxim's Ltd.* [1983] HKLR 287. In that case, the applicant, the *Hong Kong Maxim's* applied for registration of the *Maxim's* trade mark in Hong Kong. The respondent, a United Kingdom Company, had opposed the application. The respondent's business had its origins as a restaurant in Paris in 1893. The French *Maxim's* had very little reputation in Hong Kong. It was only able to show use of the *Maxim's* trade mark in Hong Kong by supplying food to the airlines with Hong Kong passengers. It was held that the respondent was able to trigger section 12(1). It shows that foreign reputation can be taken into account.

49. It was argued by Mr. Kwan that the SZPF's trade mark “龍虎” was a well known mark in Shanghai, China and there was a spill over of that reputation to Hong Kong. Mr. Yan said Mr. Kwan relied on the *Tan-Ichi* case in support of that contention. Mr. Yan submitted that the facts of that case were distinguishable from those of the present case. There was clear evidence of spill over of reputation in that case. I was referred to the following passages at page 152 of the case :

“In 1987 in a programme called “Lifestyles of the Rich and Famous” which is broadcast on American television and I think also shown on Hong Kong television, a well-known programme concerning gourmet living of rich and famous people, the Ten-ichi restaurant in Tokyo, Ginza, was chosen as one of the ten best restaurants in the world. The name has achieved an international reputation which can be seen from a variety of publications exhibited in the affidavit.

In the 1987 edition of “*Eating-out in Tokyo*”, the restaurant is featured and at that time the average price of a meal for one person was US\$75. Although no doubt well-known in Asia, the plaintiffs had no active business in Hong Kong.”

50. In the present case, Mr. Yan submitted there was no evidence of spill over of the reputation from Shanghai, China to Hong Kong. Mr. Yan said that the observation of Sears J in the *Tan-Ichi* case cited by Mr. Kwan must be viewed in the light of the fact that there was evidence of spill over. Mr. Yan further submitted that the correctness of the *Tan-Ichi* case was questioned by the learned author of *Wadlow, the Law of Passing-Off (2nd Edition)* 1995 in a passage in paragraph 2.47 which states as follows :

“In *Ten-Ichi v. Jancar* Sears J expressed a willingness to follow *Orkin v. Pestco and Dominion Rent a Car v. Budget Rent a Car* in accepting that a Japanese business had an international goodwill extending to Hong Kong. However, the case is somewhat erratic in its reasoning. *Anheuser-Busch v. Budvar* was not cited at all and *Star Industrial v. Yap Kwee Kor* was misunderstood. *Ten-Ichi v. Jancar* need not be doubted on its facts, but in its wider sense the judgment probably does not represent settled law in Hong Kong.”

51. Regarding the *Hong Kong Caterers'* case cited by Mr. Kwan, Mr. Yan submitted that there was also very clear evidence of spill over. Hunter J accepted that the French Maxim's had acquired a highly respectable reputation for the excellence of its cuisine and had become a legend in its own lifetime. Prior to the material date, the businesses conducted under the name Maxim's had been extended internationally and enlarged in the following respects. The opponents supplied pre-frozen meals and wines to all passengers flying with Pan American Airways. These meals were shipped to 17 different countries including Hong Kong to which there was a daily Pan-Am flight. A wholesale wine outlet was formed called Les Caves Maxim's which supplied Maxim's wines to outlets in Hong Kong including the Peninsula Hotel. Annually the opponents were concerned with gastronomical festivals in one or more cities in the world. These seem to have been of two types. In the first Maxim's name and products were used to publicise French gastronomy. In the second Maxim's exported and for a period operated a "mock-up" of the Paris restaurant itself. This second type occurred in the years 1965-1967 and the Asiatic tour in 1965 included an event at the Mandarin Hotel Hong Kong in December 1965. The applicants offered no explanation of the adoption of a name identical to that of the opponents. Hunter J said that the Assistant Registrar was fully entitled to infer as he did that this was done deliberately to exploit in Hong Kong the legend, the reputation for culinary excellence associated with the opponents' name; and that by this behaviour the applicants plainly recognised that a significant number of persons in Hong Kong were aware of the legend and this repute.

