

Application No. 6709 of 1999

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 14 by Movado Watch
Company S.A.

**DECISION
OF**

Mr. Kestutis Stasys Kripas acting for the Registrar of Trade Marks after a request for
Statement of Grounds for decision made by Messrs. Deacons on behalf of the applicant.

1. On 26 May 1999 Movado Watch Company S.A. (the “applicant”), a société anonyme of Switzerland applied to register, in Part A of the Register of Trade Marks in Class 14, the mark, a representation of which appears below :



(the “subject mark”).

2. The mark was said to comprise a three-dimensional disc with a smaller concave circular section in the twelve o’ clock position. The goods sought to be protected by registration were : “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones, horological and chronometric instruments”.

3. The Registrar considered that the mark was neither inherently adapted to nor inherently capable of distinguishing the goods of the applicant from those of other traders contrary to section 9(1)(e) of the Trade Marks Ordinance (“the Ordinance”) and was therefore *prima facie* unacceptable for registration.

4. The applicant sought to establish acquired factual distinctiveness through the use that had been made of the mark both in Hong Kong and overseas and offered to disclaim exclusive rights to the shape of a watch dial. It also referred to registrations secured elsewhere.

5. On 19 February 2002 the Registrar raised a further objection to registration under section 12(3)(c) of the Trade Marks Ordinance Cap. 43 (the “Ordinance”).

6. The registrability of the mark was discussed informally with the applicant’s agent on 13 November 2002. Both objections to registration were maintained by the Registrar’s representative. Pursuant to section 13(4) of the Ordinance and Rule 20(2) of the Trade Marks Rules, the applicant now seeks written grounds of the Registrar’s decision and the materials used by him in arriving at it. These are provided below.

Applicant's submissions on section 12(3)(c)

7. In their letter of 22 May 2002 the applicant's agent expressed the view that there is no provision in the Ordinance which prevents an applicant from filing evidence of use to show that a three-dimensional mark is distinctive. Secondly, the mark does not, in their view, give substantial value to the goods nor does the shape of the mark add any substantial value to the goods.

8. In the written submissions filed for the purpose of the informal discussion the applicant's agent stated :

“The third prohibition under Section 12(3) relates to a shape which gives substantial value to the goods. The mark clearly does not fall into this provision since there is no functional characteristics [sic] which actually add value to the goods. Whilst the dot in the mark may make it more attractive and consequently attract consumers, that dot makes the mark more distinctive.”

The law

9. Section 12(3) of the Ordinance provides :

“A sign shall not be registered as a trade mark relating to goods if it consists exclusively of –

- (a) the shape that results from the nature of the goods themselves;
- (b) the shape of goods that is necessary to obtain a technical result; or
- (c) the shape that gives substantial value to the goods.

10. The section was added in 1996 as section 19 of the Intellectual Property (World Trade Organisation Amendments) Ordinance No. 11 of 1996. It recognised for the first time that shape marks, which were not precluded by its provisions, were registrable in Hong Kong. An understanding of why these three types of shape were prohibited from

registration requires a determination of the policy considerations underlying the section. It can then be construed purposively. The provision has not, to my knowledge, been the subject of judicial consideration in Hong Kong.

11. Section 12(3) is, however, couched in terms identical to section 3(2) of the UK Trade Marks Act of 1994. I accordingly turn to the UK authorities on the equivalent UK provision and commentary for guidance on the policy considerations and scope of the provision.

12. In *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 Aldous LJ, at page 816 said :

“[Section 12(3)(b) and (c)] ... appears to contain words seeking to exclude from registration certain shapes which are protectable under patents, registered designs, copyright and other intellectual property rights. For many years it has been recognised that monopoly rights, other than trade marks, granted by the state are anti-competitive and can only be justified for a limited term and on well known grounds. Trade marks have been seen as an exception provided they only monopolise indications of origin and not inventions and designs.”

