Trade Marks Ordinance (Cap 43)

IN THE MATTER of an opposition by Vodafone Group Plc to the registration of trade mark application 200002437 by Vodatel Technology Limited to register the trade mark VODATEL in class 42

DECISION

of

Teresa Grant acting for the Registrar of Trade Marks after a hearing on 28 October 2005

Appearing : Mr Philips B F Wong, Counsel, instructed by Stevenson, Wong & Co for the applicant for registration

Mr Paul Stephenson, Counsel, instructed by Deacons for the opponent

1. The parties to the opposition are Vodatel Technology Limited ('the applicant') who has applied for registration of a trade mark under the Trade Marks Ordinance (Cap 43) and Vodafone Group Plc ('the opponent') who opposes the application for registration under the Trade Marks Ordinance (Cap 43) section 15. The Trade Marks Ordinance (Cap 43) was repealed on 4 April 2003 but applies to oppositions pending immediately before that date.

2. The opposition hearing took place on 28 October 2005. The applicant has applied to register three applications for the same mark in classes 9, 38 and 42, which the opponent opposes. The hearing was in respect of all three applications. This decision relates to the opposition to the application in class 42. Separate decisions of the same date relate to the oppositions to the applications in classes 9 and 38.

Grounds of opposition

3. The main grounds of the opponent's opposition to registration of the applicant's mark under the Trade Marks Ordinance are:

section 20(2) (applicant's mark identical with or nearly resembling opponent's registered mark for services of the same description, or associated goods); and section 13(1) (applicant's mark not used or proposed to be used *by him*).

4. Additionally, the opponent opposes under:

section 12(1) (applicant's mark likely to deceive or cause confusion in view of the reputation of the opponent's marks); section 23 (applicant's mark identical with or nearly resembling opponent's marks registered in country of origin); section 2 (applicant's mark not used or proposed to be used in relation to goods so as to indicate a connection in the course of trade); section 10 (applicant's mark not capable of distinguishing the applicant's goods in the course of trade); and section 13(2) (applicant's application should be refused in exercise of registrar's discretion).

Applicant's mark

5. The applicant has applied to register the mark:

VODATEL

application number 200002437 in class 42 for 'consultancy, information and advisory services relating to computer technology; computer services; computer diagnostic services; development of computer hardware and software for the receipt, display and use of broadcast video, audio, and digital data signals, leasing and/or rental of computers; leasing of access time to computer data bases in the nature of computer bulletin boards; development, compilation and providing access to interactive and non-interactive world-web pages for the Internet; computer code conversion services; computer programming; updating and devising computer programmes; computer consultancy relating to information system development integration; maintenance of computer software for information systems; all included in Class 42'; the application for registration was filed on 9 February 2000.

Opponent's marks

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

199811398 in class 9 for 'electrical, electronic, telecommunications and telephonic apparatus and instruments; radio telephones; mobile telephones; encoded cards; tokens for activating electrical, electronic and telecommunications apparatus and instruments; smart cards; data communication apparatus and instruments; modems; parts included in Class 9 for all the aforesaid goods; computer software'; date of application priority and registration 4 July 1997.

vodafone

199812579 in class 9 for ‘electrical, electronic, telecommunications and telephonic apparatus and instruments; radio telephones; mobile telephones; encoded cards; tokens for activating electrical, electronic and telecommunications apparatus and instruments; smart cards; data communication apparatus and instruments; modems; parts included in Class 9 for all the aforesaid goods; computer software’; date of application priority and registration 4 July 1997.

VODAFONE

199509902 in class 38 for ‘telecommunications, telephone, telegraph and radio paging services; message sending, receiving and forwarding services; provision of facilities for transmission and reception by radio; electronic data communications; all included in Class 38’; date of application and registration 19 April 1993.

vodafone

200002211 in class 38 for ‘telecommunication services; mobile and fixed telecommunication services; mobile telephone and fixed telephone services; satellite telecommunication services; cellular telecommunication services; radio and cellular telecommunication services; radio and cellular telephone communication services; radio facsimile services; radio paging services; radio communication services; message sending, receiving and forwarding services; provision of facilities for radio receiving and radio transmission; rental of telephone, radio, radio telephone and radio facsimile apparatus; communication of data by means of radio, telecommunications and satellite; voice message retrieval services; telecommunication services in relation to assigning a particular telecommunications number to a particular consumer; provision of replacement telecommunications apparatus on a temporary basis in the case of breakdown, loss or theft; all included in Class 38’; date of application priority and registration 4 July 1997.

200004289 in class 38 for the same specification of services as 200002211 above; date of application priority and registration 4 July 1997.

