

Application No. 11758 of 1999

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

AND

IN THE MATTER of an application by N.V.
Sumatra Tobacco Trading Company to
register the mark

HERO

in Part A of the Register in Class 42

AND

IN THE MATTER of an opposition thereto by
Hero

**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on 24
February 2005.

Appearing : Mr. John Yan, SC, instructed by Messrs. Eccles & Lee for the applicant.

Application for Registration

1. On 30 August 1999 (“the application date”), N.V. Sumatra Tobacco Trading Company (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance Cap. 43 (“the Ordinance”), in Part A of the register in Class 42, the trade mark, a representation of which appears below :

HERO

(“the suit mark”).

2. The services intended to be covered by the registration were “hotel and motel services; restaurant and catering services; bar and cocktail lounge services; cafes, cafeterias, canteens, coffee shops and delicatessens; provision of temporary accommodations; provision of dine-in and take-away food and drinks and public house services; all included in class 42”. The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part A of the register. The application was advertised in the Government of the Hong Kong Special Administrative Region Gazette on 11 February 2000.

Pleadings and Evidence

3. On 8 August 2000, HERO (“the opponent”) filed notice of opposition to the application. The grounds of opposition state, *inter alia*, that it is the registered proprietor in Hong Kong of trade mark registrations for “HERO” in classes 29, 30 and 32. The opponent asserts that the HERO mark was first used in Hong Kong by it in about late 1980. It is pleaded that the suit mark and the opponent’s HERO mark are identical and the services applied for under the subject application are closely associated with the goods covered by the opponent’s Hong Kong registrations. As such, the services provided by the applicant are likely to be perceived by consumers as being provided by or connected with the opponent. The grounds of opposition comprise sections 2, 9, 10, 12, 13, 20 and 23 of the Ordinance.

4. In the applicant’s counter-statement, save and except that the applicant’s own application for registration of the suit mark and the opponent’s Hong Kong and overseas registrations for the HERO mark are admitted, the applicant does not admit or denies each and every allegation in the notice of opposition.

5. The opponent’s Trade Marks Rule/s, Cap. 43, Sub. Leg. (“Rule/s”) 25 evidence comprises a statutory declaration dated 2 July 2001 from Andrew Lawson, the head of corporate of finance of the opponent, together with exhibits (“Lawson’s statutory declaration”). The applicant’s evidence under Rule 26 consists of a statutory declaration dated 16 December 2002 from Timin Bingei, the director of the applicant, together with exhibits (“Bingei’s statutory declaration”). Pursuant to Rule 27, the opponent filed a statutory

declaration dated 22 December 2003 from Deepak Sunder Mahtani, a trainee solicitor in the employ of Messrs. Deacons, the opponent's agent, together with exhibits ("Mahtani's statutory declaraton") and a statutory declaration dated 10 June 2004 from Pieter-Lawers Bakker, the regional manager of the Asia Pacific representative office of the opponent named Hero Asia, a company incorporated in Hong Kong, together with exhibits ("Bakker's statutory declaration").

Decision

6. Though, by 24 February 2005, the date the matter was heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of section 10(2) of schedule 5, oppositions to registrations still pending as of 4 April 2003 are to be determined under the provisions of the repealed Ordinance, Cap. 43.

7. By letter dated 22 February 2005, the opponent's agent indicated that the opponent would not be represented at the hearing fixed for 24 February 2005 and requested the hearing officer to consider the documents and evidence which have been filed by the opponent in adjudicating the proceedings.

Under section 2

8. Mr. Yan for the applicant submitted that nothing in the statutory declarations filed on behalf of the opponent and nothing pleaded in the grounds of opposition supports this ground which is clearly without any merit and appears to have been included as part of a pro forma paragraph in the grounds of opposition.

9. In my view, the opponent only pleads in paragraph 5(a) of the grounds of opposition that the suit mark is not a trade mark relating to goods (in fact, the suit mark relates to services, not goods) within the meaning of section 2 of the Ordinance in that it is not capable of indicating a connection in the course of trade between the services applied for and the applicant and the applicant does not have the right to use the mark in Hong Kong without giving any particulars for the ground of opposition. Nothing can be found in the statutory declarations filed on behalf of the opponent in support of this ground either. I therefore agree with Mr. Yan that this ground of objection is clearly without any merit and the applicant has defeated the opposition under section 2 of the Ordinance.

Under sections 9 and 10

10. In paragraph 5(b) of the grounds of opposition, the opponent states that the suit mark does not qualify for registration under sections 9 and/or 10 of the Ordinance because it is neither adapted to nor capable of distinguishing the services of the applicant from the goods of the opponent. I accept Mr. Yan's submissions that similarly, nothing in the statutory declarations filed on behalf of the opponent and nothing pleaded in the grounds of opposition

supports this ground which is clearly without any merit and appears to have been included as part of a pro forma paragraph in the grounds of opposition.

11. In any event, if the thrust of the objection is that the suit mark is neither adapted to nor capable of distinguishing by reason of the similarity between it and the opponent's earlier marks, then the issue is the same issue as the objection under sections 12(1) and 20 of the Ordinance and is best determined in the wider contexts of those sections (*Kerly's Law of Trade Marks and Trade Names*, 12th edition, note 2 to paragraph 10-01).

