

Application No. 480 of 2000

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 Rhino Watch Co.  
Ltd.

AND

IN THE MATTER of an opposition by  
S.A. Ancienne Febrigue Georges Piaget &  
Cie


**DECISION  
OF**

Mr. Kestutis Stasys Kripas acting for the Registrar of Trade Marks after a hearing on 6 March 2003.

Appearing : Ms Winnie Tam, counsel and Miss Sandra Lee instructed by Messrs Baker & McKenzie on behalf of S.A. Ancienne Febrigue Georges Piaget & Cie

Mr J.K. Pamnani, in person on behalf of Rhino Watch Co. Ltd.

## *Background*

1. These proceedings arise from an opposition by S.A. Ancienne Fabrique Georges Piaget & Cie of Switzerland (the “opponent”) to an application, filed on 11 January 2000 (the “application date”), by Rhino Watch Co. Ltd. of Hong Kong (the “applicant”) for registration of the trade mark  (the “suit mark”) in Part A of the Register of Trade Marks (the “register”) in respect of “watches and watch parts; all included in Class 14”.

2. The suit mark was accepted for registration and advertised for opposition purposes on 19 May 2000.

3. In its notice of opposition, the opponent raised sections 2, 9, 10, 12(1) and 23 of the Trade Marks Ordinance (the “Ordinance”), though at the hearing on 6 March 2003, Ms Winnie Tam of counsel for the opponent submitted that an objection under section 20(1) of the Ordinance was also implicit in the pleadings. The trade mark relied upon by the opponent was 2576 of 2000, “ALTIPLANO” registered in Class 14 in respect of “cuff-links made of precious metals or coated therewith; jewellery, precious stones; chronometers, watches, clocks”.

4. The applicant filed a counter-statement denying similarity between the respective marks and similarity between the respective goods. The applicant mistakenly believed the opponent’s specification related only to cuff-links.

5. Only the opponent filed evidence, a statutory declaration of Cedric Bossert with exhibits. I need not summarise that evidence as the relevant parts are set out in full at the appropriate parts of this decision.

6. At the hearing, the applicant was represented by Mr J.K. Pamnani, an officer of the applicant.

## *Preliminary Issue*

7. At the hearing Ms Tam said she relied upon the opposition based on sections

12(1) and 20(1) of the Ordinance. I need say no more on the opposition based on sections 2, 9 and 10 of the Ordinance.

8. Section 20(1) of the Ordinance provides :

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

- (a) the same goods;
- (b) the same description of goods; or
- (c) ...

(emphasis mine)

9. The opponent’s Hong Kong registration for ALTIPLANO was entered upon the register on 9 February 2000. It was accordingly not already on the register at the application date and therefore section 20(1) is not available as a ground of opposition. Ms Tam accepted that and relied instead upon section 23.

*Opposition under section 12(1)*

10. Section 12(1) provides :

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

11. Ms Tam referred me to paragraphs 478-525 of *Hong Kong Intellectual Property Law* where the authors deal with the different approaches that have been taken by

the acting registrar(s) and the Court to the interpretation of section 12(1). (In fact a far more detailed analysis was undertaken in the first edition of the work at pages 86-97.)

12. Ms Tam's purpose, I think, was to establish that decisions under section 11 of the 1938 Trade Marks Act were generally applicable to section 12(1) of the Ordinance despite the difference in wording of the two sections. That certainly has been the case, rightly or wrongly, and I fear it may be too late in the day to re-open the question now. I reserve the question to another day as, for the purposes of this decision, I need not decide whether the omission of the words "or cause confusion or otherwise" from the Hong Kong provision materially affects the onus that the applicant must discharge. The other difference was effectively resolved by Hunter J in the *Hong Kong Caterers Ltd v Maxim's Ltd* [1983] HKLR 287.

### *Reputation*

13. Section 12(1) does not specify that, as a threshold question, the reputation of the opponent's mark in Hong Kong must be established before the possibility of deception can be considered. This is a judicial gloss, but one which has been so widely applied that its application could no longer be in doubt. It finds expression in *Kerly's Law of Trade Marks and Trade Names* from the 9<sup>th</sup> Edition of the work in these terms :

"It should be noted that under section 11 (our section 12(1)), consideration must be given to the extent and character of the reputation belonging to the earlier mark. Before the section can be applied at all, it must be established that the opponent's mark is known to a substantial number of persons in the United Kingdom."

In a footnote to the 12<sup>th</sup> Edition (paragraph 10-05 footnote 31) the proposition is said to be inherent in the "Ovax" test. This is a reference to the test formulated by Evershed J. in *Smith Hayden & Co. Ltd.'s Application* (1946) 63 R.P.C. 97 at page 101, which commences with the words "having regard to the reputation acquired by the name [opponent's mark] is the court satisfied...."

14. The reason why the opponent must first show a reputation in the local market was explained by the Court of Appeal in New Zealand in the case of *Pioneer Hi-Bred Corn*

*Co. v Hy-Line Chicks Pty. Ltd.* [1979] R.P.C. 410 at 424. To the question why such attention is paid in the cases to the reputation of the opponent in the local market, Richardson J. said :

“It seems to me that the reason is this : if the opponent’s mark is wholly unknown in the New Zealand market in which the applicant’s mark is proposed to be used, the use of the applicant’s mark could not lead to deception or cause confusion.”