Applicant

7. The applicant is a British Virgin Islands company (formerly named Worldtown International Limited) which in April 2003, in the course of these opposition proceedings, changed its name to Vodatel Technology Limited.

8. The applicant is a wholly-owned subsidiary of Vodatel Networks Holdings Limited and is part of a group of associated and subsidiary companies which Ms Monica Maria Nunes refers to in her statutory declaration dated 1 April 2004 as 'the Vodatel Group'.

9. Ms Nunes states that the VODATEL trade mark was first used in 1992 when Mr Jose Manuel dos Santos, established a sole-proprietorship under the name Vodatel Systems as evidenced by a Macau Business Registration Certificate in the trade name Vodatel Systems. VODATEL was first used as a trade name in Hong Kong in 1993. A Hong Kong Business Registration Certificate indicates that Mr dos Santos commenced business on 1 January 1993 under the name Vodatel Systems.

10. Mr dos Santos, a native Portuguese speaker, adopted VODATEL as a trade and business name, from the Portuguese words for 'voice', 'data' and 'telecommunications': '**vó**z' '**da**doa' and '**tel**ecommunicacões'.

11. Mr dos Santos, trading as Vodatel Systems, engaged in the construction of public digital data networks and public data communications networks for various

provincial/municipal telecommunication authorities/bureaux and enterprises in Macau, Hong Kong and the Mainland. Presumably, although the applicant does not explain, Mr dos Santos' business was assumed by the Hong Kong company Vodatel Systems Limited on incorporation in 1996.

12. Vodatel Systems Limited has provided services on the construction of public digital data networks and public data communication networks under and/or by reference to the name VODATEL.

13. In February 2000, Vodatel Networks Holdings Limited was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong.

14. In 2001, the Vodatel Group extended its customer installation base in the Mainland to include China Telecom, China Unicom, China Mobile and Cable TV operators and enterprises. In 2002, the Vodatel Group continued to expand its customer base in the Mainland. It developed and marketed its digital image processing management solutions, securing contracts totalling HK$ 17.7 million. It began selling VCMS, its network management system to Internet service providers. The Vodatel Group extended its geographical reach in the Mainland in 2003 with new customers including Shanghai China Netcom, Guizhou Railcom, the Electricity Bureau of Yunnan, Shanxi CATV and the Education Bureau of Anhui.

15. The applicant has applied to register the trade mark VODATEL in classes 9, 35, 38 and 42 in Hong Kong and has applications or registrations for the mark in these classes in the Mainland and Macau.

16. Ms Nunes asserts that the Vodatel Group has continuously used the mark VODATEL as its corporate name in respect of class 9 goods and class 38 and class 42 services that it has marketed and supplied through its offices in Hong Kong, Macau and the Mainland.

17. The principal business activities of the Vodatel Group, as a result of continuous expansion in the 1990's, are:

- design, supply, installation and implementation of networks to telecommunications service providers and corporate users;
- professional and technical support services;
- marketing and distribution of a variety of data communications products;
- research and development of computer and telecommunication network and Internet products and applications.

18. Ms Nunes asserts that by the date of its application for registration, the Vodatel Group had established itself as a leading computer and telecommunication network solution provider, specialising in digital data networks, frame relay, asynchronous transfer mode and Internet protocol technologies in the Mainland, Macau and Hong Kong, by reference to the name VODATEL.

Opponent

19. The opponent is a public limited company incorporated in the United Kingdom. The corporate history of the use of the mark VODAFONE began in 1985 with Racal Telecom Limited's launch of the first analogue cellular network in the UK. VODAFONE was the name chosen for the cellular network, to reflect the provision of voice and data services over mobile phones. In 1988, 20% of Racal Telecom Limited's capital was floated on the London Stock Exchange. By the late 1980's, international corporate expansion had made VODAFONE the largest mobile network in the world.

20. In 1991, Racal Telecommunications Plc became known as Vodafone Group Plc and was listed on the London and New York Stock Exchanges. By 1993 the opponent had formed international partnerships in Germany, South Africa, Australia, Fiji and Greece. By 1995, the opponent had established interests in the Netherlands, Hong Kong, Germany and France. By the end of the 1990's, Vodafone

AirTouch Plc was the largest mobile communications company in the world through the opponent's merger with AirTouch Communications Inc. In 2001 Vodafone Group Plc (renamed) continued to expand through acquiring Mannesman AG and a joint venture with VivendiNet in Italy. Its customer base for the Americas and Asia Pacific region was over 16.25 million. Its telecommunications interests were based in seven countries across the Americas and Asia Pacific region. In 2001 the opponent's registered customers worldwide reached 93.1 million.