Under section 12(1)

12. Before an opponent can invoke section 12(1), it must establish a certain degree of reputation in Hong Kong of its marks. At its very highest, it is a question of a substantial proportion of the interested public being aware of its 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 must be something more than *de minimis* (*Re Da Vinci Trade Mark* [1980] RPC 237).

13. It is well settled in *Re Omega* [1995]2 HKC 473 and *Gay Giano Trade Mark* [1996]2 HKC 646 that the reputation of the opponent need not be in respect of the same goods [services] as those of the suit mark. The fact that reputation is not in respect of the particular goods [services] is a factor to be taken into account in assessing confusion, not a pre-condition for opposing the registration of a mark under section 12(1) (decision of the Registrar of Trade Marks dated 17 December 1999, unreported, p.18).

14. In the light of the evidence adduced on behalf of the opponent, the applicant accepts, for the purposes of this hearing, the opponent is able to prove some, albeit not very strong reputation, in its Hero and device mark in respect of a very limited class of goods, jams, chestnut and fruit purees and canned fruits, as at the application date (see exhibits marked "AL-4" to Lawson's statutory declaration and "PLB-4", "PLB-5", "PLB-6", "PLB-7" to Bakker's statutory declaration). Further, Mr. Yan contended that the opponent's evidence shows that such limited reputation for such limited class of goods is also primarily restricted to a very small circle of specialist trade end users of the opponent's products – a number of bakeries like Saint Honore and Maxim's, the Hong Kong Jockey Club, Windsor Hotel and Macy's Candies (see the invoices produced in the exhibit marked "PLB-7" to Bakker's statutory declaration which evidence bulk sales of the opponent's goods to the bakeries, club and hotel which, Mr. Yan submitted, should be used as raw ingredients to make cakes, pies, pastries and so on).

15. Mr. Yan said it is important to note that although the opponent, has, in the evidence which it has filed, sought to assert that there have been sales of its products at and through retail outlets, such evidence fails to show that there were any substantial retail sales prior to the application date. Mr. Yan then went on to analyse the evidence in details.

16. Mr. Yan contended that in paragraph 18 of Lawson's statutory declaration, it is stated that the opponent's goods "*are* offered and sold through the following outlets" (my emphasis). The use of the present tense is important because the said statutory declaration was made on 2 July 2001, long after the application date. There is nothing, whether in the exhibits to or the other parts of the body of this statutory declaration, to indicate that there were any sales of the opponent's goods through retail outlets prior to the application date.

17. In paragraph 13 of Bakker's statutory declaration, Mr. Yan submitted, he claimed that the "opponent's retail products *are* listed and sold in Hong Kong through supermarkets such as Park 'N Shop ... CRC ... and Wellcome as well as department stores such as Jusco, Uny, City Super, Seiyu, New World and other retail stores and cake shops" (my emphasis). Again, it is important to note the use of the present tense and the date when Mr. Bakker made his statutory declaration (10 June 2004). Indeed, it is clear that what Mr. Bakker was speaking about must have been the position as at June 2004 as it will be noted that many of the retail outlets which he mentioned were not referred to in Lawson's statutory declaration.

18. Similarly, Mr. Yan contended that in paragraph 15 of the same statutory declaration, where Mr. Bakker claimed that the opponent's products "*are* also available in major retail outlets such as supermarkets (e.g. Park 'N Shop), department stores (e.g. Uny, Sogo), convenience stores (e.g. CRC)" (my emphasis), he must have been speaking only of the position as at June 2004, when he made his statutory declaration.

19. It was the submission of Mr. Yan that whereas both Mr. Lawson and Mr. Bakker claimed that there were retail sales of the opponent's products, none of the invoices produced by Mr. Lawson (exhibit "AL-4") or by Mr. Bakker (exhibit "PLB-7") show any sales or supply of the opponent's products to these retail outlets. As shown by the invoices exhibited in "AL-4", the opponent's goods were all sold to its distributor in Hong Kong, Siber Hegner Marketing. The evidence in "PLB-7" shows that there were sales from Siber Hegner to a number of bakeries and hotels (see paragraph 14 above) and trading companies such as Ming Kai (HK) Trading Co. Limited, Eternal Gain Food (China) Ltd., Son Fong International Trading Co. and so on. Mr. Yan submitted that they do not show there were sales to the retail outlets. So far as the goods (including small cans of jams and so on which could be for retail sales) sold to the trading companies are concerned, one does not know where the goods ultimately went. To take an example, they may be transhipped to China from Hong Kong.

20. A sales breakdown for products bearing the opponent's Hero mark which were sold in Hong Kong (including both catering and retail sales) for the years 1996, 1997 and 1998 was said to be produced in the exhibit marked "PLB-6" to Bakker's statutory declaration. Mr. Yan argued that there is no information as to who compiled the sales breakdown, how it was compiled and from what it was compiled. Furthermore, when one compares the sales breakdown with the invoices produced by the opponent, they do not match. Therefore, Mr. Yan concluded that no weight should be attached to this piece of evidence by me.

21. I have set out Mr. Yan's analysis of the evidence filed by the opponent above with much of which I totally agree except that I would add also "honey" to the class of goods.