*To what extent must the opponent show reputation in its mark?*

15. Ms Tam referred me to passages in *Bugatti Trade Mark* [1993] 1 HKC 557 at 565-6 :

“It will be seen from the passages quoted above that, at its very highest, it [reputation] is a question of substantial proportion of the interested public being aware of an opponent’s mark [*Nova Trade Mark* [1968] RPC 357] and at its very lowest, the question relates to the significance of the numbers in relation to the market for particular goods [*Pioneer Hi-Bred* (supra)]. In any event, the reputation of the opponent must be something more than *de minimis* [*Da Vinci Trade Mark* [1980] RPC 237].

and to *Sans Souci Trade Mark* (unreported 28 May 1991), at paragraph 62 :

“Only a small degree of reputation is required to bring section 12(1) into operation. That reputation however must be in Hong Kong and is generally acquired by use in its widest sense. This will include advertisements, if the goods are available to be traded. Even without use in Hong Kong a sufficient reputation may be acquired if it is demonstrated that an Opponent’s mark is particularly well-known here.”

16. In amplification of what is seen as a sliding scale depending on the goods in question, Ms Tam added that for everyday goods a lot of user is required to achieve a reputation, but with a select product, limited advertising, provided it targets the right market, should be enough. Ms Tam pointed out that watch sellers would see the magazine *Racing World* as an effective means of advertising. There is some force in this submission as I note

that in addition to the opponent's full page advertisement in the October 1999 issue of *Racing World*, 14 other watch manufacturers have placed advertisements in that issue. Ms Tam, in answer to my query as to what the threshold for reputation should be in this case, said she relied on the test in *Da Vinci Trade Mark* (supra).

17. Mr Myall in *Da Vinci* referred to *RHEINLIEBLING Trade Mark* [1966] RPC 68 where Stamp J held that 86 orders over a six month period from 59 retailers amounting to some 3,237 bottles of a German wine were of a sufficient scale to have the opponent's brand known to a substantial proportion of the public. Mr Myall also referred to *Pioneer Hi-Bred* (supra), to which I shall return. The opponent's sales in *Da Vinci* over a 17 month period totalled approximately £8,000 spent on advertising. That is certainly more than *de minimus* but I do not read the case as setting a low threshold, merely acknowledging that, whatever the threshold be, it must be more than *de minimus*. I do not find *Da Vinci* particularly helpful.

18. For my part I think I am bound by what Hunter J said in *Maxim's*. After reviewing several conflicting United Kingdom lines of authority on whether it was necessary to prove a local business presence, he turned to what he described as the purely factual approach adopted in New Zealand (*Pioneer Hi-Bred*) and Australia in, *inter alia*, *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300. He concluded at page 295 :

“I find the reasoning and conclusions of the New Zealand Court of Appeal highly persuasive.”

19. The full passage in *Pioneer Hi-Bred* may be found in the judgement of Richardson J at page 423-4 (section 16 of the New Zealand Trade Marks Act 1953 is equivalent to section 12(1) of the Ordinance though not expressed in the same language).

“It was accepted by both counsel, as it was by the Assistant Commissioner and Cooke J., that, while the onus of establishing absence of a likelihood to deceive or cause confusion was on the applicant for registration it was necessary for the opponent to establish a sufficiently substantial reputation in the New Zealand market to lead to the possibility that goods covered by the proposed trade mark would be identified with the opponent ...

... Section 16 does not refer to the reputation of the opponent or of any competitor of the applicant in the New Zealand trade. It does not say in so many words that, before the possibility of deception or confusion can be considered, the reputation of the opponent's mark in New Zealand must be established. And it certainly does not specify that, as a threshold question, the opponent must show that he has carried on business or sold goods carrying his mark in New Zealand. Why then is such attention paid in the cases to the reputation of an opponent in the local market? It seems to me that the reason is this : if the opponent's mark is wholly unknown in the New Zealand market in which the applicant's mark is proposed to be used, the use of the applicant's mark could not lead to deception or cause confusion. Those concerned in that market would not be misled into drawing any false inferences as to the origin or quality of the goods or otherwise. Nor would they be confused : because of their lack of awareness of the applicant's mark, there is nothing with which the applicant's mark could be confused. If those in the market did not have – to use the words of Romer, J. in *Jellinek's Application* at page 80 – 'any cognizance whatever' of the opponent's mark by the date of application, no confusion could arise in the public's mind by the introduction of goods bearing the applicant's mark. The reason then for considering reputation and considering it before turning to assess the likelihood of deception or confusion is :

'In general, consideration of reputation is more helpful as the initial inquiry, for it informs the mind of the circumstances in the trade, against the background of which the two marks must be regarded as notionally in use' (*Gaines Animal Foods Ltd.'s Application* (1951) 68 RPC 178, 180).

