

Trade Marks Ordinance (Cap 43)

IN THE MATTER of an opposition by Nippon Victor Kabushiki Kaisha (Victor Company of Japan Limited) to the registration of trade mark application 1999 13915 by Jebsen & Co Limited to register the trade mark JNC and diamond device in class 9

DECISION

of

Teresa Grant acting for the Registrar of Trade Marks after a hearing on 28 October 2003

Appearing : Mr John Yan, Counsel instructed by Bird & Bird for the applicant for registration

Mr Ling Chun Wai, Counsel instructed by Union Patent Service Centre for the opponent

1. The parties to the opposition are Jebsen & Co Ltd ('the applicant') who has applied for registration of a trade mark under the Trade Marks Ordinance (Cap.43) and Nippon Victor Kabushiki Kaisha (Victor Company of Japan Limited) ('the opponent') who opposes the application for registration under the Trade Marks Ordinance (Cap.43) section 15. The opposition hearing was on 28 October 2003.

Applicant's mark

2. The applicant has applied to register the mark:



application number 1999 13915 in class 9 for 'apparatus for reproduction, recording and transmission of sound and/or images; television and video apparatus and instruments; projectors and projection screens; photographic, cinematographic, optical apparatus and instruments; computers, computer peripheral devices; data processing equipment; electrical, electronic and video amusement apparatus adapted for use with any of the aforesaid goods'. The application for registration was filed on 4 October 1999.

Opponent's registered marks

3. In these opposition proceedings, the opponent relies on the registration, use and reputation of its trade marks :

598/90

JVC

in class 9 for 'magnetic video recording/reproducing apparatus; video tapes for magnetic video recording/reproducing apparatus; video camera with video recording/reproducing apparatus; combined video recording/reproducing apparatus and television receivers; video recording/reproducing apparatus with dubbing and editing devices'.

480/81

JVC

in class 9 for 'radio receiving apparatus, transceivers; phonographic apparatus and instruments, amplifiers, tuners, phonograph pick-ups, pick-up arms, cartridges, phonograph record-players, phonograph records, phonograph needles, interphones, earphones, head phones, microphones, public address system, phonographic tape records and reproducing apparatus, combined tape recorders, and radios and television receivers, television receivers, television receiver monitors, radio and television receivers, magnetic tapes, magnetic discs, magnetic tape cartridges, prerecorded magnetic tapes, prerecorded magnetic discs, prerecorded magnetic tape cartridges'.



in class 9 for 'television receivers, transistorized television receivers, television broadcasting equipment, industrial television receivers, television receivers for monitors, television picture projectors, radio receivers, transistorized radio receivers, radio broadcasting equipment, electric phonographs, stereo electric phonographs, record-players, pick-ups, trancivers, wired radio equipment, wired telephone equipment, magnetic tape recorder/reproducers, magnetic rolled-sheet recorder/reproducers, magnetic discs recorder/reproducers, video tape recorder/reproducers, magnetic tapes, amplifiers, motion-picture sound recording equipment, motion-picture sound reproducing equipment, projectors, theatre projectors, cameras, loud speakers, microphones, wireless microphone, interphones, time-switches, room coolers, air conditioning equipment, electronic refrigerators, electro-luminescent panels, electronic computers'.

The opponent's three registrations in Hong Kong date from 1986, 1977 and 1963, respectively.

Grounds of opposition amended

4. The grounds on which the opponent opposes under the Trade Marks Ordinance are:

section 12(1) (applicant's mark likely to deceive or cause confusion in view of the use and reputation of the opponent's marks);

section 12(1) (use of applicant's mark constituting passing off so as to be disentitled to protection in a court of justice) but this ground was not argued at the hearing ;

section 20 (applicant's mark identical with or nearly resembling opponent's registered mark for goods of the same description) at the hearing the opponent had leave to amend its notice of opposition to plead section 20 which it had not specifically mentioned either by section number or by reference to the statutory wording;

section 13(2) (applicant's application should be refused in exercise of registrar's discretion).

Applicant

5. The applicant is a large, long-established company in Hong Kong, that markets and distributes a diverse range of products. The applicant also has travel, shipping and insurance interests.