52. I have set out the essence of Counsel's arguments in the previous paragraphs. To summarise, in my view, Mr. Kwan tried to establish the reputation of the SZPF's mark "龍虎" in respect of 清涼油 (essential balm) in Hong Kong on three different grounds. First, Mr. Kwan submitted that SZPF had exported its goods bearing the "龍虎" mark to three Hong Kong companies from 1994 to 2000, for a total sum of HK\$1,000,000 annually. Secondly, it was Mr. Kwan's argument that the SZPF's goods bearing the "龍虎" mark were re-exported to other places from Hong Kong by the three Hong Kong companies. Pursuant to section 39(1) of the Ordinance, this was deemed to constitute use of the trade mark "龍虎" in relation to the goods in Hong Kong. As a last resort, Mr. Kwan contended that the SZPF's "龍虎" mark was a well-known mark in Shanghai, China and there was a spill over of the reputation of the trade mark from China to Hong Kong by the travel of people between the two places and on the basis that foreign reputation can be taken into account.

53. I do not think that SZPF can succeed on its first ground. I accept Mr. Yan's submissions based on the *Re Gaines Animal Foods's* case that a foreign mark registered in a foreign country must be shown to have been used in the market of Hong Kong before the establishment of a reputation upon which an opposition can be founded. To this I would like to add the comments made by the learned author in paragraph 2-04 on page 9 of *Kerly's Laws of Trade Mark and Trade Names (12th Edition)* that "it has long been recognised that a foreign trader, though his business may be conducted entirely abroad, can acquire a good trade mark in the United Kingdom if his goods bearing the trade mark reach the market in the United Kingdom". It is clear there was no evidence that the goods had been sold or marketed or advertised in Hong Kong. On the contrary there was direct evidence from the opponent and SZPF that the products of SZPF were promoted and sold in South East Asian countries and other places rather than Hong Kong. I accept the analysis of Mr. Yan in paragraph 43 above that the sales confirmation marked "CIF 香港 (Hong Kong)" does not serve to prove that the

goods were unloaded and sold in the Hong Kong local market. There was no evidence that the goods actually reached the Hong Kong market at all.

54. Furthermore, the mark must be known to a substantial number of people before the requisite reputation can be established. When judging whether or not the “龍虎” mark, as used by SZPF, was known to a substantial number of persons in Hong Kong at the relevant date, it is necessary to have regard to the market for the goods concerned. The opponent’s goods are 清涼油 (essential balm), a type of Chinese traditional medicated oil, that is likely to be purchased by a large proportion of the Hong Kong public, a considerable number of persons. The sale to three Hong Kong companies being exporters of the goods do not establish that requisite reputation at all.

55. I am of the view that SZPF is bound to fail on the second ground as well which is based on section 39(1) of the Ordinance. I am persuaded by the submissions of Mr. Yan that the two pre-conditions, that there is the application in Hong Kong of a trade mark to goods and that the goods are exported from Hong Kong, are not met by SZPF on the evidence (see paragraph 46 above). As to the export point, I would like to add the observation of the learned author in paragraph 14-13 of *Kerly’s* (supra) which states “if the goods are merely left on board a ship in transit for some other territory, it would probably be held that there is no act done in the United Kingdom which would constitute use of the trade mark therein within the meaning of section 31 (the equivalent of section 39(1) of the Ordinance). Therefore, the opponent is not entitled to rely on section 39(1) of the Ordinance in the present case.

56. As to the third ground relied on by Mr. Kwan, I think that SZPF has failed to establish an international reputation of the “龍虎” mark in the first place. SZPF has only established that the “龍虎” mark has been a well-known mark in Shanghai city, not even in the whole of China by the production of some copy well-known mark certificates issued by one 上海市工商行政管理局 (see “JMH-3”). No information was given to me as to the status of these well-known mark certificates. Ms Jin said in paragraph 4 of her statutory declaration that “The Company’s mark (i.e. 龍虎) has gained a substantial reputation and goodwill in China and occupied about 50% of the market share. It is now shown to me and marked JMH-2, a copy letter indicating its market share for its products in China, the copy packaging, famous mark certificate and promotional materials.” This statement does not specify the actual period to which the “50% market share” should be attributed. I have no idea as to the actual amount of sales represented by the “50% market share”. The exhibited “letter indicating its market share” dated 15 October 1999 is post-relevant date. It states “清涼油產銷量也屬全國首位，約佔全國50%”. This statement simply repeats the assertion of “50% market share” and adds that the sales of the 清涼油 (essential balm) bearing the “龍虎” mark was number one in China. Even taking this piece of evidence to its highest, it serves to illustrate the amount of sales of the 清涼油 (essential balm) as at the date of the letter, not before or at the relevant date.

