

Application No. 4536/98

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

AND

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



In Part A in Class 21 by Main Plan Ltd

AND

IN THE MATTER of an opposition by
De'Longhi S.P.A.

**DECISION
OF**

Mr. Kestutis Stasys Kripas acting for the Registrar of Trade Marks after a hearing on
2 April 2003.

Appearing : Mr Ling Chun-wai, counsel instructed by Messrs Yuen & Partners on
behalf of Main Plan Ltd

Miss Josephine P.F. Chow counsel instructed by Messrs Wenping &
Co on behalf of De'Longhi S.P.A.

1. On 8 April 1998 (the “application date”), Main Plan Ltd, a Hong Kong company (the “applicant”) filed an application to register in Class 21 in Part A of the register of trade marks (the “register”) the trade mark a representation of which appears below :



(the “suit mark”).

2. The goods sought to be protected, after an authorised amendment, were : “buckets made of woven fabrics, glass, boxes of glass, glass bowls, graters for household use, porcelain ware, non-electric kettles, non-electric hot water bottles, non-electric pressure cookers, tables plates [sic], tableware, kitchen utensils, trays for domestic purposes, dishes for soap, soap dispensers, toilet utensils, strainers for household purposes, frying pans, containers for household or kitchen use, dustbins, clothes drying racks, drying racks for washing, tempered glass, dispensing paper towel boxes, crystal (glassware), toilet paper holders, ironing boards, painted glassware, saucepans, cooking pot sets, dishes, epergnes, kitchen containers, utensils for household purposes, trays, pots, ceramics for household purposes, knife rests for the table, glass wool other than for insulation, soap boxes, shaving brushes, shaving brush stands, cruets, spice sets, unworked or semi-worked glass (except building glass); none of the aforesaid goods is [sic] made of precious metal; all included in Class 21”.

3. The mark was accepted for registration subject to the condition that it be associated with trade mark numbers 4715 of 1997, 5690 of 1997 and pending application numbers 4531 of 1998, 4532 of 1998, 4533 of 1998 and 4535 of 1998. The suit mark was advertised for opposition purposes on 5 March 1999.

4. On 6 July 1999 De’Longhi S.P.A., an Italian company (the “opponent”) filed its notice of opposition to the application. Relying on its earlier use in Hong Kong and elsewhere and the registration in Hong Kong under No. 4856 of 1996, in Class 11 of its trade mark :



the opponent pleads that confusion will be caused as the public will believe goods marked with the suit mark originate from or are connected in the course of trade with the opponent. The opponent pleads that registration of the suit mark should be refused pursuant to sections 2, 12, 13 and 20 of the Trade Marks Ordinance (the "Ordinance") or alternatively at the discretion of the Registrar of Trade Marks (the "Registrar"). It also seeks its costs.

5. In its counter-statement the applicant denied any likelihood of confusion as aforesaid and maintained that the opposition was unfounded. It requested that the Registrar permit the application to proceed and its costs.

6. Both parties filed evidence. For the opponent, two statutory declarations of Giuseppe de'Longhi with exhibits, and for the applicant, a statutory declaration of Cho Chor Wah with exhibits. I shall refer to the evidence filed at appropriate times in this decision.

7. At the hearing fixed for 2 April 2003, the applicant was represented by Mr Ling Chun-wai of counsel whilst the opponent was represented by Miss Josephine P.F. Chow also of counsel. Miss Chow filed a skeleton argument in which she appeared to rely only on the opposition under section 12(1) of the Ordinance, but subsequently she supplemented the skeleton with a further skeleton with her arguments pursuant to sections 13 and 20. At the hearing however Miss Chow neither advanced the opposition under section 13, nor did she withdraw it. I must treat it as a live issue. The opposition was not advanced under section 2 so I need say no more about that.

8. I should also mention that the applicant applied for registration of the suit mark in a number of other classes and the opponent also opposed the application made in Class 11. Both oppositions were heard together though each class has its own separate decision. The decision for the Class 11 application bears the registry number 4533 of 1998.