13. *Philips (supra)* also provides, though less directly, the other policy consideration underlying the provision, namely that the prohibition applies regardless of whether the sign also indicates origin. It was accepted by the Court of Appeal that the three headed rotary shaver configuration, which comprised the trade mark of Philips, was widely recognised as a product made by Philips. Nevertheless the court declared the mark invalid on a number of grounds including that it infringed the provisions of [section 12(3)(b)].

14. This second policy consideration also finds support in *Kerly's Law of Trade Marks and Trade Names* (13th edition) where, at 7-136, the authors comment :

“Distinctiveness or lack of it has no direct relevance to these [section 12(3)] grounds. They cannot be overcome by proving that the mark has acquired distinctiveness through use.”

15. Finally, in an article that appeared in [2001] EIPR 86, the authors, at page 88, reach the same conclusion, *viz* :

“A shape falling within these provisions [section 12(3)] does not have a specific saving for proof of acquired distinctiveness in trade.”

16. Both the passage from *Kerly* and the EIPR article refer to the UK equivalent of section 12(3) within the structure of the absolute grounds for refusal in the 1994 Act. That does not undermine the persuasiveness of their interpretation, for there is equally no saving provision, based on proof of acquired distinctiveness, in section 12 of the Ordinance. This is to be contrasted with sections 9(3)(b) and 10(2)(b) which provide such saving provisions.

17. I conclude therefore that the policy considerations underlying section 12(3)(c) are to exclude from registration as trade marks, shapes which are protectable under registered design or copyright as protection of such shapes should not be of infinite duration. Further, the exclusion cannot be circumvented by establishing that the sign does in fact also operate to signify the origin of the goods. With these considerations in mind I turn to the specific language of the provision.

18. “Sign” is not defined in the Ordinance but it must include anything which can convey information or a message.

19. The word “exclusively”, though capable of a number of different interpretations (the [2001] EIPR article at page 91 identified four possible meanings), has been referred to in only one reported decision, that of Mr Allan James in *Dualit Limited’s Trade Mark Applications* [1999] RPC 304. At page 320 :

“As elsewhere in section 3 [Trade Marks Act 1994], I take the word “*exclusively*” in section [12(3)] to relate to the *content* of the mark rather than the meaning or purpose of the sign.”

I find this to be an interpretation that can be consistently applied across all three prohibited shape types, and which excludes improbable interpretations and ones inconsistent with the public policy considerations identified above. “Exclusively” therefore means that the sign must comprise nothing but shape (i.e. no words or logos) and that the shape conveys one or more of the prohibited messages regardless of whether it also conveys a message relating to origin.

20. I turn to the phrase “the shape that adds substantial value to the goods”. In *Philips (supra)*, Aldous LJ said at 822 :

“The judge concluded that the shape shown in the trade mark was recognised as having an engineering function and for that reason it added substantial value to the product and was unregistrable.

Philips submitted that the exclusion in this subsection was aimed at preventing a trader from monopolising by way of a trade mark registration shapes which added a substantial value to the goods over other shapes, e.g. a lampshade, a telephone designed to appeal to the eye. Such designs should be protected as registered designs or the like protection, not by trade mark registration. They went on to submit that the shape shown in the trade mark did not have that character and it did not give it any substantial value when compared with the value of other equivalent shapes. Thus the trade mark was not excluded from registration by this subsection.

I have been persuaded by Philips that the construction placed on this subsection by the judge was not correct. There may be overlap between this subsection and the subsection which excludes shapes necessary to obtain a technical result, but the purpose is different. The latter is intended to exclude functional shapes and the former aesthetic-type shapes. Thus the fact that the technical result of a shape is excellent and therefore the article can command a high price does not mean that it is excluded from registration by subsection (c). The subsection is only concerned with shapes having “substantial value”. That requires a conclusion as to whether the value is substantial, which in my view requires that a comparison has to be made between the shape sought to be registered and shapes of equivalent articles. It is only if the shape sought to be registered has, in relative terms, substantial value that it will be excluded from registration.