The sales of honey were evidenced by the invoices in “AL-4” to Lawson’s statutory declaration and “PLB-7” to Bakker’s statutory declaration. I therefore find that the opponent is able to prove reputation in its HERO mark in respect of jams, chestnut and fruit purees, canned fruits and honey as at the application date. I further find that the reputation for such limited class of goods is primarily restricted to a small circle of specialist trade end users of the opponent’s products such as bakeries, clubs and hotels. Although the reputation of the opponent is somehow restricted, it is something more than *de minimis* which enables the opponent to overcome the threshold question to ground an opposition based on section 12(1). The fact that reputation is not in respect of the same services as those of the suit mark is a factor to be taken into account in assessing confusion. The onus then shifts to the applicant to show there is no reasonable likelihood of deception or confusion.

22. It is well established that the test to be used in applying section 12(1) is that stated by Evershed J. in *Smith Hayden & Co’s Application* (1946) 63 RPC 97 at 101. The test under section 12(1), adapted to this application, is as follows : -

“Having regard to the user of the opponent’s mark “Hero” in respect of jams, chestnut and fruit purees, canned fruits and honey, is the Registrar satisfied that the suit mark, if used in a normal and fair manner in respect of the specified services will not be reasonably likely to cause deception and confusion amongst a substantial number of persons? May a number of people be caused to wonder whether the goods and services under the respective marks come from the same source? Is there a real tangible danger of confusion if the applied for mark is put on the Register?”

23. Mr. Yan submitted that on the facts of the present case, for the reasons given below, there would clearly not be deception or confusion caused by the applicant’s use of the suit mark.

24. In the first place, Mr. Yan contended that the appearance and idea of the suit mark and the opponent’s mark are completely different. The opponent’s mark consists of the word “Hero” represented in a special manner (note, in particular, the particular representation of the “r”) and enclosed in a blue elliptical shape. The idea conveyed by the mark is accordingly that of a logo or device. Conversely, the mark sought to be registered by the applicant is simply the word “HERO”.

25. In the second place, Mr. Yan submitted that the goods in respect of which the opponent has made use of its mark and in respect of which the opponent enjoys its limited reputation is totally different from the services in respect of which the applicant seeks to register its mark. That being the case, no one would be confused. No one seeing a hotel or motel named “HERO” would be confused into thinking that the hotel has anything to do with a company that produces and markets jams, chestnut and fruit purees and canned fruits of the type manufactured and marketed by the opponent. Similarly, no one seeing a restaurant named “HERO” would be confused into thinking that the restaurant has anything to do with a company that produces and markets jams, chestnut and fruit purees and canned fruits. The same can be said of all the other services covered by the applicant’s proposed registration. In particular, who in his right mind would be confused into thinking that a bar, cocktail lounge or

pub named “HERO” has anything to do with a company that produces and markets jams, chestnut and fruit purees and canned fruits? In this regard, the observations of the learned Hearing Officer Mr. Alasdair Hume in *LAURA ASHLEY* Trade Mark [1990] RPC 539, 544-5 are particular apposite : -

“The whole basis of current trade marks law relies on it being acceptable to register even an identical mark in different ownership providing the same goods or same description of goods are not involved. “Penguin” for example is registered in quite separate ownership for, on the one hand, “biscuits” and on the other “books”. “BARRATT” is registered for dwelling houses in class 19 and at the same time in class 25 there is an unrelated registration of “BARRATTS” for shoes. “BURTON” is well known in the high street for menswear but so too is “BURTON’s” for biscuits. Most people will, I suspect, have heard of these – they are well known names as indeed is WIMPY for hamburgers but no-one is likely to assume a connection with WIMPEY the builders. I cannot accept, therefore than [sic] in relation to the “Laura Ashley” logo anybody seeing it on goods of a type sold through normal High Street stores would necessarily assume the goods to be associated with the applicants. It would, I think, depend very much on the goods.”

26. In the third place, Mr. Yan argued that the trade channels through which the opponent’s goods and the services the subject matter of the applicant’s proposed registration are provided are completely different – the evidence clearly shows that the opponent’s goods are supplied to the specialist consumers thereof through the opponent’s Hong Kong distributor. If some of the opponent’s goods are sold at a retail level, they are sold through supermarkets. Conversely, the trade channels through which the services the subject matter of the applicant’s proposed registration are provided are completely different – they would be provided through hotels, motels, restaurants, caterers, bars, cocktail lounges, cafes, cafeterias, canteens, coffee shops, delicatessens and pubs.

27. Finally, as regards the potential customers, Mr. Yan contended that the kind of customers for the opponent’s goods and for the services the subject matter of the applicant’s proposed registration are also completely different. As pointed out above, the customers for the opponent’s goods are primarily specialist trade end users such as bakeries. The customers of the services the subject matter of the applicant’s proposed registration are tourists and ordinary patrons of restaurants, cafes, bars and so on.

28. I accept, on the evidence, that the opponent’s Hero mark, in actual use, appears in the following format : -



29. The established test for the comparison of word marks is that promulgated by Parker J. in *Pianotist Co. Ltds.'s Application* (1906) 23 RPC 774 at 777.