Opposition under section 20(1) of the Ordinance

9. At the application date, section 20(1) of the Ordinance insofar as it relates to goods provided :

20. Prohibition of registration of identical and resembling trade marks

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

(a) the same goods;

(b) the same description of goods; or

(c)

10. For section 20(1) to apply, both requirements, i.e. identity or similarity of marks and identity or similarity of goods must be satisfied. If the suit mark is adjudged to so nearly resemble the opponent's registered mark (No. 4856 of 1996) as to be likely to deceive or cause confusion, and any of the applicant's goods are the same or the same description of goods as those protected by the opponent's aforesaid registration, the suit mark shall not be registered – I have no discretion.

11. The opponent's registration is confined to “electric oil-filled radiators, electric ovens, electric deep fryers, electric fan heaters, electric convector heaters”. These goods are placed in Class 11 for administrative convenience. The fact that the applicant's goods are in Class 21 does not, of itself, mean they are not the same description of goods – see *Australian Wine Importer's Trade Mark* (1889) 6 RPC 311.

12. The applicant's goods are not the same goods as those protected by the opponent's registration. Whether they are the same description of goods is a question of fact.

13. Miss Chow referred me to the recognised test as promulgated by Romer J. in *Jellinek's Application* (1946) 63 RPC 59 at 70. To determine whether goods are the same description of goods the tribunal has to consider (a) the nature and composition of the goods; (b) the respective uses of the articles; and (c) the trade channels through which the commodities respectively are bought and sold. Miss Chow further submitted, on the authority of *Floradix Trade Mark* [1974] RPC 583 that not all three criteria must be fulfilled.

14. The opponent's goods can be categorized as electrical home appliances. They all incorporate a heating element. None of the applicant's goods are electrical and none incorporate a heating element. The nature and composition of the goods is quite different.

15. Miss Chow argues that the opponent sells free-standing and wall-mounted bathroom heaters, relying on the exhibits at pages 210-214 of the bundle. Some of the applicant's goods would also be found in the bathroom. As I understand Miss Chow's argument, if the respective goods would be found in the same room and, more so, if they are used together, they can be regarded as the same description of goods. Certainly some of the applicant's goods would be found in the bathroom though none would appear to be used together with a bathroom heater, possibly with the exception of clothes drying racks which may be used in conjunction with a heater particularly in drying or warming bath towels.

16. I do not accept this argument which has found no expression in any authority of which I am aware. Taken to its logical conclusion, bathroom soap, water and bathroom towels would be goods of the same description. They clearly are not.

17. The uses of the respective goods are also not the same. All of the opponent's goods provide a heat source albeit confined to space heating or the cooking of food. None of the applicant's goods provide a heat source. They are essentially containers, some of which hold the food to be cooked (non-electric

pressure cookers, frying pans, saucepans, cooking pot sets) but none provide the means for cooking it.

18. As regards trade channels, though I accept that some large department stores sell both electrical appliances and household items, they are rarely sold in the same department. I would expect the opponent's goods to be sold predominantly through specialist electrical home appliance retailers such as Fortress and dedicated departments in department stores, whilst the applicant's goods predominantly sold through family owned hardware shops and scattered throughout department stores. There is some evidence of trade channels. In paragraph 15 of the statutory declaration of Cho Chor-wah, goods of the applicant are available through Wing On, Jusco, Sincere, Citistore and Sogo. These are all department stores. Mr Cho also mentions that the total number of outlets within the Hong Kong territory exceeds 120. This figure must therefore include, excepting the named department stores, local hardware stores. For the opponent, three outlets are mentioned in the first statutory declaration of Mr de'Longhi namely Audio Supplies Co of 5th Floor, St George's Building, Ice House Street; Futuretech Holdings Ltd of Room 1201, Landmark North, 39 Lung Sum Avenue, Sheung Shui; and Jinchat Eng. Co. Ltd of Room 2003, 11 Wo Shing Street, Fotan. From the address of the latter two, though described as "outlets", they seem more likely to be distributors. In his second statutory declaration, paragraph 12, Mr de'Longhi discloses another customer, namely Big Leader Household Supplies Ltd at Wing Hang Industrial Estate, Kwai Chung, then adds :

"The opponent is marketing its products through two distributors. One is responsible for small appliances and products for heating and air processing, microwave oven and built-in products, the other one is to fix air conditioner."