In the present case, the shape registered by Philips has a substantial reputation built up by advertising and reliability and the like. That in my view is not relevant. What has to be considered is the shape as a shape. If that is done I do not believe that the evidence established that the registered shape has any more value than other shapes which were established to be as good as and as cheap to produce as that which is registered. In my judgment, registration was not prevented by this subparagraph.”

21. This aspect of aesthetic appeal identified by Aldous LJ is also central to the

UK Patent Office's interpretation of section 12(3)(c). Their Work Manual states (Chapter 6 at page 95) :

“It is likely that goods which are purchased primarily because of the eye appeal of the shape ...will fall foul of this provision.”

22. Whether “value” extends to qualities beyond eye appeal is beyond the scope of these written grounds. I leave that for another day.

23. But who must be considered? Whether the shape adds substantial value to the goods must, I think, first be tested through the eyes of actual and potential customers. The question is what compels customers to select the particular shape over competing shapes? It is the subjective quality that customers perceive as conferring worth.

24. Secondly, good design may lead to a price premium that customers would be willing to pay for the goods. Thus it would be legitimate to measure substantial value not only through the eyes of customers but also to test whether the shape results in more sales or more profitable sales to the applicant. Though this may at times be a reliable pointer to “substantial value”, it should not be taken too literally. “Substantial value”, as can be seen from the above is not measured solely in absolute or monetary terms. It includes the abstract values identified above. Furthermore, as the [2001] EIPR article points out, at page 93, if the subsection were applied solely on the basis of monetary terms, it would only come into play for high priced goods. This may be contrary to law. Article 15.4 of the TRIPS agreement provides that the nature of the goods to which a trade mark is to be applied shall in no case form an obstacle to registration. Thus section 12(3)(c) must be applied without discrimination to ordinary goods as to luxury goods.

25. One must be careful however to exclude irrelevant considerations which contribute to value. A better technical result attributable to a good functional design is covered by section 12(3)(b) not 12(3)(c). That was the conclusion of the Court of Appeal in *Philips* (at pages 822-3). The section would not include value brought about by better quality materials or craftsmanship. Neither would it cover value attributable to the trade mark as distinct from the shape *per se*. An example given by Jacob J in *Philips* at first instance ([1998] RPC 283 at 309) is the shape of the Rolls Royce grill. This adds value to a Rolls Royce but it does so primarily because it signifies the car to be a Rolls Royce and not because of its inherent shape.

26. The proper construction of section 12(3)(c) accordingly is that for the sign to be excluded from registration, it must firstly comprise nothing but shape, irrespective of whether the shape also conveys indications of origin. Secondly the shape must have eye appeal, or one or more of the other qualities of desirability or worth judged subjectively through the eyes of actual or potential customers, or to the applicant through more sales or more profitable sales. Thirdly, in determining whether the shape, as a shape, has substantial value requires that test to be performed on the shape sought to be registered compared to the shapes of equivalent articles. Fourthly, any value attributable to the shape as an indicator of source is to be disregarded.

Applicant's evidence

27. The applicant filed a statutory declaration of one Timothy F. Michno. Mr Michno explains the origins of the suit mark, which is referred to by the applicant as the Movado Museum dial design.

“The ‘MOVADO MUSEUM DIAL DESIGN (3-dimensional)’ Trade Mark traces its roots to the beginnings of the modern design movement and the group of international artists who founded the Bauhaus School in 1919. ‘Simplicity, tastefulness, function’ was their dictum. One of its purest expressions was the black watch dial defined by a single gold dot, designed by American artist Nathan George Horwitt in 1947. ‘We do not know time as a number sequence,’ Horwitt said, ‘but by the position of the sun as the earth rotates.’ Hence a gold dot at 12 o’ clock symbolizing the sun at high noon; the moving hands suggesting the movement of the earth. The Museum of Modern Art in New York selected Horwitt’s dial design for its permanent collection in 1960; it was the first watch dial ever awarded this distinction. The name, the Museum Watch, derives from this recognition.