21. In November 2000, the opponent acquired an equity stake of approximately 2.18% in China Mobile (Hong Kong) Ltd. In February 2001 the opponent signed a strategic alliance agreement with China Mobile (Hong Kong) Ltd, China's second largest cellular operator and fastest growing integrated telecommunications services provider.

22. Use of the opponent's mark VODAFONE and variations containing this housemark has been continuous and extensive in the UK since 1985 and in Hong Kong since 1995 in relation to the provision of telecommunications services and related and supporting goods and services.

23. In 1999 the opponent's worldwide registered mobile telecommunications customer base exceeded 10 million. In 1999, the opponent's cellular telecommunications business global annual turnover was £3360 million. The figure includes sales of substantially all the goods registered in class 9 and sales of substantially all the services registered in classes 38 and 42.

24. The first registration of the opponent's trade mark VODAFONE was in the UK, trade mark number 1215879 in class 9 with priority from 30 March 1984. The first registration of VODAFONE in Hong Kong was trade mark number 199509902 in class 38 with priority from 19 April 1993. The opponent's registrations in the UK and in Hong Kong are earlier than the applicant's applications for registration of VODATEL.

25. The opponent has consistently and extensively publicised and advertised its telecommunications goods and services under the mark VODAFONE and other variations including this housemark. The opponent undertook a rebranding campaign in 1997 with a strategy to introduce the VODAFONE brand into all areas of its telecommunications business where it has control. By June 2002, all subsidiaries other than in Italy and Japan, used the VODAFONE mark.

26. The opponent promotes its cellular telecommunications business under the trade mark VODAFONE by advertisements placed on television, radio, cable channels, newspapers, magazines, catalogues, in shopping malls and by direct mailing. The opponent also promotes its mark through sponsorship of national and local sports and other events and through exhibitions, telecommunications conferences and trade fairs.

Relevant date

27. The date of application for registration of the applicant's mark is 9 February 2000 which is the relevant date at which the parties' position under section 12(1) and section 20 is determined *(Rotolok [1968] RPC 227 at 230; Blue Paraffin [1977] RPC 473; C (device) [1998] RPC 439 at 449)*.

Section 12(1)

28. The opponent's evidence emphasises its widespread use of the mark and its registrations internationally. In its grounds of opposition it alleges that the use of the applicant's mark in Hong Kong would be deceptive by reason of the use of the opponent's marks. There would be a likelihood of deception or confusion to the public in Hong Kong.

29. The opponent's opposition on this ground is based on section 12(1) which reads: '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 …..'.

30. To oppose under section 12(1) the opponent must establish that it has a reputation in Hong Kong by the relevant date, the date of the applicant's application for registration. Mr Wong, for the applicant, says the opponent must show that it has used its mark in Hong Kong but *Hong Kong Caterers Ltd v Maxim's Ltd [1983] HKLR 287 at 296* and *Omega [1995] 2 HKC 473 at 477* are clear authority for the view that reputation, not use, is the basis of the ground.

31. Mr Stephenson says that the opponent's reputation, which is international, has come to Hong Kong via the Internet. If this is so, the evidence is not directed to the issue and does not show it. There are three statements about Hong Kong in the opponent's evidence: that in 1995 the opponent established an interest in Hong Kong (Mr Peter Bamford's statutory declaration of 29 August 2002, paragraph 5); that in November 2000, the opponent acquired an equity stake of approximately 2.18% in China Mobile (Hong Kong) Ltd (Mr Bamford's declaration of 29 August 2002 exhibit B Corporate Social Responsibility Report 2000-2001 page 7); and that in February 2001 the opponent signed a strategic alliance agreement with China Mobile (Hong Kong) Ltd, China's second largest cellular operator and fastest growing integrated telecommunications services provider (Mr Bamford's declaration of 29 August 2002 paragraph 8, exhibit A and exhibit B Corporate Social Responsibility Report 2000-2001 page 7). The evidence does not show use of the marks VODAFONE or VODAFONE and device in Hong Kong, nor does the evidence show whether and if so how, by advertising in Hong Kong or other means, the reputation in the marks had spilled over into Hong Kong by the relevant date. The opponent does not show reputation for its marks in Hong Kong at the relevant date and fails in its opposition under section 12(1).

Section 20(2)

32. The basis of an opposition under section 20(2) is that an applicant's mark will deceive or confuse but unlike section 12(1), which is concerned with reputation or marks in use, under section 20 the question is whether there is deception or confusion as a result of a near resemblance to the opponent's marks already on the register.