19. The opponent's evidence thus does not throw much light on the trade channels through which the opponent's goods are sold.

20. Although some of the applicant's goods may be found in the same department stores as the opponent's goods, I find as a fact that none are the same description of goods as their nature, composition and uses are quite different.

21. In view of the finding above it is not necessary to make any findings regarding the similarity of the marks as one of the requirements of section 20(1) is not fulfilled. The applicant has defeated the opposition based on section 20(1).

Opposition under section 12(1)

22. Section of 12(1) of the Ordinance provides :

“It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or would be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design.”

23. Before an opponent can mount an opposition based on section 12(1) it must first prove that there is sufficient awareness, in the relevant sector of the purchasing public, of the opponent’s mark so that deception could arise if the suit mark was used in a normal manner in respect of the goods the applicant seeks to register.

24. Mr Ling helpfully and properly conceded that sufficient awareness existed, on the evidence, for the purposes of overcoming the threshold. The onus accordingly shifts to the applicant to satisfy the tribunal that having regard to the reputation or awareness of the opponent’s mark at the application date, that the suit mark, if used in a normal and fair manner in connection with any of the applicant’s goods, will not be reasonably likely to cause deception and confusion among a substantial number of purchasers of the goods upon which the respective marks are used – see *Smith Hayden & Co Ltd’s Appln* (1946) 63 RPC 97.

25. In making that assessment I must consider the opponent’s mark as it is actually used, against any fair and normal use that could be made of the applicant’s mark in relation to all of its goods in the normal trade in those goods.

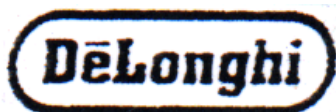
26. The authorities have established the following general principles to guide the tribunal in answering this question. The resemblance between two competing marks must be considered with reference to the ear as well as the eye.

A purchaser of electrical home appliances and other household articles is expected to exercise normal care and be of average intelligence but no more. His memory is imperfect. He remembers marks by general impression or by some significant feature rather than by a photographic recollection of the whole. Too detailed an examination should not be made. The question of whether one mark too nearly resembles another is essentially one of first impression. Marks are not to be compared side by side. They should be compared as a whole. Ultimately the question of whether one mark too nearly resembles another is a question of fact, not an exercise of discretion. Section 12(1) is concerned not with the protection of potential competitors of the applicant, but with protecting the relevant sector of the purchasing public. The suit mark offends against section 12(1) 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. It is enough that they are left in doubt whether goods marked with the suit mark come from the same source or are associated with the opponent. I must consider how the marks would be seen in actual use on the goods in question, who are likely purchasers of the goods and their respective trade channels, both now and in the future. Conceptual similarity may increase the likelihood of confusion as may a reasonably held belief that both marks belong to the same family of marks.

27. The first thing to determine is how the opponent's mark appears in use. Both counsel have concentrated their attention on pointing out either the similarity in the presentation of the suit mark and the opponent's mark as reproduced at paragraph 4 (the "paragraph 4 version") (Miss Chow) or the differences between them (Mr Ling). It is true that both marks are represented in a similar manner, white lettering against a dark background surrounded by a white border. The applicant's border is rectangular, whilst the opponent's border is rounded at the left and right sides. On a side by side comparison other differences are apparent. The opponent's mark is two letters longer, has only the first and third letters capitalised and has a stylised apostrophe which appears as a line over the letter "e". The script employed by the applicant differs from that registered by the opponent. The opponent's mark looks foreign and may be perceived as a surname. The suit mark appears to be invented.

28. Of greater importance in my view is that the opponent does not always use white lettering against a dark background. Looking at page 92 of the bundle, the appliance itself is marked simply with DeLonghi within a simple

border rounded on the left and right viz :



(the “simple version”).