Today, Movado Museum Watches featuring the ‘MOVADO MUSEUM DIAL DESIGN (3 dimensional)’ Trade Mark are in prominent museums around the world, and the legendary gold dot dial distinguishes an entire collection of singular timepieces. Nathan George Horwitt applied for and obtained a U.S. patent for the ‘MUSEUM DIAL DESIGN’ that was granted on September 9, 1958 under U.S. Patent No. 183,488. There was doubt expressed at the time an (almost) total absence of design could be an important, patentable design medium. Horwitt was convinced of the value of his idea and was able to call in good references. The well known photographer and director of the photographic department of the Museum of Modern Art in New York, Edward Steichen, proclaimed that Horwitt’s dial

design was the only truly original and beautiful one for such an object. Douglas Haskell, the editor of the architectural magazine 'Forum', wrote that exactly the reduction to a circle and a simple dot was revolutionary, truly new, the principle of 'powerful emptiness' (whereby he borrowed a quotation by the Chinese philosopher Lao-tse). Norman Rockwell, the American artist, described the design as so 'original that I've never seen anything like it before'. Thus, the dot achieved decisive significance. Horwitt had three prototypes made through the New York representative of Vacheton & [sic] Constantin and LeCoultre. They were simple, series made watches in very plain white gold cases with LeCoultre movements, fitted with his patented dial; enameled black with either a silver or gold dot. One prototype was accepted into the permanent collection of the New York Museum of Modern Art in 1960. Horwitt later presented the second prototype to the Brooklyn Museum of Art in New York and kept the third for himself. This second prototype has been on display in Brooklyn Museum since 1985. Between 1958 and 1960 Horwitt use the third prototype to try and find a watch manufacturer, either in America or in Switzerland, to produce wrist watches with this dial. Horwitt finally reached an agreement with Movado in 1960. Movado started to equip wrist watches from the standard programme with Horwitt's dial and sell them through a few New York shops. This early introduction was very cautious at first. Then in 1962, Movado began to advertise and the entire MUSEUM collection of watches featuring the legendary 'MOVADO MUSEUM DIAL DESIGN (3-dimensional)' Trade Mark gained in popularity. The 'MOVADO MUSEUM DIAL DESIGN (3 dimensional)' Trade Mark was registered as a trade mark in the United States Trademark Office in 1986."

Grounds for decision

28. From the representation appearing in paragraph one hereof the sign can be seen to comprise nothing but shape. The first requirement is accordingly met. Does the shape have eye appeal or any of the other qualities which add value either as seen through the eyes of actual or potential customers or to the applicant?

29. Looking through the materials exhibited as "TFM-3" to the statutory declaration of Mr Michno, and other brochures provided by the applicant's agent, the museum series of wrist watches, to which the suit mark is applied, have a high degree of eye appeal. They are original, stylish and exclusive to Movado. The stark simplicity of the dial and disc design has an understated elegance. I have no doubt that the sole reason the watch is exhibited in the permanent collections of the museums referred to is for the design of the watch face. The second requirement is amply met. Does the shape, as a shape, add

substantial value to the goods?

30. The “goods” are listed in paragraph two hereof. However the shape appears, from the evidence, to be applied only to wrist watches and even then, only to certain models. The objections under this section is accordingly confined to wrist watches.