6. The applicant has used JNC with a device of three fishes for cooker hoods and airconditioners manufactured in Taiwan and distributed in Hong Kong and markets in Asia since the 1980's. The applicant has also used JNC in the 1980's and 1990's for original contract manufactured computer hardware purchased for use in the applicant's organisation. The applicant has acted and continues to act as an agent and distributor of class 9 goods produced by other trade mark owners. In 1998 and 1999 the applicant developed and began to sell in Hong Kong under the mark 'JNC and diamond device' its own range of digital and IT consumer products such as digital video disc players, digital voice recorders, MP3 players, notebook computers, digital cameras, televisions, radios, cassette players, LCD monitors and computer software.

7. The applicant's evidence states that its goods are widely advertised and promoted and are marketed through a number of retailers, including specialist electrical and electronic retail chains such as Broadway and Fortress.

Opponent

8. The opponent is a multinational company with operations in nearly 30 countries around the world. It produces audiovisual products such as televisions, video cassette recorders, DVD players, digital video cameras and projectors; recording and storage media such as VHS video tapes and floppy discs; components and devices including precision optical pickups for CDs, DVDs and CD-COMs, video heads and drums, deflection yokes, various high-precision motors for a variety of products. The opponent has used its mark JVC worldwide since September 1968 and in Hong Kong since 1969 for audio and video products.

9. The opponent has extensively advertised and promoted its products in Hong Kong. The opponent's products are sold through various channels including large chain stores selling audiovisual products. Its sales in Hong Kong are very substantial. In 1999, the year in which the applicant applied for registration of its mark in Hong Kong, the opponent's sales amounted to HK \$511,860,000. The reputation of the opponent's mark for audio-visual products is well established.

Relevant date

10. The date of application for registration of the applicant's mark is 4 October 1999 which is the relevant date at which the parties' position under section

12(1) and section 20 is to be determined (*Rotolok [1968] RPC 227 at 230; Blue Paraffin [1977] RPC 473; C (device) [1998] RPC 439 at 449*).

Onus of proof

11. The onus is on the applicant to defeat the opposition by satisfying me that there is no reasonable likelihood of deception or confusion, without necessarily leading to passing off, if its mark JNC and diamond device is used normally and fairly on the goods of the specification (*Bali [1969] RPC 472*; applied by the registrar in *Tunlees Watch Manufactory (HK) Ltd [1993] HKDCLR 15 at 21*). The question whether or not a particular mark is calculated to deceive or cause confusion is not the same as the question whether the use of the mark will lead to passing off (*Kerly's Law of Trade Marks and Trade Names 12th edn at paragraph 10-06*). There may be confusion in the sense of section 12 (our section 20) although the purchaser is not, in the end, deceived. *Hack's Application (1940) 58 RPC 91 at 103* is the authority often cited. It was said there that 'the mark must be held to offend against the provisions of section 11 (our section 12) if it is likely to cause confusion or deception in the minds of persons to whom the mark is addressed, even if actual purchasers will not ultimately be deceived'.

Deception and confusion under section 12(1) and section 20

12. It is well established that the tests to be used in applying section 12(1) and section 20 are those stated in *Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*. The test under section 12(1), adapted to this application, is 'having regard to the reputation of the mark JVC is the registrar satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion

amongst a substantial number of persons?’ Under section 20 and 2(4) the test is, ‘assuming user by the opponent of its mark JVC in a normal and fair manner for any of the goods covered by the registration of the mark, is the registrar satisfied that there will be no reasonable likelihood of deception or confusion among a substantial number of persons if the applicant also uses its mark ‘JNC and diamond device’ normally and fairly in respect of any goods covered by its proposed registrations?’ The requirement that the deception and confusion must be among a substantial number of persons is a judicial gloss to be properly and sensibly applied (*Bali [1969] RPC 472 at 496*).

13. To find that a mark offends against section 12(1), and also under section 20, ‘it is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register’ (*Bali [1969] RPC 472 at 496*).

14. Under section 12(1) and section 20, the question of whether there is deception among a substantial number of persons must be judged in relation to the market concerned, that is, all likely purchasers of the goods. If there is a probability of deception, there is no discretion to the registrar in the application of section 12(1) and section 20.

15. To rely on section 12(1) the opponent must show a sufficiently substantial reputation for his mark in Hong Kong (*Nova [1968] RPC 357 at 360*, a decision under the equivalent provision in the United Kingdom 1938 Act). The applicant must then show there is no reasonable likelihood of deception or confusion.