57. Even if an international reputation could be established for the “龍虎” mark, I do not see there was any evidence of spill over of that reputation from Shanghai, China to Hong Kong. I see the force of Mr. Yan’s submissions that the *Tan-Ichi* and *Hong Kong Caterers’* cases can be distinguished from the present case. There was concrete evidence of international reputation and overflowing of that reputation. In both cases, a widespread international

reputation was established in respect of the subject marks which were so famous overseas that there was awareness of them in Hong Kong. The Ten-ichi restaurant in Tokyo, Ginza was chosen as one of the ten best restaurants in the world in an American television programme which was shown on Hong Kong television. The French Maxim's was a legend itself and there was evidence that goods bearing the trade mark did reach the Hong Kong market in different ways so that the people in Hong Kong were aware of it. I also agree that the observation of Sears J cited by Mr. Kwan in the *Tan-Ichi* case must be viewed in the light of the fact that there was evidence of spill over. Without the finding of specific evidence of spill over in individual cases, one cannot establish the spill over of foreign reputation simply on the general ground that people are travelling all around the world.

58. In conclusion, I am not satisfied that SZPF has established a reputation in the mark “龍虎” for 清涼油 (essential balm) in Hong Kong at the relevant date.

59. Neither the opponent nor SZPF have done enough to trigger section 12(1) of the Ordinance. I therefore hold that the applicant is not in breach of section 12(1) of the Ordinance.

Under section 13(1)

60. 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.”

61. An opponent, to successfully mount an opposition under Section 13(1), must establish that it, rather than the applicant, is the proprietor of that trade mark, or a mark virtually identical to it, in respect of identical goods. 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).”

62. I shall first consider whether the suit mark and the opponent's mark are the same or virtually identical. The suit mark consists solely of three Chinese characters “龍虎標”. A representation of the opponent's mark is reproduced in paragraph 3 above. The opponent's mark is comparatively much more complicated than the suit mark. The centre of the

opponent's mark is occupied by a group of devices comprising scrolls, grain, a pair of flags, a dragon and a tiger. The two Chinese characters "茂隆" being in the central part of the composite devices take up a prominent position. On top of the composite devices, there are the Chinese characters "怡保茂隆號" and at the bottom there are the English transliteration "MOU LOONG IPOH" which mirror the Chinese characters on the top. On the left side of the composite devices, the Chinese characters "龍虎標記" are found. I shall ignore the Chinese characters "百年老號" on the right side of the composite devices as they are mere descriptor meaning "a century-old mark".

63. The test that should be applied by me in determining whether the two marks are virtually identical can be found on page 229 of *Re Wowi & Device Trade Mark* (supra) cited by Mr. Yan at the hearing :

"However, for the question of proprietorship to arise at all the parties must be claiming the same mark or at least marks which are so nearly identical as to be virtually the same mark : *Kendall Co v. Mulsyn Paint and Chemicals* (1963) 109 CLR 300; *Tavefar Pty Ltd v Life Savers (Australia) Ltd* (1988) 12 IPR 159. The question is not whether the marks are so alike as to be deceptively similar, which is obviously a relevant consideration under sections 28 and 33. In deciding whether the marks are substantially identical I think I am entitled to compare the marks side by side. This would seem to follow from what the High Court has said in relation to the question whether conflicting marks are substantially identical in terms of section 33 : *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407. I think it is clear when the applicant's and opponent's marks are compared side by side that there are very obvious differences to the extent that it cannot be said that they are the same mark or so similar as to be in effect the same mark. The opponent's mark consists of the word BODYLINE alone while the applicant's consists of the three words THE BROT BODYLINE. While the presence of the definite article in itself would not be enough to differentiate the two marks, the addition of a third word, which appears moreover to be an invented and meaningless word, does clearly make that mark a different mark. It is well established that in general the first part of a mark is the most important for the purpose of comparison : *In the matter of London Lubricants (1920) Ltd's Application to Register a Trade Mark* (1925) 42 RPC 264. It follows that in the present case the opponent cannot claim to be the proprietor of the mark in suit."

64. I think it is apparent when the suit mark and the opponent's mark are compared side by side, there are very obvious differences that it cannot be said they are the same mark or so similar as to be in effect the same mark.

65. I now turn to consider whether the suit mark and the SZPF's mark are the same or virtually identical. As shown by the evidence contained in the exhibits to Jin Mei Hua's statutory declaration, the SZPF's marks "龍虎" or "龍虎牌" were used on the sales confirmations on their own but were invariably used in conjunction with a dragon and tiger device in the packaging and advertising, a representation of the device is shown below :



66. Mr. Yan referred me to the case of *Vamuta Property Limited (t/a Sogo Jewellers) v. Sogo Co. Ltd.* AIPO 557. In this case, the opponent filed a notice of opposition to acceptance of an application made by Sogo Co. Ltd., the applicant, to register a mark which combined the word “Sogo” with a logo. It was held that issues of proprietorship only arise when the marks in question are either identical or so similar as to be virtually the same marks. The composite mark which combined the word “Sogo” and the device of a triangle or an inverted hourglass within a circle was held to be sufficiently different from the mark “Sogo” used by the opponent as to entitle the applicant to claim to be the author of it.