31. I am required here to compare the shape sought to be registered with the shape of equivalent articles i.e. other wrist watches. Does the shape *per se* attract a price premium? In monetary terms the watches are at the higher end of the scale. The sales invoices exhibited as “TFM-2” to Mr Michno’s statutory declaration, presumably originating from the applicant’s local distributor and addressed to various Hong Kong retailers, show a retail price ranging from \$2,380 to \$13,900 with a median price of around \$5,000 to \$6,000. (The price differential reflects the quality of materials ranging from a simple stainless steel model (87-A1-845 4/0 BA) to a jewel encrusted model (84-94-1842 A004 72/002-5). I have no evidence of the retail prices of other wrist watches of similar quality. I do not, however, believe that the price of the museum watches in the marketplace compared to other watches from different watchmakers would be very instructive. The applicant does however produce watches which do not feature the subject mark. Is there anything to be gleaned from the price of these? I am unable to match a model number featured in the catalogue with an invoice to see whether or not there is a price premium on the museum series. Doing the best I can, the prices of those “traditional” watches do not seem to vary much from the \$5,000 to \$6,000 median. I am unable therefore to draw any conclusion that the shape *per se* attracts a price premium. Is there any other value the shape gives to the goods from the point of view of the applicant?

32. The invoices demonstrate that the watches featuring the subject mark are by far the most regularly ordered item amounting to nearly 80% of sales recorded in the exhibited invoices. As some of the invoices do not feature the museum series at all, I discount the possibility that the invoices were selected only because they featured watches bearing the subject mark.

33. Retailers will order only what they believe will sell. If nearly 80% of Movado watch sales are those of watches featuring the subject mark, this points significantly to the attraction to purchasers of the subject mark watch face over traditional watch faces adopted by the applicant on its other wrist watches. The shape attracts custom therefore the shape gives value, and at nearly 80% of proven Movado sales, substantial value to the goods

from the point of view of the applicant.

34. Furthermore, the entire *raison d'être* for the goods, as limited by me to wrist watches, is the subject mark. It is clear from the applicant's evidence that the goods to which the subject mark is applied owe their very existence to the design. It is the design that came first and it is the design of the dial (i.e. the subject mark) not the wrist watch as a whole which has achieved "legendary" status. I refer to the Movado catalogue for 1999 where on the opening page the following is stated :

"Designed by artist Nathan George Horwitt in 1947, the single dot Museum Dial is recognised as a legend in 20th century design."

35. I do not suggest that the movement and strap of a Movado watch is in any way inferior but it is clearly secondary, in the case of the museum range, to the dial design. This is further acknowledged in the applicant's evidence in the passage :

"Between 1958 and 1960 Horwitt used the third prototype to try to find a watch manufacturer, either in America or in Switzerland to produce wrist watches **with this dial**. Movado started to equip wrist watches **from their standard programme** with Horwitt's dial ..." (emphasis added)

From the applicant's point of view, were it not for the subject mark it would not have made the sales evidenced by the invoices. This undoubtedly establishes that the shape (i.e. the subject mark) gives substantial value to the wrist watches of the applicant.

36. Does the shape also give substantial value to the goods measured through the eyes of actual or potential customers? For actual customers the invoices speak volumes. I do not need to analyse in detail what the abstract values are in this case, for the nearly 80% figure shows a high level of attractiveness due solely to shape. I have no direct evidence of this but I take it as unlikely that the watches bearing traditional face designs have inferior movements or bracelets to those bearing the subject mark, so the overwhelming preference for the museum series over other Movado watches must be due solely to shape. It may be the simplicity of the uncluttered face, the elegance of the design, it may be thought that one's own image would be enhanced by selecting a stylish watch. It may be thought to be a desirable acquisition as a collectible due to its place in museum collections. All these

factors may combine to explain why the museum range is preferred by such a significant majority over other dial shapes. There is nothing to suggest that the same will not hold true for potential customers. The design may not be so “unique” as sales proliferate but it will be no less eye-catching in the future.

37. For the reasons stated above I have come to the conclusion that the shape, as a shape, adds substantial value to wrist watches. There remains my finding as to whether this value is attributable to the trade mark function of the sign.