Services of the same description or associated with goods

33. Section 20(2) applies only where the competing marks are for the same services or services of the same description, or for goods and services that are associated. *Jellinek's Application (1946) 63 RPC 70* is the classic statement of the test as to whether goods are goods of the same description. Modified appropriately, it is applicable to the question whether services are services of the same description *(Kerly's Law of Trademarks and Trade Names 12th edition 10-12).* The test for determining 'association' of goods and services is section 2(3) which states that they are associated if it is likely that the goods might be sold or traded in and the services might be provided by the same business.

34. The applicant says that its services are not the same or of the same description as services for which the opponent's marks are registered and the applicant's services are not associated with goods or a description of goods for which the opponent's marks are registered. The opponent's position is to the contrary. At the hearing, neither party made detailed submissions as to the nature of the applicant's services or the opponent's goods or services. Considering the issue objectively, I find there is an overlap between the services in the applicant's application and the goods and services covered by the opponent's registrations and on this basis the opponent can rely on section 20(2).

35. The broad terms in the opponent's specifications in class 9, 'electronic apparatus and instruments' and 'data communication apparatus and instruments'

include goods such as 'computers' and 'data communications and data acquisition apparatus and equipment'. These goods and the opponent's 'computer software', are goods associated with the applicant's services: 'consultancy, information and advisory services relating to computer technology; computer services; computer diagnostic services' and 'leasing and/or rental of computers; leasing of access time to computer databases in the nature of computer bulletin boards'. For example, on the test stated in section 2(3), it is likely that companies that offer computer software products (the opponent's goods) might also provide computer technology consultancy services as specified in the applicant's application. It is likely that companies that offer computers and software (the opponent's goods) might also provide leasing of access time to computer databases (the applicant's services).

36. The opponent's services in class 38, 'telecommunications services', 'provision of facilities for radio receiving and radio transmission' and 'communication of data by means of radio, telecommunications and satellite' are services that are the same, or of the same description, as at least some of the services specified in the applicant's application : 'development of computer hardware and software for the receipt, display and use of broadcast video, audio, and digital data signals' and 'development, compilation and providing access to interactive and non-interactive world-web pages for the Internet'. Specifically, the applicant's services, 'development of computer hardware and software for the receipt ….. etc', would support the use of telecommunications equipment and devices and the transmission of data signals by telecommunications. Similarly, as Internet access is provided by means of telecommunications infrastructure, the applicant's services, 'providing access to …..the Internet', are in nature the same or of the same description as services that would be provided by the opponent within the term 'telecommunication services'.

37. The opponent's 'computer software' in class 9, includes goods associated with the applicant's services, 'computer code conversion services, computer programming; updating and devising computer programmes; computer consultancy relating to information system development integration; maintenance of computer software for information systems'. There is a commercial link or association between software and programming, computer consultancy, and software maintenance. It is likely that businesses that develop or provide software might also

provide programming or computer consultancy services and services for software maintenance.

Applying section 20

38. It is well established that the test to be used in applying section 20 is stated in *Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*. Under section 20 the test is, 'assuming user by the opponent of its mark VODAFONE, or VODAFONE and device, in a normal and fair manner for any of the goods or services 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 VODATEL normally and fairly in respect of any services covered by its proposed registrations?' The enquiry must also be directed to 'associated' goods *(Kerly's Law of Trademarks and Trade Names 12th edition 10-02)*. 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)*.

39. To find that a mark offends 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 applicant's services are provided by the opponent. 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)*.

40. Under 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 users of the services and under section 20(2)(c), purchasers of the 'associated' goods. If there is a probability of deception, there is no discretion to the registrar in the application of section 20.

41. '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 services to which they are to be applied. You must consider the nature and kind of customer who would be likely to use those services. 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 services 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

42. The applicant's mark is VODATEL. The opponent's marks are VODAFONE and VODAFONE and device. The opponent says the issue is not that people would mistake the applicant's mark for the opponent's but that people would think the applicant's mark and services and the opponent's marks, services and goods came from the same company or proprietor. I think that is right. 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 services and the opponent's services and goods come from the same source *(Bali [1969] RPC 472 at 496)*. Similarity between marks is assessed on first impressions and imperfect recollection. There is an immediate impression of similarity between VODATEL and VODAFONE and VODAFONE and device because the first part VODA is the same. The first part of a mark is always important in a comparison of marks, particularly if the emphasis is likely to be placed on the first part, as it is here *(London Lubricants Ltd's Application [1925] 42 RPC 264; Buler [1966] RPC 141 at 145, 146)* and if the first part of the mark is the more distinctive and memorable, as it is here.