Looking through the opponent’s catalogues the pattern seems to be that the paragraph 4 version is used on appliances with a dark body, whilst the simple version is used on appliances with a light body. This can be seen at pages 104, 106, 107, 112, 119, 120, 128 where both versions are depicted on the same page. Overall, it would appear that approximately half of the appliances illustrated feature the simple version of the mark rather than the paragraph 4 version relied upon by the opponent in the opposition. Accordingly, half of the population who are aware of the opponent’s mark are aware of the simple version, significantly reducing, in my view, the likelihood of confusion based simply on the similar presentation of the paragraph 4 version.

29. Much has been made of the sound of the marks and the importance of the first syllable. Both counsel referred me to lengthy passages from *BULER Trade Mark* [1966] RPC 141. Miss Chow stressed that the authorities suggest that the termination of English words are often slurred and that Hong Kong people might not know that the last letter of the opponent’s mark should be pronounced. This submission runs contrary to my understanding. Expert evidence was adduced on the pronunciation of Cantonese in the *ALOHA Trade Mark* case (W K Thomson 24 July 1956). Professor Cheng there said there was no tendency in Cantonese to slur the last syllable, every syllable must be pronounced. I would expect this habit to extend to English or foreign words. I do not find authorities dealing with the way Englishmen may pronounce English words to be overly helpful. Both counsel however agreed that the “h” would be silent. Mr Ling, relying on *BULER*, said extra care is taken with surnames, i.e. De’Longhi, and one would not easily overlook the omission of the last two letters “hi” from the suit mark. Miss Chow submitted that the stylised apostrophe seen as a line over the letter “e” of the opponent’s mark would distinguish it from a surname.

30. Miss Chow also called in aid the fact that there is no Chinese version of the opponent's mark. Whatever awareness there is of the opponent's mark is therefore of "Dē Longhi" and not a local Chinese equivalent.

31. I believe the correct approach to aural similarity can be found in the following passage from *Aristoc Ltd v Rysta Limited* (1945) 62 RPC 65 :

"The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of the Trade Marks Act, 1938, S.12, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words letter by letter and syllable by syllable pronounced with the clarity to be expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants."

32. On first impressions the opponent's mark looks like a foreign surname the distinguishing feature being the unusual combination of the letters "ghi" at the termination of the word. I have no evidence on how the respective marks would be pronounced locally. Doing the best I can, whilst I agree that the "h" of the opponent's mark would be silent, I believe the "i" would be pronounced. On the visual and aural features of the two marks, taking into account imperfect recollection and the equal use by the opponent of its simple version of its mark, the question of the likelihood of visual and aural confusion is finely balanced.

33. I must next consider the surrounding circumstances of trade. The purchasers of the applicant's goods will be the same people as the purchasers of the opponent's goods. They may be purchased at roughly the same time, as when a family or couple first decorate their home, but this will not always be the case.

Would a substantial number of purchasers of the goods upon which the respective marks are used (I have already found that the purchasers for both sets of goods are the same), having some, but an imperfect recollection of the Dē Longhi mark applied to electric household appliances, have reason to call to mind that mark when confronted by household articles bearing the suit mark? In my view the answer is no.

34. Firstly, potential purchasers may already be aware of the DELONG brand in its own right. The suit mark may be unused on the goods in the applicant's specification but the suit mark has been applied to closely aligned goods such as bedroom and bathroom fittings since 1993. The sales of goods under the suit mark and/or “帝朗” (pronounced “Dai Long”) were HK\$21,933,992 in 1996; HK\$29,665, 821 in 1997 and HK\$30,494,679 in 1998 though of course I must discount the latter figure as most of the sales would have occurred post application date.