“You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks is used in a normal way as a trade mark for the goods of the respective owners of the marks”.

30. Though in actual use, the opponent’s Hero mark is represented in the above format, in my view, the leading characteristic of the mark is undoubtedly the word “Hero”. It retains its identity as a pure word mark. I am not convinced by Mr. Yan’s submission that the particular representation of the “r” is so distinctive that it alters the visual impact of the opponent’s mark. As regards the elliptical shape in which the word Hero is enclosed in the opponent’s mark, I see it as no more than a commonplace decorative background used by traders which cannot lend any element of distinctiveness to the mark as to alter the leading characteristics of it being the word “Hero”. It follows that the idea conveyed by the suit mark and the opponent’s mark is the same. They are also identical aurally. Their look is almost the same.

31. I must next consider the goods and services to which the respective marks are to be applied. Basically, I see the force of Mr. Yan’s submissions that the goods in respect of which the opponent has made use of its mark and in respect of which the opponent enjoys its limited reputation is different from the services in respect of which the applicant seeks to register its mark. A follow up question is ‘can it be said that the opponent’s limited reputation in Hong Kong for jams, chestnut and fruits purees, canned fruits and honey being sold to a circle of specialist trade end users has “spilled-over” to the extent that a substantial number of, for example, hotel or motel, restaurant, bar, delicatessen, cocktail lounge or pub customers, on seeing the suit mark applied to those services, would be caused to wonder whether the services were those of the opponent?’ Is there any tangible danger of confusion among people of reasonable intelligence taking ordinary care?

32. There is no evidence of what the ordinary purchasers in Hong Kong might think if they encounter any of the specified services provided with reference to the suit mark. In the absence of such evidence, I must substitute myself as one who might be a potential customer of the specified services (see *Re GE Trade Mark* [1973] RPC 297 at 321-322). The question I put to myself, being one with the familiarity of the opponent’s mark in relation to jams, chestnut and fruit purees, canned fruits and honey for bakeries, clubs and hotels, is : would I, upon seeing a hotel, motel, restaurant and catering service, bar and cocktail lounge, cafe, cafeteria, canteen, coffee shop, delicatessen and other services covered by the applicant’s proposed registration named “Hero”, conjure up an association with the opponent so that I may be caused to wonder whether they came from the same source? The answer is no.

33. The onus is upon the applicant to satisfy me that, on the facts presented, there is no reasonable likelihood of confusion if the suit mark is to proceed to registration. Having

taken into account all the circumstances outlined above I find that the applicant has discharged its onus and accordingly find that the opposition under section 12(1) of the Ordinance fails.

Under section 13(1)

34. 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 (*Re WOWI & Device Trade Mark* [1998] HKC 221 at 236G).

35. It is clear that the suit mark and the opponent's mark are not in respect of identical goods in the present case. The opponent's attempted reliance on section 13 is misconceived. It follows that the opposition under section 13(1) is defeated.

Under section 23




36. As Mr. Yan rightly submitted, it is now well established that the intention of section 23 is to protect marks registered in their country of origin from being copied or imitated in Hong Kong. In the circumstances, an opponent seeking to rely on section 23 must show that the applicant against whom an opposition under section 23 is sought to be raised copied the opponent's mark (*Hong Kong Caterers Ltd. V. Maxim's Ltd.* [1983] HKLR 287, 301, *E.I. Du Pont de Nemours & Company v. The Director of Intellectual Property* HCAL 107 & 132/2003 and unreported judgment of the Hon. Hartmann J. dated 17 June 2004, paragraphs 22 to 37). Absent any proof of copying, an opposition under section 23 is bound to fail.

37. In the present case, Mr. Yan submitted that there is no evidence or even a suggestion that the applicant has copied the opponent's mark. On the contrary, the unchallenged evidence of the applicant is that the applicant first started using the suit mark in respect of tobacco products as early as in 1957 and has continuously used it since then. The applicant then decided to diversify its business into the provision of hospitality and catering services and decided to use the suit mark in relation to such services (paragraph 7 of Bingei's statutory declaration). In the circumstances, there is no question of the applicant having copied the opponent's mark and there is no question of a ground of opposition arising under section 23.

38. I feel that I am bound, in view of the authorities and the facts of the present case, to uphold Mr. Yan's contention and therefore find that the opposition under section 23 is defeated.

Under section 20(2)

39. The opponent pleads that the registration of the suit mark is prohibited by section 20(2) of the Ordinance based on the following three registered marks :

Trade Mark	Registration No.	Class	Goods
	68 of 1983	29	Canned meat, preserved, dried and cooked fruits and vegetables, jellies, jams, preserves and pickles.
	69 of 1983	30	Honey and cereals
	70 of 1983	32	Syrups

40. Under section 20(2)(c), the two issues for my determination are, whether the services for which the suit mark is sought to be registered, associated with the goods covered by the opponent's registered marks; and if so does the suit mark so nearly resemble the opponent's registered marks as to be likely to deceive or cause confusion.