Goods for which the mark is used or registered

16. Section 20 applies only where the competing marks are for the same goods or goods of the same description. Section 12(1) is not similarly restricted but the extent of the reputation of the opponent's mark and the goods for which it has been achieved are factors in determining whether there is a sufficient likelihood of deception or confusion to refuse the applicant registration under the section. To rely on section 12(1) and section 20, it is enough that the opponent can show that its reputation or registration, respectively, extends to *any* goods specified in the applicant's application or *any* goods of the same description, not necessarily *all* goods specified in the applicant's application (*Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*). The opposition will succeed if deception or confusion is reasonably likely in relation to *any* goods specified in the applicant's application. For an applicant, the result is all or nothing, as it was noted in *DeLong (decision by KS Kripas issued on 2 April 2003)*.

17. In this opposition to the application in class 9, there is an overlap between the goods in the applicant's application and the goods covered by the opponent's registrations and use. There is no dispute that the opponent can rely on section 12(1) and section 20.

18. The opponent's evidence shows that the opponent has an established reputation internationally and in Hong Kong and that the reputation has been achieved for at least some of the goods for which the applicant applies to register its mark in class 9.

19. The applicant notes that the only mark the opponent has registered and used for 'computers' is the 6 March 1963 JVC (enlarged V) registration B70/64 which is very different from the applicant's mark. The applicant asks me to note that the comparison of marks for the purposes of section 12(1) and section 20 in relation to 'computers' can only be with JVC in this particular format (enlarged V). It is clear,

however, if the opposition succeeds because deception or confusion is reasonably likely in relation to *any* goods specified in the applicant's application as a result of the opponent's reputation or registration for any of its marks, I do not need to consider whether the applicant's mark gives rise to confusion specifically with the opponent's JVC (enlarged V) registration in relation to computers. As I have mentioned, above, the result of an opposition is all or nothing.

Deception

20. The basic question in this opposition is whether use of the applicant's mark is likely to deceive the public. Does 'JNC and diamond device' so nearly resemble JVC that confusion is likely? The test as to whether there is sufficient similarity to cause confusion is essentially the same under section 12(1) and section 20. The onus of proof, that there is no reasonable probability of deception, is on the applicant (*Omega [1995] 2 HKC 646 at 477*).

21. To gauge the possibility of confusion between the two marks, you must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. You must consider all the surrounding circumstances. You must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks (*Pianotist Co Ltd's Application (1906) 23 RPC 774 at 777*).

Look, sound and idea of the marks

22. The applicant's mark is JNC and a diamond device. The opponent's mark is JVC. There are similarities in the marks; there are also some differences. Both marks have three letters, but the applicant's mark also has a diamond device. In both marks the letters are consonants. In both marks J is the first letter and C is the last. In both marks the letters are in block capitals.

23. Similarity between marks is assessed on first impressions and imperfect recollection. The opponent says there is an immediate impression of similarity between the letters JVC and JNC and I think that is clear, at least visually. JVC and JNC are both simply groups of letters not words. The position of J and C is the same and visually there is some similarity between V and N. In *General Electric v Consolidated Electrodynamics [1963] RPC 1 at 3, 4*, it was said the resemblance between GEC and CEC could hardly be closer. On the other hand, in *MEM [1965] RPC 347*, the marks MEM and GEM were considered visually different. The resemblance between JVC and JNC is not as close as between GEC and CEC but is close enough.

24. In pronunciation V and N are very different and it is impossible to confuse the two. The opponent says V and N as the middle letters might be slurred, making JNC indistinguishable from JVC. That is possible, although in both marks the three letters are consonants and are more likely to be articulated individually, 'J' 'V' 'C' and 'J' 'N' 'C', rather than run together. This makes some difference between the two groups of letters.