67. I would like to refer briefly to *Sizzler Restaurants International Inc. v. Greater Seven Pty. Ltd.* 38 IPR 201 where the marks “MEXICANA SIZZLERS” and “SIZZLER” were held not to be substantially the same. The hearing officer M. Homann said at page 209 :

“Closer resemblance is apparent between the opponent’s latter mark SIZZLER and MEXICANA SIZZLERS where the differences lie in the word “Mexicana” and the plural form of “Sizzler”. For the purposes of comparison, however, the word “Mexicana” cannot be ignored, even if it is disclaimed on the registration as a non-distinctive word indicating a particular style or flavour of food, as suggested by Mr. Chrysiliou : see *Re “Granada” Trade Mark* [1979] RPC 303. This additional word in the applicant’s mark is responsible for leaving a total impression in one’s mind of a mark which, when the marks are inspected in close proximity, by no stretch of imagination could be regarded as identical or substantially the same mark as that of opponent’s registration No. 414008.”

68. Turning back to the present case, I shall first compare the suit mark with the SZPF’s marks which combine both the Chinese characters “龍虎” or “龍虎牌” and the dragon and tiger device. In my judgment the differences between the marks which lie in the addition of a Chinese character “標” in the suit mark and the addition of a dragon and tiger device in the SZPF’s marks, notwithstanding that the Chinese character “標” is indistinctive and the device conveys the same idea as the two Chinese characters “龍虎”, do enable me to distinguish the two marks in a side by side comparison. I conclude that they could not be regarded as virtually identical.

69. I now move on to compare the suit mark with the SZPF’s marks “龍虎” or “龍虎牌” simpliciter. Applying the same test, I am of the view that the addition of the Chinese

character “標” in the suit mark in the former case and the difference in the use of the Chinese characters “標” and “牌” in the latter case do serve to distinguish the suit mark from the SZPF’s marks as they are responsible for leaving a different impression on one’s mind.

70. I would like to quote the following passage at 417 from *Australian Feed Company Pty Ltd v Pitman – Moore Australia Ltd* 39 IPR 411 where “SUSTAINA” was determined not to be virtually identical to “SUSTAIN” :

“Without overstating the obvious, SUSTAINA and SUSTAIN share common elements. There is no doubt potential for the two marks to be confused but that is only a related issue, not a definitive test of substantial identity. It is just as clear that, while the two marks can be confused, they are, in their essences, different. Materially different, to the point where ownership of one should not preclude a claim to ownership of the other.”

71. It seems clear to me that, where the suit mark can be confused with “龍虎” or “龍虎牌”, they are essentially different marks. Ownership of one should not preclude a claim to ownership of others.

72. I find that the opponent’s and SZPF’s marks are not virtually identical to the suit mark. It follows that the opposition under section 13(1) is defeated.

Under section 13(2)

73. The opponent has asked the Registrar to exercise his overriding discretion to refuse registration. The discretion arises when the opponent has failed in its objections under sections 12(1) and 13(1) of the Ordinance and the suit mark is registrable under either section 9 or 10 of the Ordinance.

74. Mr. Kwan referred me to *Minden International v Fujian Provincial Native Produce* [1994] AIPR 468. In this case, the applicants applied for registration of a cock device mark in respect of dry cell batteries. The application was opposed by the opponent whose mark comprising the Chinese characters “紅雞牌” and a cock device was registered in Hong Kong in respect of mosquito coil incense. The opponent failed in the section 12(1) opposition but succeeded under section 13(2) of the Ordinance. The Registrar’s discretion under section 13(2) of the Ordinance was exercised in a manner adverse to the applicant and registration was refused. It was held that :

“Honesty was a matter to be taken into account by the Registrar whenever he was called upon to exercise discretion. The standard of honesty required was commercial honesty, which was no different from common honesty. The applicants were aware of the opponent’s mark before they applied to register the suit mark. They had not explained the presence of the patterned circle in the suit mark. There was an irresistible inference it was copied from the opponent’s mark. The evidence showed that the applicants engaged in dishonest practices in a manner prejudicial to the opponent and its mark and one of the applicants’ directors had given false evidence in the opposition proceedings. The evidence showed that the applicants would not, if the suit mark was

registered, use it in relation to the specified goods in a normal and fair way in the ordinary course of their business.”