41. The services applied for by the applicant are "hotel and motel services; restaurant and catering services; bar and cocktail lounge services; cafes, cafeterias, canteens, coffee shops and delicatessens; provision of temporary accommodations; provision of dine-in and take-away food and drinks and public house services". Before the opponent can mount an opposition under section 20(2)(c), it must be shown that the goods or a description of goods covered by the specifications of the opponent's registered marks are associated with the applicant's services or services of that description. Under section 2(3) of the Ordinance, goods and services are associated with each other if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business. The question before me is therefore whether or not the services specified in the applicant's application and the goods covered by the opponent's registrations are "associated" within the meaning of section 2(3) of the Ordinance.

42. Mr. Yan submitted that the various services included in the specification in relation to which the applicant seeks to register its mark can be roughly divided into 3 different categories : -

- (a) a category consisting of services relating to the provision of food and drink – restaurant and catering services; cafes, cafeterias, canteens, coffee shops and delicatessens; provision of dine-in and take-away food and drinks ("category A");

- (b) a category consisting of services relating to the provision of accommodations – hotel and motel services; provision of temporary accommodations (“category B”); and
- (c) a category consisting of services relating to drinking establishments – bar and cocktail lounge services; public house services (“category C”).

43. In relation to the category A services, the applicant concedes, for the purposes of this hearing, that the goods in respect of which the opponent has registered its mark are associated (in the sense defined in s.2(3) of the Ordinance) with these services. There is thus no need for me to make a finding regarding the category A services.

44. With reference to the category B services, Mr. Yan submitted that these are not services which are “associated” with the goods in respect of which the opponent’s mark has been registered because it is not likely that those goods might be sold or otherwise traded in and those services might be provided by the same business. Clearly, the goods in respect of which the opponent has registered its mark are not likely to be sold in motels and places providing temporary accommodations. As regards hotels, Mr. Yan contended that although the opponent has adduced some evidence that jam is included in hampers sold by a cake shop operated by the Mandarin Hotel and a boutique having connections with the Peninsula Hotel, this still does not establish that jams are likely to be sold by hotels because the jams were not sold by the hotel itself but by a cake shop and a boutique set up by the respective hotels. Furthermore, the evidence shows only two instances of jams being sold in this way. However, there are very many hotels in Hong Kong but there is no evidence that jams are sold by any other hotels. The fact none of these other hotels have been shown to sell jams shows that it is in fact unlikely that jams might be sold in hotels on the balance of probabilities.

45. Quite clearly, Mr. Yan argued that none of the category C services can in any way be said to be “associated” with the goods in respect of which the opponent’s mark has been registered. Bars, cocktail lounges and pubs simply do not sell or trade in such goods.

46. In determining the question of what goods and services are associated, I find the following useful passage in paragraph 11-66 of the United Kingdom Trade Marks Registry Work Manual :

“Goods associated with services” for the purpose of section 12 conflict is not to be interpreted in its widest sense. The new sub-section 2A to section 68 (see section 1(5)(b) of the 1984 Act) interprets this association to mean “... if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business ...”. This likelihood must, however, be a realistic one in that the public would reasonably believe a connection exists between a supplier of goods and the provider of a service if the same or nearly resembling marks are used in respect of goods and services. Such an association clearly exists between pumps and the service of repairing pumps, carpets and the service of carpet laying, etc., but not, for example, between adding machines and accountancy, stitching machines and shoe repair, etc.’

47. Having taken into account the submissions of Mr. Yan and the passage in the United Kingdom Trade Marks Registry Work Manual, I do not think that there is a realistic likelihood in that the public would reasonably believe a connection exists between a supplier of the goods covered by the opponent's prior registrations (including canned meat, preserved, dried and cooked fruits and vegetables, jellies, jams, preserves, pickles, honey, cereals and syrups) and the provider of the category B and C services (including hotel and motel services, provision of temporary accommodations, bar and cocktail lounge services and public houses services) if the same or nearly resembling marks are used in respect of those goods and services. I am of opinion that the goods do not have a close bearing to the services concerned that they could be described as related or associated goods or services. There appears to be simply no normal business relationship between those goods traded and the services provided. I do not see there is a real likelihood that a proprietor trading in the opponent's goods also provide the applied for services that are performed upon or by means of the goods.

48. Regarding the evidence produced by the opponent showing that the opponent's goods are sold by a cake shop operated by the Mandarin Hotel and a boutique set up by the Peninsula Hotel, I am of the view that when the hotels are setting up their own shops within their hotels to sell the opponent's goods, they are in fact in the service of retailing of food products which should not be covered by the hotel service.

49. In the light of the foregoing, I find that the applicant's services "hotel and motel services; provision of temporary accommodations; bar and cocktail lounge services and public houses services" and the opponent's goods are not associated with each other.

50. The remaining question for me is those services in category A : restaurant and catering services; cafes, cafeteria, canteens, coffee shops and delicatessens; provision of dine-in and take-away food and drinks. As pointed out above, the applicant concedes, for the purposes of this hearing, that the goods in respect of which the opponent has registered its mark are associated with the aforesaid services. It is enough that the opponent can show that their registrations extend to any services, not necessarily all services specified in the applicant's application, or to any services of the same description (*Smith Hayden & Co.'s Application* [1945] 63 RPC 97 at 101). On this basis, I need to proceed to consider whether the suit mark so nearly resembles the opponent's registered mark as to be likely to deceive or cause confusion so far as the aforesaid services are concerned.