It must be remembered, too, that the object of section 16 is not to protect competitors and potential competitors of the applicant so, the likelihood of damage to the trade of the opponent is not a relevant consideration under section 16 (*Hack's Application*, pages 106-107). The object is to protect the public interest by refusing to accord monopoly rights to a mark, the use of which is likely to deceive or confuse those in the market for the goods. The concern is with the protection of the relevant New Zealand buying public, not with the protection of the applicant's competitors. Therefore, consideration in narrow terms of questions as to whether the

opponent has established business goodwill in New Zealand, which is important in a passing off action (*Alain Bernardin et Compagnie v. Pavilion Properties Ltd.* [1967] RPC 581), is not helpful in an inquiry under section 16. Indeed, by diverting attention from the real issue, it may mislead or at any rate unnecessarily complicate the issues under section 16. And a test framed in terms of the ‘user’ of the opponent’s mark in New Zealand has undesirable overtones of proprietorship. For myself I prefer to use a more neutral term such as “awareness” or “cognizance” or “knowledge” and on that basis to ask : having regard to the awareness of the opponent’s mark in the New Zealand market for goods covered by the registration proposed, would the use of the applicant’s mark be likely to deceive or cause confusion to persons in that market.”

20. I take this to be the reasoning that Hunter J found to be highly persuasive and the law that I am accordingly bound to apply. I need therefore to assess the extent of the awareness of the opponent’s mark in Hong Kong by 11 January 2000.

21. I turn to the evidence presented by the opponent.

*Sales of goods under the trade mark ALTIPLANO*

22. In paragraph 4 of his statutory declaration Mr Bossert declares :

“Piaget sell the Goods [defined in paragraph 3 as “cuff-links made of precious metals or coated therewith; jewellery, precious stones; chronometers, watches, clocks”] bearing the ALTIPLANO mark in Switzerland (since April 1998) and around the world including Hong Kong. The Goods bearing the ALTIPLANO mark were first sold in Hong Kong in October 1999.

The volume of sales of Goods bearing the ALTIPLANO mark in Hong Kong are as follows :

<u>YEAR</u>	<u>HKS</u>
1999/2000	462,545 ”

23. The first point I note is that the sales figures include all “goods” as defined and are not confined to watches. I have not been provided with a breakdown representing just watch sales.

24. The second point is that there is no evidence to indicate to whom the sales were made. No invoices have been exhibited. As Mr Pamnani correctly points out, on the state of the evidence, I cannot be satisfied that a single sale of a watch has been made to a member of the public by 11 January 2000. All sales may simply represent sales from the opponent’s head office to its Hong Kong boutiques.

25. Thirdly, no breakdown is made of sales, if any, that occurred prior to the application date. I do not know when in October 1999 the goods became available. At its highest the period between launch of the brand in Hong Kong and the application date is 103 days based on a 1 October launch. At its lowest, 72 days based on a 31 October launch. That is a relatively short period within which to attract custom to a new line of products in spite of the cachet of Piaget itself.

26. If any sales to the public had been made during that period, it was incumbent on the opponent to evidence these. It should not have been a difficult task to obtain relevant documentation from its own boutiques. The table asserting sales in “1999/2000” is totally unhelpful. I am not prepared to speculate as to the price of the watches and stab at how many individual pieces the figure given may represent. I will not speculate that sales were evenly spread over the period “1999/2000” and will not speculate on what portion of the sales figure given represents watch sales as opposed to the other “goods”. I am left with evidence of sales in Hong Kong so equivocal that I can attach no weight to it.

*Advertising and promotion*

27. In paragraphs 5 & 6 of his statutory declaration Mr Bossert states :

“In order to maintain its goodwill and reputation in the ALTIPLANO mark, Piaget has made enormous efforts and substantial investments in advertising and promoting its Goods.

Annexed hereto and marked “Exhibit 2” is an advertisement for the Goods bearing the ALTIPLANO mark in the “Racing World” Magazine of October 1999.

Annexed hereto and marked “Exhibit 3” are promotional materials of the Goods bearing the ALTIPLANO mark.”

28. The first point I note is that there is no assertion that the “enormous efforts and substantial investments in advertising” were made in Hong Kong. All that has been produced are two full page advertisements from the October and December 1999 issues of *Racing World*, and in respect of the latter, I have to take this upon trust as the only indication of publication date is a handwritten sticker added to the exhibit by the opponent or its advisers.

29. Secondly, I am not told what the circulation figures for the magazine are. I cannot therefore assess how many people the advertisements may have reached.

30. Thirdly, the advertisement itself predominantly features a “tank” style watch with a leather strap. The only marking on the watch face, other than the numerals, are the words “Piaget” beneath the numeral 12 and “Swiss” beneath the numeral 6. The word ALTIPLANO appears nowhere on the watch face. The words “Beyond the style, the emotion” appear to the right of the watch and in the lower right quadrant, the words “Piaget Geneve 1874” are predominantly featured. Only in the lower left part of the advertisement, alongside the logo of the Association of Interprofessionnelle De La Haute Horlogerie are the words “Piaget Altiplano 18K white gold, ultra thin, Piaget’s own mechanical movement”. Finally at the very bottom of the advertisement in the December issue the addresses of Piaget’s two boutiques are set out.