25. The opponent goes so far as to entirely discount the applicant's diamond device as a differentiating feature. The opponent says consumers' attention would focus immediately on the three letters in the applicant's mark. To a large extent this must be so because the letters are the part of the mark that consumers would be likely to articulate in asking for the goods. Consumers would be likely to call the

mark ‘a JNC mark’ and would be less likely to call the mark ‘a JNC and diamond, or double-diamond, mark’. *Shanahan* makes the general point that similarities between verbal features may give rise to confusion notwithstanding that the accompanying devices are entirely dissimilar (*Shanahan : Australian Law of Trademarks and Passing Off 2nd edn page 178*). In response to the applicant’s argument that the device makes a clear difference between the two marks, I think consumers would not entirely ignore the diamond device. Visually, it is prominent as a component of the applicant’s mark; it has some impact and consumers would place some reliance on it as a distinguishing feature. But even so, the letters JNC are the dominant, distinctive feature of the applicant’s mark. Additionally, in comparing the respective marks, the opponent points to examples in the applicant’s evidence showing use of the applicant’s mark without the diamond device and I deal with this point, below.

26. The applicant’s mark must be considered as a whole and compared with the opponent’s trade mark as a whole (*Bailey (1935) 52 RPC 135*). The applicant argues that the visual impact of the JNC mark is broad and strong. It has thicker letters and a device that makes it look broader. JVC is slimmer. I find little difference in the font and presentation of the letters and although I agree the impression of the JNC mark as a whole is broader, essentially because it includes the diamond device and this is a differentiating feature, it is not one that makes a strong difference between the marks.

27. Comparing the totality of the applicant’s mark JNC and diamond device with the opponent’s mark JNC, I find there is immediate impression of similarity between the two.

Notional use

28. The comparison of marks for the purposes of section 12(1) is between the opponent's mark as used and the applicant's mark in notional fair use (*Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*). I must compare the two marks successively, not side by side, comparing the mark as used by the opponent with the applicant's mark in notional fair use. For the purposes of section 20, the comparison is between both marks in notional fair use.

29. The letters JNC in the applicant's mark are in block capitals; a factor that makes the mark look similar to the opponent's mark JVC which is registered and used in block capitals.

30. The opponent points to examples in the applicant's evidence showing use of the applicant's mark without the diamond device. Advertisements and catalogues exhibited to Mr Brenker's statutory declaration, Exhibits WFRB-5 and WFRB-11 show that some of the applicant's goods are marked JNC alone (DVD players JY888, JY1000, JY1200) (MP3 players SSF-882, SSF-888, SSF-892(96MB), SSF-896/886) (televisions CT-29MFJ, CT-29RF, CT-34RF, CT-1423B, CT-1423SE, CT-1433BE, CT-1433PN, CT-1433YW, CT-1463PN) (hi-fi WB-8) (video CD players VCP-S310, VCP-S510, VCP-S610, VCP-S810, VCP-S910) (radio cassette recorders ATC-101, ATC-102, ATC-105, ATC-106, ATC-201, ATC-205). The opponent says this is a factor that makes confusion more likely. The applicant says this is not notional use of its mark.

31. The applicant argues that even if the letters JNC have been seen occasionally without the diamond device, these instances cannot be used against the applicant because use without the device is not notional use of the mark that the applicant applies to register. I note one of the applicant's brochures shows the MP3 player HAN-14XS 'Hansori' marked JNC without the diamond device and another brochure shows a model with the same number without 'Hansori' but with JNC and

the diamond device. It is not clear whether the applicant produced models marked with the letters JNC without the device for a period after the launch of its products, or whether it has continuously produced some of its models marked with the letters JNC without the device. Nevertheless, the evidence clearly indicates that some of the applicant's products are marked JNC without the diamond device and that in relation to DVD players, televisions, video CD players and radio cassette recorders, more than just the occasional model is marked JNC without the diamond device. This is not simply a case of there being some small separation between the two elements of the mark. The opponent's point is that if the applicant's goods are marked with the letters JNC alone and are displayed for sale without their packaging, as is likely, the similarity between the applicant's and the opponent's marks will be more apparent.

32. *Kerly's* paragraph on 'Notional use' says, 'if in fact it is known what use an applicant intends to make of a mark, that use cannot be excluded. This evidence that an intended use is particularly likely to be confusing is helpful to an opponent, to prevent such use being dismissed as unfair or fanciful' (*Kerly's Law of Trade Marks, 12th edn, paragraph 10-04*). *Kerly* also notes 'if the mark in the form, or the get-up, which the applicant is using or intends to use, is deceptive or confusing, no tribunal is going to let him register it on a plea that to use it so is unfair and such use must accordingly be disregarded' (*Kerly's Law of Trade Marks, 12th edn, paragraph 10-04, note 29*). Use of only part of a mark is not a use that I should normally assume of an applicant. However, if the evidence shows that the applicant actually *uses* the letters JNC without the device, I should take this into account for the purposes of the comparison with the opponent's mark and the assessment of a likelihood of confusion under sections 12(1) and section 20 (*Open Country [2000] RPC 477 at 482*). The point is particularly clear under section 12(1) where the restriction is on registration as a trade mark or part of a trade mark any matter the *use* of which would be likely to deceive.