51. The accepted test to be applied under section 20 of the Ordinance is that stated by Evershed J. in *Smith Hayden & Co.'s Application* [1946] 63 RPC 97. Adapted to the matter in hand, the test may be expressed as follows :

"Assuming user by the opponent of its mark "HERO" in a normal and fair manner for any of the goods covered by the registrations, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion amongst a substantial number of persons if the applicant also uses its mark "HERO" normally and fairly in respect of any services covered by its proposed registration?"

52. The onus is on the applicant to satisfy the Registrar that the suit mark is not reasonably likely to deceive or cause confusion. In cases whether the tribunal considers that there is doubt as to whether deception is likely the application should be refused (*Kerly's Law of Trade Marks and Trade Names – 12th Edition* paragraph 17-03).

53. My findings made under section 12(1) opposition that the parties' marks are conceptually, visually and phonetically confusingly similar apply equally to the section 20(1) opposition.

54. Mr. Yan accepted that as the services of the proposed registration (category A) and the goods covered by the opponent's registrations are associated with one another, the goods can be sold and the services can be provided through similar trade channels to similar class of purchasers. In such a case, he conceded that his strongest point would be on the differences between the parties' marks. To his "strongest point", I have already found that the two marks are confusingly similar in view of their conceptual, visual and phonetic similarities. I have come to the conclusion that there is a reasonable likelihood that persons seeing the parties' marks in use will be deceived or confused into believing that the services are provided and the goods are sold by the same proprietor. In the result, the section 20(2) opposition succeeds.

55. This does not dispose of the matter completely. Mr. Yan submitted that in the event the Registrar finds that some but not all of the services included in the applicant's specification are "associated" with the goods in respect of which the opponent's mark has been registered and that there will be reasonable likelihood of deception or confusion caused by the use of the suit mark in respect of these services that would offend against section 20, the applicant invites the Registrar to exercise his powers under section 15(4) of the Ordinance to permit registration of the suit mark in respect of those services which are not "associated" with the goods in respect of which the opponent's mark has been registered and in respect of which there will be reasonable likelihood of deception or confusion caused by the use of the suit mark in relation thereto. Mr. Yan cited a number of authorities below which, he submitted, clearly show that this is what the Registrar can and should do.

56. In *Kenrick & Jefferson's Trade Mark* (1890) 7 RPC 321, the applicants applied to register the word "Palmila" for paper (except paper hangings) and stationery in class 39. The Comptroller refused to register, in view of a mark registered by the opponent for a preparation for diluting ink. The applicants appealed to the court. At the court, the applicants offered to exclude ink, and preparations for diluting ink, from their registration. On this the court ordered the application to be proceeded with, but ordered the applicants to pay the opponent's costs, and those of the Comptroller. Mr. Yan contended that this case clearly shows that the court can allow the application subject to a restriction of the specification of goods. It is after all a question of costs.

57. In *Smith's Application* (1922) 11 RPC 77, an application was made to register a mark consisting of the words "Galaxy" and "The Milky Way" in class 42 in respect of substances used for food or as ingredients for food but not including toffee or goods of the like

kind. The application was opposed on the ground that the mark applied for consisted essentially of the word "Galaxy" and that it so nearly resembled the opponent's mark "Glaxo" registered in class 42, as to be calculated to deceive. The opponents used the mark "Glaxo" in connection with a milk food for children, which had been extensively sold and advertised and which had a very wide reputation. There had been no user of the mark applied for. The Registrar allowed the applicant's mark to proceed, but limited the specification of goods by the addition of the words "and not including dried, desiccated, and malted milk, condensed milk, and any milk food or milk production for children, invalids or other people". The applicant appealed to the court. On appeal, the court approved what the Registrar did and the appeal was dismissed with costs.

58. In *Bayer Products Ltd's Application* (1947) 64 RPC 125, the applicants applied for the registration of the word mark "Diasil" in respect of "pharmaceutical preparations for internal use, and for application to wounds and to the skin". The application was opposed by the proprietors of the mark "Alasil" registered in class 3 in respect of "chemical substances prepared for use in medicine in pharmacy". The applicants offered to limit their registration to sulphadiazine preparations. The Assistant-Comptroller held that there was no risk of visual confusion, nor any risk of phonetic confusion by mishearing on the telephone or otherwise; that having regard to the similarity of the mark and the opponents' registration, confusion would be likely to arise if the applicants were allowed to register their mark for the goods in respect of which the application was made, but that they had discharged the onus of showing that there was no reasonable probability of confusion if the registration were limited to sulphadiazine preparations, and registration was ordered in respect of those goods. The Assistant-Comptroller's decision was upheld on appeal to the High Court and the Court of Appeal. It was Mr. Yan's contention that it is clear from the case that both the High Court and the Court of Appeal approved what the Registrar did.