35. I am not told how the suit mark is to be applied to the applicant's goods. Most are of a nature which would not readily provide a surface for the application of a trade mark or at least, not a readily visible one. It may be that hang tags are attached to the goods but it is equally likely that the only reference to the suit mark would be upon product catalogues. It may be that sales of the applicant's goods result for reasons of utility or eye appeal rather than because they bear a particular trade mark. If the trade mark DELONG on these household articles is not particularly visible or not relevant to the purchaser, the likelihood of it being confused with Dē Longhi is diminished.

36. Thirdly it appears from the literature exhibited that the suit mark is seen alongside “帝朗” in the phrase “帝朗衛浴精品”. Having a local Chinese identity diminishes the likelihood of the suit mark being compared directly with Dē Longhi.

37. The most important factor however is that Dē Longhi is used only on electrical appliances. There is no use on bathroom fittings and the other household articles in the applicant's specification or goods similar thereto. There is accordingly no reason to think of Dē Longhi when considering the purchase of goods the applicant offers for sale, or any reason why anyone would be caused to

wonder whether the goods being considered come from the same source as Dē Longhi branded electrical appliances.

38. Before concluding the opposition under section 20(1) I need to deal with another argument advanced by the applicant.

39. The applicant, through Mr Cho, contends that the opponent has not adduced evidence of any confusion that may have arisen in the market place either in Hong Kong (paragraph 32) or in China where both marks are in use (paragraph 12). The applicant also points out that there is no representation in its literature that its goods come from Italy or [are] supplied by the opponent.

40. Evidence of past confusion is persuasive, but the lack of evidence of confusion is generally of little weight, particularly as here the suit mark appears to be unused on the goods in question. The second point would be persuasive had the applicant represented his goods as originating in Italy or that they were supplied by the opponent, but the contrary proposition is of little weight. The country in which goods are actually manufactured often has little bearing to the country which is perceived as the origin of the goods.

41. I find that the applicant has discharged its burden and has satisfied me that, having regard to the awareness of the mark Dē Longhi applied to electric household appliances there is no reasonable likelihood of confusion if the suit mark were registered for the applicant's goods. The applicant has accordingly defeated the opposition under section 12(1) of the Ordinance.

Opposition under section 13 of the Ordinance

42. In its notice of opposition the opponent pleads its opposition under section 13 in this way :

“As the public would connect the Opponent's Mark with the Applicant and create confusion, the subject application should be refused under Section 13 of the TMO.”

43. As confusion is not an element under section 13 of the Ordinance this pleading is misconceived.

44. In her written skeleton Miss Chow has this to say in support of the opposition under section 13 :

“It is submitted the Opponent is the proprietor of its mark. The Registrar shall not exercise discretion and registration of the Applicant’s Mark shall be refused.”

45. I do not believe the applicant would take issue with the first sentence but this does not advance this ground of opposition. If I do not exercise my discretion under section 13(2), the suit mark will be registered, so the second part of the second sentence is a *non sequitur*.

46. As I said earlier, Miss Chow made no oral submission at the hearing directed at section 13(1). She did however cast doubt on the *bona fides* of the applicant’s choice of the suit mark. Although, when probed as to which ground of opposition the lack of *bona fides* was directed, Miss Chow replied it was section 12(1), that is clearly wrong and I shall instead consider the evidence under my discretion to refuse registration pursuant to section 13(2) of the Ordinance.

47. The applicant was incorporated on 19 March 1992. Mr Cho declares that :

“In 1993, the Applicant launched its line of product under the mark of “DELONG” and/or (帝朗) covering, *inter alia*, the range of products in bathroom fittings, mixers, sanitary ware, massage shower sets, bathroom mirrors.

Recently, the Applicant intends to extend its services for goods covered under class 21 and there became a need to seek for registration of its mark “DELONG” and/or (帝朗) under this class.”

48. It would seem from this statement that DELONG and its Chinese

character phonetic equivalent 帝朗 were chosen from the outset as the applicant's brand name and trade mark.

49. Miss Chow referred me to the exhibits at pages 501 and 502 of the bundle being copies of earlier trade marks registered by the applicant in Class 21. The first trade mark registered under No. 5690 of 1997 by the applicant was a word mark "DELONG 帝朗" with the device of a three pronged crown over the letter "D". The English word appears all in capital letters and exactly in the script used in the suit mark. There is no background or border. The application date would appear to have been 14 November 1995.