31. The dominant impression gained from the advertisement (it is the same in both issues) is that of a “Piaget” watch. It would take careful scrutiny of the whole advertisement to reach the part where the word ALTIPLANO appears.

32. This is a magazine for people interested in horse racing, not a watch catalogue. I accept Ms Tam's submission that watch sellers must find it an effective vehicle for there are a total of 15 prestigious brands advertised therein, but the point remains that the magazine will be read principally for its racing related articles rather than for its watch advertisements. Only someone who is attracted by the appearance of the Piaget watch depicted would take the trouble to read all the print and thereby first encounter the word ALTIPLANO. I have no way of knowing if any, and if so how many, persons would have encountered the word from these two advertisements.

33. This leads to the fourth point, one made by Mr Pammini, and that is, that the word ALTIPLANO does not appear alone, but rather with the established brand Piaget. There is of course no reason why a secondary mark will not be recognised as a trade mark in its own right in time, but on the strength of the two advertisements that so prominently feature "Piaget" alone, I cannot say that ALTIPLANO would be so recognised, or at least not by 11 January 2000.

34. I have not overlooked the product brochure appended as part of "Exhibit 3". In that publication ALTIPLANO features both with and without the trade mark Piaget. I cannot however give much weight to any general awareness for the ALTIPLANO mark which would be gained from this brochure. Firstly, it is not asserted that the brochure was circulated in Hong Kong. Secondly, if it was available in Hong Kong, it would have been confined to the two Piaget boutiques, for they seem to be the only outlets at which the watches may be purchased. For someone to have had the opportunity to read the brochure, he or she must have already made the decision to inspect Piaget watches and have either picked up a brochure to peruse or have been handed one to read and then encountered the word ALTIPLANO. As I am not persuaded by the evidence, on the balance of probabilities, that any or any significant number of watches have been sold in Hong Kong prior to 11 January 2000, it follows that the number of potential purchasers who might have seen or browsed through the brochure must be insignificant. Nor can I discount, from the location of one of the boutiques in the Peninsula Hotel, that what purchasers there may have been need not necessarily have been locals but equally hotel guests. The cognizance of the mark in the Hong Kong market is the relevant criteria.

35. I am unable therefore to find that, by 11 January 2000, there was "any cognizance whatever" of the ALTIPLANO mark as a trade mark relating to watches.

36. To return to the question posed by Richardson J. in *Pioneer Hi-Bred* (supra) : having regard to the awareness of the opponent's mark in the Hong Kong market for goods covered by the registration proposed, would the use of the applicant's mark be likely to deceive or cause confusion to persons in the market, to which I add, at the application date, the answer must be no, for at that date there was no or insufficient awareness of the opponent's mark for deception or confusion to arise.

37. The opponent not having discharged its burden fails in the opposition under section 12(1) of the Ordinance.

*Opposition under section 23 – foreign registered mark*

38. Section 23 of the Ordinance, in so far as it relates to goods, provides :

(1) Subject to subsection (3), the Registrar may refuse to register any trade mark relating to goods in respect of any goods or description of goods if it is proved to his satisfaction by the person opposing the application for registration that such mark is identical with or nearly resembles a trade mark which is already registered in respect of –

- (a) the same goods;
- (b) the same description of goods; or
- (c) ...

in a country or place from which such goods originate.

(2) No application to register shall be refused under this section –

- (a) if the applicant proves that he or his predecessors in business have in Hong Kong, in relation to such goods or services, continuously used the trade mark for the registration of which he has made application from a date anterior to the date of the

registration of the other mark in such country or place of origin;  
or

- (b) if the opponent does not give an undertaking to the satisfaction of the Registrar that he will, within 3 months from the giving of the notice of opposition, apply for registration in Hong Kong of the trade mark so registered in the country or place of origin, and will take all necessary steps to complete such registration.

39. As the respective marks are not identical, section 2(4) of the Ordinance is also relevant to the meaning of “nearly resembles” in subsection (1). It provides :

“References in this Ordinance to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.”

40. Subsection (1) is subject to subsection (3) so it is convenient to first dispose of the exceptions to the operation of subsection (1) therein contained.

41. Subsection 3(a) does not apply as the applicant has not asserted, and certainly has not proved, use of the suit mark anterior to the registration date of the opponent’s trade mark in Switzerland.

42. Subsection 3(b) requires the opponent to give an undertaking, within three months of the date of the notice of opposition, to apply for and to take all necessary steps to complete registration of its overseas registered mark in Hong Kong.

43. The notice of opposition was dated 18 August 2000, so the undertaking would have to have been given on or before 18 November 2000. No such undertaking was ever given. However, on a date not in evidence, the opponent applied to register its trade mark ALTIPLANO in Hong Kong. The trade mark was accepted for registration and was entered onto the register on 9 February 2000. It would thus have been impossible, in the period between 18 August and 18 November 2000 to give the required undertaking as such application and registration in Hong Kong had already been effected.

44. As was observed by Acting Registrar Thomson in *NORTH POLE Trade Mark* (unreported 9 January 1959) the undertaking under subsection (3)(b) is :

“plainly required simply to evidence the opponents’ good faith, and accordingly where, as here, the good faith of the opponents is not in question, and it is possible by a liberal construction of the proviso to regard what they have done as complying with it, that construction should be adopted.”