38. There is no evidence before me that the subject mark alone would be perceived as a trade mark when applied to watches. Be that as it may, there is no evidence before me that the applicant enjoys such a reputation amongst manufacturers of wrist watches that ownership of a Movado watch would confer a certain cachet on the owner of one. The substantial value attributed to the shape does not in my view give value to the goods by reason of their being recognised as Movado watches, but inherently because of their simple elegance. This factor is accordingly not relevant here in relation to wrist watches.

39. As the sign falls squarely within the provisions of section 12(3)(c) it is not registrable as a trade mark in relation to wrist watches.

Sections 9 and 10 of the Ordinance

40. Having found that the subject mark cannot be registered because of the provisions of section 12(3)(c) it is not strictly necessary to test registrability under sections 9 and 10 of the Ordinance. However, as the objection under this ground was also maintained at the informal discussion, and there are other goods in the specification, I shall, in brief terms explain why.

41. Both sections are restrictive provisions. To be registrable as a trade mark relating to goods, the trade mark (and the subject mark is a “trade mark relating to goods” by definition) must fall within the provisions of section 9(1) or 10(1). As the subject mark is a three-dimensional shape it can only be registered under the provisions of section 9(1)(e) or 10(1). To fall within sections 9(1)(e) or 10(1) the mark must be distinctive. Distinctiveness means that the mark is adapted to or is capable of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade, from

goods in the case of which no such connection subsists. In determining whether a trade mark is adapted to or capable of distinguishing as aforesaid, the tribunal “must” (the word “may” as used in sections 9(3) and 10(2) having been judicially interpreted as imposing a mandatory rather than a permissive requirement - see *Blue Paraffin Trade Mark* [1977] RPC 473 at 483) have regard to the extent to which the trade mark is inherently adapted to or capable of distinguishing; and to the extent to which, by reason of the use of the trade mark or other circumstances, the trade mark is in fact adapted to or capable of distinguishing as aforesaid.

42. Common geometrical shapes such as squares, triangles, diamonds, ovals and circles have no inherent capacity to distinguish – see *Diamond T* 38 RPC 373. Superimposing a concave smaller disc upon a plain larger disc does not detract from this fundamental principle so as to give inherent distinctiveness to the whole. In respect of “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones, horological and chronometric instruments” (other than wrist watches) the subject mark is not inherently adapted to nor capable of distinguishing these goods, and as has been seen, no evidence has been filed to establish acquired factual distinctiveness for these goods. No other circumstances have been put before me.

43. With respect to wrist watches the lack of inherent distinctiveness is even more pronounced. Before explaining why, I think it necessary to state what “distinctiveness” means in trade mark law.

44. In *Smith, Kline & French Laboratories Ltd's Applns* [1976] RPC 511 at 538 Lord Diplock re-stated the test of distinctiveness :

“However, long before the reference to inherent adaptability had been incorporated in the current statutes dealing with trade marks, it had been held upon grounds of public policy that a trader ought not be allowed to obtain by registration under the Trade Marks Act a monopoly in what other traders may legitimately desire to use. The classic statement of this doctrine is to be found in the speech of Lord Parker in the *W & G Du Cros Ltd's Appln* (1913) 30 RPC 660 at 671-673] where he said that the right to registration should depend on whether other traders are likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods. The reference to “inherently adapted” in

section 9(3) of the Consolidation Act of 1938, which was first enacted in 1937, has always been treated as giving statutory expression to the doctrine as previously stated by Lord Parker.”

45. A watch dial comprises a thin piece of metal cut to the shape of the watch case. To that extent, every watch dial is three-dimensional. Although there are other available shapes for wrist watch dials, by far the most common is a circular shape. The watch dial element of the subject mark is not limited to any one colour. Save for watch dials incorporating a textural surface or a graphic design, most watch dials feature a single matt colour. The answer to the question, ‘ would other traders legitimately desire to use the first element of the suit mark upon their goods?’ must inevitably be yes, for they have little choice other than to do so. This has been recognised by the offer to disclaim exclusive rights to the shape of a watch dial.