59. In *John Crowther & Sons (Milnsbridge) Limited's Application* (1948) 65 RPC 369, the applicants applied to register "Sunfleck" for "complete articles of clothing but not including footwear, stockings, socks or hats and not including any goods of the same description as any of the excluded goods". Opposition was entered by the opponent who had registered and used "Sunflex" for "stockings and socks". In the course of the proceedings, the applicants applied to amend their specification by confining it to certain specified articles of clothing made from woven woollen and piece goods. The opponents objected that this would enlarge the specification, since certain articles named were of the same description as stockings or socks and had, therefore, been excluded from the original specification. Mr. Yan drew my attention to the following observation made by the Assistant-Comptroller at 370 : -

"In view of the fact that Mr. Crawshaw makes it clear in his declaration that the opponents rejected the applicants' offer to amend their specification of goods as mentioned above, I have in the first place to consider the application as if the specification of goods were as advertised, and then, if I find that the application cannot proceed in respect of such specification, to consider under the provisions of section 18(5) whether it may proceed in respect of the alternative and more definite specification of goods, a question which in the first instance depends upon whether the second specification can be properly regarded as a limitation of the original specification. In his opening Mr. Aldous intimated that the applicants would prefer the alternative and definite specification of goods, but Mr. Johnston submitted as a preliminary point that on first principles the applicants should not be permitted registration in respect of

either specification, his argument being that the form of the specification as advertised was one which, in the case of *Columbia Graphophone Coy. Ld.'s Trade Marks* (49 RPC 621), had been held by the Court of Appeal to be open to objection on account of its indefiniteness, and that the amendment of the specification proposed was not permissible because in some respects it was a widening and not a limitation of the advertised specification”.

Mr. Yan submitted that section 18(5) of the United Kingdom Trade Marks Act 1938 is equivalent to section 15(4) of the Ordinance. In this case, the Assistant-Comptroller specifically mentioned that if he found that the application cannot proceed in respect of the original specification applied for, he had to consider under the provisions of section 18(5), that is, our section 15(4) whether the application may proceed in respect of the proposed specification by the applicant.

60. In *OPTIMOL Trade Mark* [1977] RPC 163, the applicant sought to register OPTIMOL as a trade mark in respect of oils and greases in class 4. The hearing officer refused registration by virtue of section 12(1) of the United Kingdom Trade Marks Act 1938 in the face of prior registrations. The applicant appealed and offered to amend the specification of goods. Having considered the proposed amended specification of the applicant in view of the provisions of section 17(5) of the United Kingdom Trade Marks Act 1938 (the equivalent of section 13(5) of the Ordinance in Hong Kong), the court found that the amended specification of goods were goods of the same description as goods covered by the respective specifications of the two cited registrations and therefore dismissed the appeal. Mr. Yan submitted that this case shows that even on appeal, the application can be allowed subject to an amendment of the specification.

61. In *CHELSEA MAN Trade Mark* [1989] RPC 111, the applicants sought registration of the mark CHELSEA MAN for a range of clothing in class 25 which was opposed by the opponent on the basis of use and registration of their marks “CHELSEA GIRL” and “CHELSEA MAN”. The Registrar held that the evidence established registrability under section 10 for a specification restricted to mens’ and boys’ wear, and that it sufficed to overcome otherwise valid objection under sections 11 and 12(1). In his decision, subject to the specification of goods being restricted to mens’ and boys’ wear, the Registrar rejected the opposition and allowed the application to proceed in Part B with the specification so restricted. The opponents appealed. The Registrar’s decision to allow the application to proceed with the specification of goods restricted as he proposed was upheld by the court on appeal.

62. It was the contention of Mr. Yan that all the above authorities dating back to 1890 show that the Registrar has power on an opposition to limit the specification. Mr. Yan argued that it would offend against public policy if the Registrar has no power to allow the application to proceed subject to a limitation of the specification. The Registrar would then be encouraging parties to break up their applications into tiny bits.

63. In the light of the authorities cited above, Mr. Yan submitted that the view expressed in the recent Registrar’s decisions of *Delong* (unreported decision of Mr. Kestutis Stacys Kripas dated 2 May 2003), *Jebsen & Co. Ltd’s Application (1999 13915)* (unreported decision of Ms. Teresa Grant dated 26 March 2004) and *Hecom Furniture & Bedding Ltd’s*

Application (unreported decision of Miss Lavinia Chang dated 7 August 2004) that the Registrar has no power to allow registration of a mark applied for by deleting from the specification goods or services which overlap with those in an existing registration was erroneous and should not be followed. He said that these decisions were arrived at without reference to the above authorities and the reasoning adopted in support thereof was flawed. Mr. Yan then brought me through the recent Registrar's decisions one by one.

64. In *Delong (supra)*, counsel for the applicant submitted that the Registrar had power to accept the suit mark in that case subject to the applicant agreeing to delete the overlapping goods from its specification. The hearing officer held that he has no power to accept the suit mark in that case subject to the deletion of overlapping goods. His reasoning was set out in paragraphs 36 to 40 of his decision as follows : -

“36. Section 20(1) provides :

“... 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) ...”

(my emphasis).

37. The word “any” I have highlighted is significant. The section does not use the word “all”. Had the word “all” been used the onus would be upon the opponent to show that every item in the applicant's specification is the same description as those protected by the opponent's registration. That is clearly not the case and the use of “any” is totally consistent with the onus being on the applicant to show that no item in its specification is the same description as those protected by the opponent's registration.