45. Similarly in *Maxim’s 美心 (Label) Trade Mark* (unreported 30 June 1982) Acting Registrar Shum, faced also with the situation where the opponent had filed three applications for registration of their mark MAXIM’S prior to the filing of their notice of opposition, said at page 17 line 5 :

“I do not consider that it is necessary in the circumstances, or indeed possible, for the Opponents to give the undertaking that the Opponents will within three months from the giving of notice of opposition apply for registration in Hong Kong of the Opponents’ marks registered in France.”

46. He reiterated a little later, at line 14, that the undertaking is required simply to evidence the opponent’s good faith and that was not put in question in that case. The point was not argued on appeal.

47. There is accordingly no impediment to the exercise of my discretion to refuse the suit mark provided the opponent proves to my satisfaction that its foreign registered trade mark ALTIPLANO nearly resembles the suit mark in respect of the same goods or the same description of goods. It therefore came as a surprise when Ms Tam submitted that the onus was on the applicant to prove the negative, i.e. that there was no likelihood of deception or confusion if the suit mark was entered onto the register. That could not be right.

48. I shall deal firstly with the question of whether the goods are the same or the same description of goods. The opponent’s mark is registered in Switzerland in respect of “chronometers, watches and clocks”. The applicant is seeking registration for “watches and watch parts”. There is a complete overlap on the item “watches”. Such an overlap is sufficient to trigger the operation of section 20(1) of the Ordinance, and as section 23 mirrors section 20(1), I see no reason to apply a different test. Nor can the applicant proceed only

on “watch parts”, since the application stands or falls on the whole of the specification of goods advertised for opposition purposes. The applicant’s goods are accordingly the same goods as those protected by the opponent’s foreign registration.

49. Section 23 requires that, since the opponent’s foreign registration is in Switzerland, that the opponent’s goods originate there.

50. In his statutory declaration Cedric Bossert asserts, in paragraph 7 :

“Piaget owns the registration of the ALTIPLANO mark in the country of origin of the Goods, i.e. Switzerland ....”

51. There is support for this assertion in the evidence. Firstly, the opponent is a société anonyme organised and existing under the laws of Switzerland at 2117, La Cote-Aux-Fees, Neuchatel, Switzerland (preamble to statutory declaration). Secondly, in the advertisement appearing in the October 1999 edition of *Racing World*, below the word “PIAGET” appear the words “Geneve 1874”, a clear reference to Geneva and a date which I take to be the establishment date of the company. I am satisfied that the requirement that the opponent’s watches, to which the trade mark ALTIPLANO is applied, originate in Switzerland, has been met.

52. It would be convenient to dispose of one further submission made by Ms Tam, namely, that unlike section 12(1) of the Ordinance, there is no minimum threshold of local reputation to overcome before the opponent can rely on section 23 to mount an opposition. This would appear to be correct.

53. Under section 20(1) of the Ordinance, the protection that registration brings is not dependent on use being made of the mark. Of course if the registered mark is not used it is at risk of revocation proceedings, but unless revoked, the proprietor can rely on the registration alone to prevent registration of a nearly resembling mark in respect of goods of the same description. There is no sound reason to believe the position is otherwise under section 23 save that the refusal to register in section 23 is a discretionary rather than a mandatory one as in section 20(1). Hunter J in *Maxim’s* (supra) confirms this when he said at page 295 :

“For reasons which I shall develop hereafter, I think that s.23 enables the registered proprietor of a foreign mark to rely upon his registration and the inference of user arising therefrom, without specific proof of user even abroad.”

54. There is a further passage at page 300 which I need not set out.

55. It follows that, if there is no requirement that the opponent must prove use by him of his mark on the goods either in Hong Kong or in the country of registration, there can be no threshold of a local reputation which must first be overcome before considerations of deception or confusion can be considered.

56. Local reputation however does play a part in the exercise of the discretion to refuse registration, a matter I shall return to later in this decision.

57. I turn to the question, whether the opponent has proved to my satisfaction that the suit mark nearly resembles the opponent’s ALTIPLANO mark as to be likely to deceive or cause confusion.

58. Ms Tam relied upon the well-known passage in *Pianotist Trade Mark* (1906) 23 RPC 774 at 777 :

“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. In fact you must consider all the surrounding circumstances; and 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. If, considering all those circumstances, you come to the conclusion that there will be a confusion – that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods – then you may refuse the registration, or rather you must refuse the registration in that case.”

*The look of the marks*

59. ALTIPLANO has, surprisingly, an entry in the dictionary, being a plateau of the Andes, covering two thirds of Bolivia and extending into South Peru containing Lake Titicaca – see Collins English Dictionary. It is not, however, a word that would be known to many in Hong Kong. “Altino” appears to be wholly invented. Recollection is not entranced as a result of either being a known meaningful word. Both are more likely to be recognised by their visual features. Ms Tam relied heavily on the fact that both words commence with the same four letters “ALTI” and both end with the two letters “NO”. Both have, as Ms Tam pointed out, a “European” feel to them as the result of terminating in “O”. Ms Tam submitted that the point of difference between the words, i.e. the third syllable “PLA”, is embedded in the word and would not of itself remove the risk of confusion. The similarities on the other hand occur at the beginning and at the end of both words. This is the opponent’s strongest point as it has been accepted in several reported cases that the first syllable of a word mark is generally the most important – see *Kerly* (supra) at 17-13. This points to likely confusion, but balancing the scales to some extent, is the difference in the length of the words.