46. The second element of the suit mark is the smaller concave circular section in the twelve o’ clock position. Leaving digital watches aside, almost every wrist watch marks the twelve o’ clock position either with a numeral or a device. Where a device is employed it may be a simple vertical stroke or a circular shape, such as when precious stones are used. I am unable to accept that other traders would not legitimately desire to mark the twelve o’ clock position on wrist watches of their manufacture with a circular or similarly shaped device, flat, concave or convex.

47. The distinctiveness lies, it is said, in marking only the twelve o’ clock position. It may be that at present no other manufacturer marks only the 12 o’ clock position or marks it with a smaller concave disk. But that may not always be the case. Unless the subject mark is protected by a Hong Kong registered design or by copyright as an artistic work, there is nothing to prevent other manufacturers from producing wrist watches that have the same features as the subject mark. When that occurs there will be nothing inherent in the subject mark alone that could possibly distinguish one set of goods from the other. I have no evidence of a Hong Kong registered design or whether the applicant has ever successfully asserted copyright in an artistic work but even if such rights exist, they are rights limited by time.

48. It cannot be said that there will ever be a time when other traders will have no desire to mark only the twelve o’ clock position with a circular or similar shaped device. That being the case, the subject mark is not inherently capable of distinguishing the

applicant's goods from the goods of others employing the same minimalist design.

49. If the mark has no inherent ability to distinguish it may not be registered even if it were shown to be 100% factually distinctive. I do not however believe acquired factual distinctiveness has been proved to any extent.

50. The public is much more inclined to recognise a word mark or a figurative or three-dimensional mark which is not the product itself as a mark identifying the source of the product. The public is less likely to recognise a mark as identifying source where the sign is indistinguishable from the appearance of the product itself. The subject mark consists of a faithful representation of the dial and no more. It is not sufficient to list the sales made of watches bearing the subject mark nor the amounts expended on promotion, significant though those figures may be. What must be established is that the likely purchaser of watches in the relevant price bracket would perceive the dial design as a trade mark i.e. as the manufacturer's badge of origin and not simply as an attractive eye-catching design. There has been no attempt to demonstrate this. All that has been produced, apart from the sales and promotional figures are brochures depicting watches most of which are legibly marked *SWISS MOVADO QUARTZ*.

51. Whilst I accept that a trader may have more than one trade mark, there is little evidence of the subject mark used on its own and none that would satisfy me that it has acquired recognition on its own as a badge of origin. It is less likely to be seen as identifying source if used with another distinctive mark more readily recognisable as a trade mark. On the state of the evidence, I can only conclude that the badge of origin would be perceived as Movado and the subject mark merely as an attractive eye-catching design for a watch face.

52. For the reasons stated above, I am of the view that the subject mark is neither inherently adapted to, nor capable of distinguishing the applicant's wrist watches, and has not been shown to do so in fact. No other circumstances have been placed before me.

Registration elsewhere

53. The applicant has registered the suit mark or simply the "dot" in 24 countries. Most are South American countries or Caribbean Islands. The mark has however been

accepted in Canada, USA and as a Community Trade Mark. Unless, however, the applicant can provide a written decision which explains the reasoning undertaken, I am in no position to judge whether the law is applied there as it is applied in Hong Kong and whether the decision to register was reached after consideration of the facts and criteria relevant to the application. I am not persuaded to follow overseas registrations in these circumstances when the mark is clearly unregistrable under the provisions of sections 12(3)(c), 9 and 10 of the Ordinance.

54. In arriving at this decision, I have considered the application filed, the written submissions of the applicant's agents dated 10 February 2000, 25 July 2000, 10 December 2001, 22 May 2002 and 12 November 2002 and the materials accompanying them; the written and oral submissions made on 13 November 2002 and the catalogues submitted; the statutory declaration of Mr Michno and the material exhibited; the authorities, article and the text book cited herein.

(K.S. Kripas)
p. Registrar of Trade Marks
31 December 2002