33. I have found that JVC, and JNC and diamond device, are similar. I find that the applicant's use of JNC without the diamond device is a use that heightens the similarity between the two marks.

Actual confusion

34. In the opponent's evidence, Mr Lau Kwok Ying states, that he has recently received queries raised by some of his company's customers asking whether the goods under the mark JNC and the opponent's mark are of the same source (Lau Kwok Ying's declaration, paragraph 10). Mr Lau made his declaration in May 2001. The opponent puts this forward as evidence of actual confusion. It is not hearsay, it is direct evidence given by Mr Lau himself and it is admissible. But the fact that Mr Lau does not name the customers and give particulars of the enquiries must affect its weight. I can give little, if any, weight to a general report of instances of confusion, even if the report is not hearsay.

Likelihood of deception and confusion

35. Evidence of actual confusion, or the lack of it, does not decide the question of whether the marks are so similar that deception is likely. The test is whether there is a reasonable probability of confusion: whether persons will be caused to wonder whether it might not be the case that the applicant's and the opponent's products come from the same source (*Bali [1969] RPC 472 at 496*). The applicant's burden, to show that there is no reasonable likelihood of confusion, extends to all goods covered by the application.

36. The date of the application for registration is the relevant date at which the parties' position should be considered in the opposition but, as the applicant says, I should also have regard to use after the application date for the purpose of considering the likelihood of confusion. Evidence of actual use of the competing marks, since application, can be a reliable guide as to whether confusion is likely. If the marks have been circulating side by side in the market, the fact that no one appears to have been misled is very material, unless satisfactorily explained (*Kerly paragraph 17-29 see Helena Rubinstein (1960) 9 RPC 229 at 231*).

37. Mr Brenker notes in his statutory declaration in support of the application that no complaint had been received from the opponent or any other person about the use of the applicant's mark (WFR Brenker's declaration 22 March 2002, paragraph 17). At the hearing, the opponent argued that given the lack of use of the applicant's mark at the date of the application for registration, it was hardly surprising there were no specific instances of confusion at that time. Against the opponent's argument that there was no use of the applicant's mark at the relevant date, the applicant's evidence shows that in 1999 its sales amounted to HK \$7,453,798 and the applicant's application was made in October 1999 which is well into the year (WFR Brenker's declaration, paragraph 13). These sales are small compared with the opponent's sales but they could indicate that the applicant's goods were in the market and available to consumers at the relevant date.

38. However, the applicant does not break down its sales figures to show what type of goods it has sold and in what proportion. The applicant's sales figures refer to 'the Goods' defined widely to include all goods in the application for registration (WFR Brenker's declaration, paragraph 4) but the applicant itself says that the most popular items it sells are laptop computers, digital voice recorders, MP3 players and computer monitors and that the opponent does not sell these items (WFR Brenker's declaration, paragraph 18). The applicant's 1999 sample invoices show sales of radio cassettes, VCD players, colour televisions, and micro hi-fi systems but in very small numbers (WFR Brenker's declaration, exhibit WFRB-8).

39. In 2000 and 2001, the applicants sales of 'the Goods' increased considerably (WFR Brenker's declaration, paragraph 13) but again the question is what goods were sold? The sample invoices show sales of computer monitors, digital voice recorders, MP3 players and only one reference to a VCD player (WFR Brenker's declaration, exhibit WFRB-8).

40. The applicant's brochures show a wide range of products including computer monitors, laptop computers, digital voice recorders, MP3 players, DVD players, televisions, video CD players and radio cassette recorders cameras and hi-fi. However, newspaper and magazine advertisements are mainly of computer monitors, laptop computers, digital voice recorders, and MP3 players (WFR Brenker's declaration, exhibit WFRB-9).