60. The additional three letters “PLA” as the fifth, sixth and seventh letters of the opponent’s mark make it a full one third longer; visually quite significant when the words themselves have no apparent meaning.

61. It has often been said that the answer to the question of whether one word too nearly resembles another must nearly always depend on first impressions, for a person who is familiar with both words will neither be deceived nor confused – see *Aristoc Ltd v Rysta Ltd* (1945) RPC 65; *Smith Hayden* (supra). My first impression upon seeing the marks was that they did not nearly resemble each other, the suit mark being a word which one would not hesitate to pronounce whilst the opponent’s mark required some rehearsal before an attempt was made to pronounce it.

62. The look of words is closely tied to the sound of words. It is a common human trait when inspecting a word to say it silently in one’s mind and this mental reading of the word can influence the visual impact if the sound or the length of time taken to pronounce the words mentally, are significantly different. I find that the look of the respective marks when saying them mentally is also considered, to be a finely balanced consideration.

*The sound of the marks*

63. No evidence has been led as to how the respective marks would be pronounced. There are different possibilities for even the simpler mark “Altino” which could be pronounced “áltino” or as “altíno”. With ALTIPLANO there is even more room for variation in pronunciation.

64. With no evidence to assist me and doing the best I can, I believe that “Altino” is more likely to be pronounced as three syllables of equal length with the stress on the second. ALTIPLANO, is likely to be pronounced as four syllables with the stress on the third “PLA” which is also a longer sound than the other three. I consider that equal stress on all four syllables of ALTIPLANO is unlikely as such a pronunciation sounds unnatural and “non-european” in sound.

65. The sound of the marks tips the balance against the likelihood of confusion.

*The goods to which the marks are to be applied*

66. The goods are notionally the same in that they are both watches. Watches, however, range from the relatively cheap to the luxuriously expensive. I have no evidence of the price of an ALTIPLANO watch and no evidence at all of the market segment that an “Altino watch” is aimed at. Doing the best I can, I think I can safely say that by the choice of *Racing World* as the vehicle for the promotion of the opponent’s watches, the perceived market for the opponent’s watches is the well-heeled. This I infer from the other advertisements that appear therein which predominantly, at least in the October 1999 issue, feature designer watches, designer apparel and luxury motor vehicles. From the opponent’s own advertisement I am told that the watch featured is in “18K white gold” and is “ultra-thin” with a “mechanical movement”. This suggests quality materials and technical precision in the manufacturing process. The latter point is confirmed in the brochure in “Exhibit 3”. The watches are available from Piaget Boutiques situated at the Peninsula Hotel Lobby, Kowloon, and Prince’s Building, Central both prestigious locations. These factors suggest the ALTIPLANO watch is priced at the higher end of the scale. I think I can also take judicial notice that Piaget has a certain cachet as a watch, thus it can command a price beyond that of an identical watch of similar quality manufactured by a company without the same prestige. I know nothing about the “Altino” watch nor even whether one has ever been made. Meaning no disrespect, the reputation of the applicant is not in the same league as

Piaget. I draw no inference from the form in which “Altino” is presented in the application as, in fair and normal use, the representation used, or to be used, need not necessarily be confined to the hand-drawn appearance. In assessing the likelihood of confusion under section 23 I must, I think, have regard to the respective marks in fair and normal use, in other words, to all the uses of the respective marks which could fairly be made not only now but in the future.

67. In *GE Trade Mark* [1973] RPC 297 at 320-321 Lord Diplock said :

“[The question whether the use of any matter as a trade mark would be likely to deceive or cause confusion] ... looks to the future use of the matter as a trade mark and embraces any normal and fair use which as registered proprietor the [opponent] would be entitled to make of it in the ordinary course of trade in respect of goods of the class for which it is registered. Thus, in the case of *BALI Trade Mark* [1969] RPC 472, it was held by this House that although the current use of the Bali mark sought to be expunged was upon ready-made corsets which were not in competition for the same market as tailor-made corsets for which the Berlei mark was currently used, consideration must be given to the fact that registration of the two marks in respect of the same class of goods would entitle the proprietors of each of them to use their respective marks in the future on both ready-made and tailor-made corsets which would be in competition for the same markets.”

68. Recently, in *Audio Pro & Device* (Registry 6 March 2003) I held that it would be unsafe to conclude, on the basis of the prices shown on the respective parties invoices, that the respective goods will never enter the same trade channels and be directed at the same market. This conclusion was based on the fair and normal use that the applicant could make of its mark in respect of goods in that particular trade. I am of the view that the same approach should be taken here. I therefore conclude, in the absence of evidence to the contrary, that the respective goods may be in direct competition with each other. This factor points towards the likelihood of confusion.