75. Mr. Kwan further invited my attention to the observation made by the hearing officer Mr. M. W. Fox at page 492 of the case as follows :

“This discretion is of a judicial nature to be exercised upon judicial principles affected neither by caprice nor over-caution and on reasonable grounds with regard to all the circumstances of the case. My prime concern is for the public interest. A bona fide application should not be refused on fanciful grounds or grounds which are unsubstantial in a business sense. I am justified in exercising my discretion against the applicants where it is shown that their conduct has been such that it is reasonable to infer they may seek to secure some improper advantage for themselves in the future.”

76. Mr. Kwan submitted that the same approach should be adopted in the present case. In paragraph 6 of Law’s 1st statutory declaration, he deposed to the following :

“The applicant has official records of copying or infringing other’s trade mark right. It is likely that the same will be repeated here. In this circumstance, the applicant may deliberately be plagiarizing the opponent’s mark or other’s trade mark and applies for registration of the applicant’s mark as its own. I verily believe that the applicant’s mark is not entitled to be protected by any court of justice. Copies of order and proceedings in relation to the applicant Law Oi Ying is shown to me and marked “LYW-4”.”

77. I note that exhibit “LYW-4” contains an amended points of claim, a consent order and a statement provided by Mr. Law Yan Wai to the Trade Mark Investigation Division of the Hong Kong Customs on 11 February 1998. However, all of them are not in relation to the suit mark. They are documents relating to disputes between the applicant and other parties in respect of other trade marks owned by the applicant.

78. In reply, Mr. Yan submitted that the *Minden* case is completely different from the present case. In that case, the applicant applied to register a cock device in respect of dry cell batteries. The application was opposed by the opponent who had established reputation only for mosquito coil incense for “紅雞牌 and cock device”. The border around the cock device was copied in the applicant’s mark. There was evidence that although the applicant was applying for dry cell batteries, they were caught selling the opponent’s counterfeit mosquito incense bearing the opponent’s mark “紅雞牌 and cock device”. The applicants were sued by the opponent for infringement of their trade mark in a high court action which was subsequently settled. The opponent then relied on all these in the opposition proceedings. The hearing officer took them into account in the opposition proceedings and exercised the discretion under section 13(2) adversely against the applicant. Mr. Yan said that all the facts and evidence relating to the high court action were in relation to the same subject matter of the opposition. The applicant was caught selling counterfeit goods upon which the opponent founded its opposition. The applicant was caught lying about that very action relating to the sale of counterfeit mosquito incense. The hearing officer also found that the applicant had copied the opponent’s mark or part of it. Therefore, it was not at all surprising that on those facts the hearing officer exercised discretion against the applicant. In the present case, Mr. Yan

contended that the matters upon which the opponent invited me to consider in exercising discretion were not in relation to the present opposition and also not in relation to the suit mark. They were just something happened in the past which were in respect of unrelated marks and unrelated parties. Throughout the hearing, Mr. Kwan had not made any submissions that the suit mark was copied from the opponent's mark or the SZPF's mark. Mr. Yan concluded that the present case is a far cry from the *Minden* case.

79. I accept Mr. Yan's submissions that this case can clearly be distinguished from the *Minden* case. The conduct of the applicant in other unrelated proceedings which do not concern the suit mark at all should not be taken into account by me in exercising my discretion under section 13(2).

80. As a subsidiary point under section 13(2), Mr. Kwan submitted that SZPF is a registered proprietor of the “龍虎” mark in China. Being the registered proprietor in China, SZPF can rely on section 53 of the Ordinance to apply for expungement of the suit mark should the suit mark proceed to registration. Mr. Kwan said that the ability of SZPF to do so is a virtual certainty. Therefore, the grant of the application will lead to a multiplicity of proceedings. Mr. Kwan submitted that I should take this into account in exercising my discretion under section 13(2).

81. Mr. Yan said if SZPF genuinely believes it has a case under section 53 of the Ordinance, it should have relied on section 23 of the Ordinance to oppose the present application. Section 53 mirrors section 23 of the Ordinance. Section 23 is to be resorted to before the mark is registered whereas section 53 is to be used after the mark is registered.

82. On the one hand, I do not see any substance in Mr. Kwan's arguments based on section 53. On the other hand, I do see the strength of Mr. Yan's submissions. I therefore do not find that there is any risk of multiplicity of proceedings which should be taken into account by me in exercising my residual discretion.

83. I remind myself the register has been created by the Ordinance for the purpose of enabling marks to be entered therein. If no proper evidence can be adduced as to why a registration should be refused for a qualifying mark, the exercise of discretion should not be adverse to the applicant. By reason of the aforesaid, I decline to exercise my discretion adversely to the applicant.

Costs

84. 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.

85. 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 Pang)
p. Registrar of Trade Marks
3 June 2003