50. Shortly thereafter, on 20 December 1995, the applicant filed a second application (subsequently registered under No. 4715 of 1997). This trade mark features the word "DELONG" in a different script enclosed in a rectangular border. The "O" looks exaggerated as it is a full circle whilst the other letters are elongated and narrow. The "O" features also as a device reminiscent of the view through a port hole of a ship at sea. Two Chinese characters, one above the other and together representing half the height of the English letters are squashed into the upper right corner of the mark. These characters, "迪朗" (pronounced "TIK LONG") are different to those of the first mark i.e. 帝朗 (pronounced "DAI LONG").

51. To conclude the chronology, on 8 April 1998 the applicant applied to register the characters "帝朗" in Classes 6, 9, 11, 19, 20, 21, 24 and 27. On the same day, or in the case of the Class 14 application, on 12 May 1995, the applicant applied to register the suit mark in Classes 6, 9, 11, 14, 19, 20, 21, 24 and 27. The opponent entered opposition to the applications in Classes 11 and 21 of the latter group only. The remainder proceeded to registration.

52. Miss Chow commented that it was suspicious that the applicant changed its mark from the stylised "O" "迪朗" (No. 4715 of 1997) mark to the suit mark. The applicant has offered no explanation for this change. In the absence of an explanation, Miss Chow submitted, I was entitled to draw the inference that the stylistic change was to have the suit mark more closely resemble the opponent's mark. Miss Chow relied upon *Re Wowi & Device Trade Mark* [1998] 3 HKC 221 at 237 B-E, a passage which Miss Chow conceded was *obiter*

dictum, and upon *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531.

53. The facts of the latter case can be distinguished. There the plaintiff's goods were marked "The Demon" and were known as "Demon racquets". The defendant made an identical racquet. The defendant admitted looking through a dictionary for the entry "Demon" and wanted to see how near he could go to that word without actually taking it. He came upon "Demotic" and adopted that word. It had been argued that "Demon" described a particular kind of racquet. If that was so, the court asked, rhetorically, how could "Demotic" describe that particular kind of racquet? The court concluded that the defendant's motive was not to describe a particular kind of racquet but to go as closely as he thought he could safely go to the plaintiff's established trade mark. It is in that context that the court said that if, in the exercise of common sense there was an intention to deceive, why should the court not credit with occasional success that which the defendant was straining every nerve to do.

54. Mr Ling said that if the marks are not similar, the applicant is under no obligation to explain anything.

55. There is no challenge on the grounds of bad faith specifically made in the notice of opposition or in the statutory declaration of Mr de'Longhi filed under Rule 25. The applicant filed its evidence in support of the mark in the light of the opposition disclosed. It had no reason to explain the provenance of its mark when no challenge had been made. It was not until the second statutory declaration of Mr de'Longhi was filed pursuant to Rule 27 that he raises the issue that "the applicant has not illustrated, explained or disclosed the reasons for employing the Applicant's Mark. I suspect that the Applicant has seen or read of the Opponent's promotions and advertisements worldwide and copied the same for its own use." (paragraph 4).

56. This "submission" and suspicion is not evidence and, as it is also not evidence strictly in reply to the applicant's evidence, the applicant could safely ignore it as I do. The opponent did not avail itself of the opportunity to seek leave to cross-examine Mr Cho and in the absence of such cross-examination, I am not prepared to infer commercial dishonesty on the part of the applicant or its officers – see *Re Borsalini Trade Mark* [1993] 1 HKC 587 at 592 B-F.

57. There being no other reason to refuse the suit mark in the exercise of my discretion under section 13(2), I decline to do so.

Costs

58. 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.

59. Subject to any representations as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part 1 of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, with one counsel certified, unless otherwise agreed between the parties.

(K.S. Kripas)
p. Registrar of Trade Marks
2 May 2003