*Nature and kind of customer likely to buy the goods*

69. There is no evidence as to the nature and kind of customer likely to buy the goods. I think I am able however to make the following general observations. Watches are

an essential item purchased by everyone. The care taken in the selection of one watch over another can vary considerably. A watch may be purchased as a fun watch because of an appealing aspect. Such watches are purchased with little regard to the manufacturer. Other watches, perhaps sports watches would be the best example, are purchased for some particular feature. A stop-watch feature for athletes and a dual time feature for yachtsmen and divers are examples. Again these would be selected more for the useful feature than because of the manufacturer, provided the manufacturer has some reputation for reliability. At the far end of the scale are watches purchased for their cachet. The manufacturer here is vitally important. I believe I can take judicial notice of the fact that Piaget, as a manufacturer, falls into this last category. It is for this reason that I think it unlikely that “Piaget” will be replaced on the watch face of the ALTIPLANO range with the secondary mark ALTIPLANO. As one of the reasons for buying a luxury watch is to wear a watch recognised as one from a prestigious manufacturer, it seems to me to be inconceivable that someone wishing to buy a “Piaget Altiplano” watch could be confused by a watch sold in relation to the “Altino” mark.

70. I need, however, also weigh the converse situation. Is there a tangible risk that there would be prejudice to the opponent in the conduct of its business if “Altino” were allowed onto the register? The situation could occur that, either through word of mouth recommendation or advertising, the name ALTIPLANO is associated, though imperfectly, in the mind of a potential buyer, as a prestigious watch. Upon seeing a watch offered for sale in relation to the “Altino” mark, might he mistakenly choose this watch because of what he has heard or read about the ALTIPLANO watch? This question is referred to in the cases as the doctrine of imperfect or sequential recollection.

71. In applying the doctrine it is not necessary that it results in someone ultimately buying the wrong goods, it is sufficient that they be caused to wonder whether the goods come from the same source – see *Edward Hack’s Trade Mark* (1941) 58 RPC 91 at 102. The doubt as to origin must however be a reasonable doubt and the persons to be considered are assumed to exercise reasonable care and possess reasonable intelligence. Romer J in *Jellinek’s Trade Mark* (1946) 63 RPC 59 at 78, in a passage adopted by Lord Upjohn in *Bali* [1969] RPC 472, added the further qualification that 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.”

72. The onus of positively proving that there is a real tangible danger of confusion, under section 23, lies with the opponent. There is of course no evidence that confusion has occurred. Such evidence would have greatly assisted the opponent. However, the fact that there is no evidence of confusion is not surprising given that the suit mark appears unused.

73. Placing myself in the position of the relevant consumer, as I am entitled to do in the absence of evidence – see *GE Trade Mark* (supra) at 321-322, I do not see why I would call to mind ALTIPLANO on seeing a watch sold by reference to the “Altino” mark. My finding may have been different if ALTIPLANO appeared on the watch face for then it would have more exposure. As it is, it appears only as a secondary mark associated in my mind with the principle mark Piaget.

74. Ms Tam also submitted that the opponent’s case was stronger because ALTIPLANO was a new mark to the market. Confusion would be less likely had the mark been very well-known, such as *Rolex Oyster*. I need only refer to *Kerly* at paragraph 10-05 to dispel that argument :

“It is sometimes argued (but rarely with success) that once a mark becomes a household word it is too well-known to be easily confused with others.”

Imperfect recollection does not assist the opponent.

#### *Notional and fair use*

75. Thus far I have considered the position as at the application date. The last part of Lord Parker’s test requires that I also consider what may occur in the future. This aspect of the enquiry has also caused me some difficulty as neither party has filed evidence of trade channels for their respective goods.

76. In *George Angus & Co Ltd’s Appln. to rectify the Register* (1943) 60 RPC 29 at 35 Bennett J said :

“But the difficulty which I have in this case is in seeing how the trade in which the Appellants’ goods are sold and in which the Respondent’s goods

are sold, is carried on. It seems to me to be impossible for a Court to determine whether the use of these two trade marks is likely to lead to confusion unless the Court is informed by evidence as to the way in which the goods of the Appellants and of the Respondent are sold. I do not know (and there is no evidence which informs me) as to whether goods made by the Appellants and goods made by the Respondent are in the hands of third persons with a view to being sold by those third persons to persons who want to buy them. If that is the case, of course, there is a possibility of confusion; and if orders for goods are given over the telephone it is, no doubt, possible for a mistake to be made by the person who receives the order as to whether the order has been for something called “Gaco” or something called “Stayco”. But until you know how the trade is carried on, you are not really in a position to form any judgment upon the question of fact as to whether there is likely to be any confusion in the trade.”

77. At the application date the opponent’s goods were sold only, it would appear, through its own boutiques. These are unlikely to also stock the applicant’s, or any other rival manufacturer’s brand, but this may not always be the case. The opponent’s watches sold in relation to the ALTIPLANO mark may well be released in the future to other watch traders who may also stock the applicant’s “Altino watches”. With both watches available from the same outlet there is more opportunity to compare them side by side, thus minimising the risk of possible confusion. This part of the enquiry points away from the likelihood of confusion.