38. Ms Chow is correct when she says I have no discretion under section 20(1), contrasted to the discretion contained in sections 21 and 23. Once opposition is entered, if the parties have not previously agreed to limit their respective specifications, it is the specification as it stands on the date of the hearing that must be tested against section 20(1) and if any of the goods of the applicant's specification fall within section 20(1) then that trade mark shall not be registered.

39. There is further support for this view in section 37(1) where there is a specific power to remove a trade mark “in respect of any of the goods or services in respect of which it is registered” in certain circumstances. Special provision has also been made in the

current Trade Marks Ordinance, Cap. 559 (section 12(7)) for refusal to apply only to the goods or services where the grounds for refusal exist in respect of only some of the goods or services for which the application for registration is made.

40. I accordingly hold that I have no power to accept the suit mark subject to the deletion of overlapping goods.”

65. Mr. Yan argued that a difference has to be made between the substantive law of what is registrable and the procedural requirement on an opposition. Section 20(1) of the Ordinance provides that a mark cannot be registered if the registration of it would offend the test in this provision. It is not a provision which provides that on an opposition, so long as an opponent can show that one out of the many goods in the specification applied for conflicts with a trade mark which the opponent has registered, then everything else in the specification must be disallowed. In fact, Mr. Yan pointed out that section 15(4) of the Ordinance is the provision which deals with opposition proceedings and expressly gives the Registrar the power to limit the specification. Section 15(4) provides as follows : -

“If the applicant sends such a counter-statement, the Registrar shall furnish a copy thereof to the person giving notice of opposition, and shall, after hearing the parties, if so required, and considering the evidence, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted.”

Mr. Yan submitted that the word “limitations” appearing in section 15(4) covers “limitations of specifications”.

66. Mr. Yan pointed out that counsel for the applicant in *Delong* did not refer the hearing officer to the English authorities cited by him above or section 15(4) of the Ordinance. In reaching his decision, the hearing officer in that case did not have regard to section 15(4) of the Ordinance which expressly gives him the power and deals specifically with opposition proceedings. In addition, the hearing officer did not have regard to any of the many authorities which shows that he does have power to limit the specification. The authorities do not only concern the United Kingdom Trade Marks Registry but also involve the High Court and Court of Appeal. The hearing officer tried to justify his position by section 20(1) which has nothing to do with the procedure in opposition proceedings. It is a provision of substantive law.

67. Mr. Yan continued to say that the *Delong* decision was followed by two subsequent unreported decisions of the Registrar in *Jebsen* and *Hecom*. There was not much reasoning in the *Jebsen* case. In the *Hecom* decision, basically, the reasoning of the hearing officer in *Delong* was followed (see paragraph 20 of the decision). There was some additional reasoning in paragraph 22 of the decision. However, Mr. Yan submitted that paragraph 22 of the decision proceeds on an assumption that the hearing officer’s analysis of section 20(1) of the Ordinance in *Delong* is correct. It follows that the additional argument building on the erroneous analysis must also be incorrect.

68. In short, Mr. Yan asked me to depart from the aforesaid three decisions of the Registrar that the Registrar has no power to allow registration of a mark applied for by deleting from the specification goods or services which overlap with those in an existing registration on the ground that the recent decisions were erroneous and should not be followed. In my opinion, the factual circumstances of the decisions of the Registrar can be distinguished from those of the present case. As pointed out by Mr. Yan in the course of his submissions, in *Delong*, counsel for the applicant did not expressly ask the Registrar to invoke section 15(4) of the Ordinance to allow the application to proceed subject to a limitation of the original specification of the goods. In *Jebsen* and *Hecom*, the applicants in those cases had in fact not put the subject question in issue (see paragraph 16 in *Jebsen's* decision and paragraph 19 in *Hecom's* decision) and, it follows that the point was not argued at all.

69. On the particular facts of the present case, I am of the view that there is considerable force in the submissions of Mr. Yan and accept, on the authority of *John Crowther & Sons (Milnsbridge) Limited's Application (supra)*, that the Registrar has power under section 15(4) to permit registration of the suit mark subject to limitations. Under section 2(1) of the Ordinance, "limitations" means any limitations of the exclusive right to the use of a trade mark given by the registration of a person as proprietor of the trade mark which, I agree, includes limitations of specification which serve to limit the scope of the monopoly provided by registration.

70. Based on my finding in paragraph 49 above that the applicant's services "hotel and motel services; provision of temporary accommodations; bar and cocktail lounge services and public houses services" and the opponent's goods covered by their prior registrations are not associated with each other, I have come to the conclusion that in so far as the applicant is seeking registration in respect of the aforesaid services, it has discharged onus that lies upon it under the provisions of section 20 to show that there is no reasonable probability of deception or confusion arising. In the circumstances, I am prepared to allow the subject application to proceed if the applicant limits its specification to the aforesaid services accordingly by filing the prescribed form within three months from the date of this decision.

Costs

71. At the hearing, Mr. Yan indicated that to be fair, the costs of the present opposition proceedings should be to the opponent if the application can only be allowed to proceed in a limited way. I accordingly order that the applicant pays the costs of these proceedings.

72. 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 unless otherwise agreed between the parties.

(Original signed)
(Ms Fanny S. F. Pang)
p. Registrar of Trade Marks
18 March 2005