41. The applicant says that its goods and the opponent's goods are offered for sale in Fortress and Broadway, both large chains of retail outlets. The applicant's invoices show that in 1999, the applicant sold television sets, VCD players and hi-fi systems to AS Watson Group, trading as Fortress. There is also an example of advertising by Fortress for the applicant's televisions. This could indicate that the applicant's television sets, VCD players and hi-fi systems were available for comparison with the opponent's goods which were also sold in Fortress. But as I have noted, the invoices for these goods essentially relate to 1999 sales and are for very small numbers and there is no indication that these particular goods were available for any appreciable time in Fortress and Broadway. A later invoice in 2001 to Nuance-Watson (HK) (without express mention of 'Fortress') is for digital recorders. Broadway's advertising is for JNC and diamond device computer monitors, MP3 players and voice recorders (WFR Brenker's declaration, exhibit WFRB-9 and WFRB-11). A invoice in 2000 to Broadway is for MP3 players.

42. The applicant says its goods and the opponent's goods were advertised in the same promotional literature, and sold through the same retail channels indicating that there was no confusion or likelihood of confusion on the part of retailers or purchasers of the respective goods (WFR Brenker's declaration, paragraph 17). However, the applicant does not show that its goods, so far as they overlap the opponent's goods, were widely available for comparison with the opponent's goods. It is apparent that the applicant's computer monitors, laptop computers, digital voice recorders and MP3 players are available in the market although the invoices show only small quantities of the applicant's goods (MP3 players, digital recorders etc.) were sold each time, at least prior to the application date. If there is no confusion from the

sale of these goods, it may also be because the opponent does not deal in them, at least in Hong Kong (WFR Brenker's declaration, paragraph 18). The availability of the applicant's other goods that overlap the opponent's radios, televisions, video cassette recorders, DVD players, amplifiers, tuners, headphones, microphones, digital video cameras and projectors; recording and storage media etc., appears to be limited and the use that there has been by the applicant in relation to DVD players, televisions, video CD players and radio cassette recorders, has been of JNC without the diamond device, on more than the occasional model of these products. On the evidence, I cannot conclude there would be no reasonable likelihood of confusion from the use of the applicant's mark.

43. As to side by side sales and advertisements, the opponent says it is not what retailers think that matters, it is what consumers think. Even if retailers are not misled, that does not determine the question; the ultimate purchasers must be considered. Traders are generally more familiar with trade marks than are their customers. They are in any event in a far better position to know the source of what they sell (*Shanahan 2nd edn : Australian Law of Trademarks and Passing Off page 184*).

44. The applicant says goods that are expensive or of a technical nature are likely to be bought with more care, so that purchasers would notice a difference between the marks. But this argument should not be overplayed. The goods are not so expensive that very much more than the usual care would be taken. They are not, for example, as expensive as cars and would not be bought with the same degree of care (*Lancer [1987] RPC 303*). The applicant's and the opponent's goods are the same, or overlapping. The consumers who buy the goods are likely to be the same. The marks are similar and the opponent has a reputation for the goods. There is a reasonable likelihood of confusion under section 12(1) and section 20.

45. At the hearing, the applicant offered to limit the use of its mark to red and blue, as shown in the application for registration, if that would additionally help to

differentiate the mark from the opponent's. The applicant's evidence shows that the applicant has used its mark JNC and diamond device in monochrome, or in blue with the device in outline, or in blue with the diamond device filled-in in red and blue. The use of a particular colour or colours by a trader, so that consumers come to associate the colour with the trader, indicates colour can be a differentiating factor, but there is no evidence here that the applicant has made red and blue its own colours in this sense, or that the opponent has made other colours its own. There is nothing to indicate that limiting the use of the applicant's mark to red and blue would have a material effect on consumers' impression and recognition of the applicant's and opponent's marks.

46. In the present application I find there is a probability of deception under section 12(1) and section 20. As a result I must refuse the application for registration.

Exercise of discretion

47. If there is a probability of deception, there is no discretion to the registrar in the application of section 12(1) or section 20 (*Broadhead's Application* (1950) 67 RPC 209 at 213). It is only if the application fails under section 12(1) and section 20 that the exercise of the registrar's discretion under section 13(2) arises.

Costs

48. As the opposition has succeeded, I award the opponent costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be

calculated with reference to the usual scale in Part I 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.

(Teresa Grant)
for Registrar of Trade Marks
26.3.2004