### *Summary*

78. As I said earlier, the fact that both words start and end with the same four and two letters respectively, coupled with the European feel of both words, is the opponent’s strongest point. It is balanced by the difference in length, by a full one third, of the opponent’s mark over the suit mark. First impressions would see the respective words as not deceptively similar. The pronunciation is different, but this fact may be diluted as neither mark is likely to be accurately recalled in the local market. Applying the doctrine of fair and notional use the goods may be in direct competition with each other through the same trade channels. It is unlikely that a purchaser of a watch for its cachet value will mistake the two. On the basis of the last point alone, I would hold that the opponent has not discharged its onus and the opposition must fail. If I am wrong however to assume that watches bought

by reference to the ALTIPLANO mark would be bought for their cachet value, the question is more finely balanced. I would then be left in doubt whether the opponent has proved to my satisfaction that the suit mark so nearly resembles the foreign registered mark of the opponent as to be likely to deceive or cause confusion. I shall accordingly also deal with this situation.

*Where the tribunal is left in doubt*

79. Ms Tam correctly submitted that if the tribunal is left in doubt on an opposition under section 12(1) it must refuse the mark. This is clear from *ENO v DUNN* (1890) 15 Appeal Cases 252 at 256. The converse may not necessarily be the same. Under section 23, where the onus is on the opponent to prove that deception or confusion is likely to arise if the applicant's mark is placed on the register, doubt in the tribunal's mind as to whether the opponent has overcome that burden does not automatically lead to acceptance of the applicant's mark, rather, it is an element to consider in the exercise of the Registrar's discretion.

*The Registrar's discretion*

80. In *Sannex Trade Mark* (unreported 26 June 1982) Assistant Principal Solicitor L S Shum set out certain matters that he felt should be taken into consideration in the exercise of his discretion. This is not an exhaustive list but it does provide some guidance.

81. Of paramount importance, in my view, is a purposive construction of section 23. In *Maxim's* (supra), a decision which binds me, Hunter J said, at page 301 :

“In the Assistant Registrar's view the intention of [section 23] is to ‘protect marks registered in their country of origin from being copied or imitated in Hong Kong’. A similar view was expressed in the 1911 edition of Wilkinson on Trade Marks. Mr Jeffs attempt to challenge it wholly failed. The section can be paraphrased as : ‘the Registrar may refuse to register a copied mark’. This is a valuable provision. It enables the Registrar to deal directly with a copy, because it is a copy. Unlike the position in the U.K. there is no need to rely upon, or in the view expressed in *Kerly* in paragraph 4-03 to stretch, the provisions of s.13(1). I think it means that decisions like

*The Pelican* [1974] RPC 692 have no authority here. The concept has a respectable antiquity. A court of chancery could and probably would refuse an injunction to a deceptive copier for want of clean hands, per Lord Diplock in *G.E.* at page 326. Refusal of registration is the modern equivalent. P.O. Lawrence, J. expressed similar views in *Poiret* at page 88.”

82. Though the applicant has not explained how he devised the suit mark, there is no suggestion of copying in this case. This weighs heavily against refusal of the suit mark.

83. Next, I think, in order of importance, is the extent to which the opponent’s mark has been used in Hong Kong and the extent of its cognizance amongst the relevant sector of the population at the application date, viz 11 January 2000. As I have stated in paragraph 25 hereof, the extent of use of the opponent’s mark, placing the evidence at its highest, was 103 days, and at its lowest, 72 days. The evidence of sales in Hong Kong is so equivocal that no weight can attach to it. The exposure of the brand is confined to those who may have noticed the advertisements in *Racing World* among advertisements for 14 other watch brands and read them carefully. I do not overlook those who, by chance, during that period, visited the Piaget boutiques and took the time to look at the brochure exhibited as “Exhibit 3” to the statutory declaration of Cedric Bossert. This is assuming the brochure was available in the boutiques at the relevant time, of which there is no evidence. I found earlier however that such numbers would be insignificant.

84. I balance this however against no proven use of the suit mark. This factor favours the opponent.

85. Finally, I think, I need to consider whether the opponent has discharged its onus of proving, on the balance of probabilities that there is a reasonable likelihood of deception and confusion arising if the suit mark is entered onto the register. For the reasons stated in paragraphs 59-77 hereof, I concluded that the resemblance is not so near as to cause that effect. This factor favours the applicant. On balance I am not persuaded that I should exercise my discretion against acceptance of the suit mark and in the event, the opposition under section 23 of the Ordinance also fails.

*Discretion under section 13(2)*

86. A discretion arises under this section when a mark is accepted for registration under section 9 or 10 and any opposition to its registration has been defeated. However, having exercised my discretion under section 23 to allow the suit mark to proceed to registration, it would be incongruous if I were to exercise my discretion under section 13(2) to refuse it and I accordingly decline to do so.

*Costs*

87. The applicant has sought costs and there is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that the successful party is entitled to his costs. I accordingly order that the opponent pays the costs of these proceedings.

88. 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.

(K.S. Kripas)  
p. Registrar of Trade Marks  
22 March 2003