43. The applicant points to website use of VODA marks by others and asserts that as a result VODA is 'common to the trade'. If the applicant suggests that the existence of other VODA marks means that VODATEL would not confuse, the argument is not persuasive unless the marks are in different ownership and are in use in Hong Kong *(Beck Koller (1947) RPC 76)*. There is no information before me that other VODA marks are used by other traders in Hong Kong. The applicant points to

Chitlink Electronic International Ltd [2000] 3HKC 509 (decision by KS Kripas, acting registrar) in which the acting registrar found no deceptive resemblance between the marks 'Newstar and device' and 'Winstar', taking into account local conditions: that 'star' is commonly used in trade marks or trade names in Hong Kong. In the present opposition, the applicant's examples are of traders in British Columbia and elsewhere. The use of VODA marks by traders in British Columbia and elsewhere is not a factor relevant to an assessment of the likelihood of confusion in Hong Kong.

44. Additionally, the acting registrar in *Chitlink* took other factors into account in deciding that 'Newstar and device' and 'Winstar' are dissimilar: in particular the difference in the first part of the words, the difference in typeface and the prominence of the device in 'Newstar and device'. There is a device in the opponent's mark VODAFONE and device but such is the impact of the word VODAFONE that the device is secondary. It is a swirl or circle in front of the word VODAFONE. It draws attention to the word but it is not a device that strongly differentiates the opponent's and the applicant's marks.

45. The applicant refers to *Coca Cola v Pepsi Cola (1942) 59 RPC 127* and *Broadhead's Application (1950) 67 RPC 209*, cases on which the acting registrar relied in *Chitlink at 529* in giving less weight to an element common to both marks. But in *Coca Cola* the common element 'Cola' was descriptive of the goods and in *Broadhead's Application* the common element 'Alka', an abbreviation of alkaline, was common to the trade. By contrast, VODA is neither descriptive nor common.

46. The applicant refers to *Cooper Engineering Company Proprietary Limited v Sigmund Pumps (1952) 86 CLR 536*, a decision of the High Court of Australia that there was no risk of confusion between 'Rainmaster' for 'water spraying installations for horticultural or agricultural purposes' and 'Rain King' for 'spray nozzles, sprinklers'. 'Rain' was also part of other trademarks for goods of the same description sold in Australia. Unsurprisingly, the court held the common part 'Rain' was not sufficient to create a reasonable likelihood of deception when the remaining

parts of the marks were so different. But in the present opposition VODA is not also part of other trademarks for services of the same description available in Hong Kong.

47. The applicant refers to *VB Distributors Ltd v Matsushita Electric Industrial Co Ltd (1999) 3 IPR 466*, a decision of the High Court of New Zealand. The marks were 'Palsonic and device of three stars' and ' Panasonic'. The application for registration was for goods in classes 9 and 11 and included televisions, VCRs, audio equipment, microwaves and electrical appliances. The court noted that the opponent Matsushita could not expect to protect 'sonic' and that 'Pal' and 'Pana' were markedly different. In the actual circumstances of side-by-side trade in Palsonic and Panasonic goods in New Zealand, confusion was unlikely. By contrast, in the present opposition, there is no evidence that the applicant's services and opponent's services and goods have been provided or offered in Hong Kong within the same period without apparently giving rise to confusion.

48. The applicant refers to *Montres Tudor SA v Concord Watch Co SA, unreported HCMP 5789/2000*, in which the applicant's mark was 君王 (meaning 'monarch, emperor or king' and transliterated as 'Kwan Wong' or 'Gwun Wong') and the opponent's mark was 王者 (meaning 'monarch' and transliterated as 'Wong Tse'). In view of the difference in the look and the sound of the two marks, Mr Justice Sakhrani had no hesitation in deciding that they were dissimilar. The fact that two marks convey the same idea is not sufficient in itself to create a deceptive resemblance between them *(Montres Tudor at page 18 paragraph 31)*. But in the present opposition VODATEL has strong similarities to VODAFONE, visually and phonetically, because of the same prefix VODA and the same emphasis on two or three syllables: VODA - TEL, VODA - FONE : or VO - DA - TEL, VO - DA - FONE. The similarity is heightened by the fact that TEL and FONE are synonyms so that VODATEL and VODAFONE convey the same idea.

49. The applicant's mark must be considered and compared with the opponent's trade marks each as a whole *(Bailey (1935) 52 RPC 135)*. The applicant's mark VODATEL is in block capitals. In the opponent's marks VODAFONE and VODAFONE and device, the word VODAFONE is in lower case. The letters 'o' are

slightly stylised in the same way as the swirl or circle device in front of the word VODAFONE in the opponent's mark VODAFONE and device. However, the difference in the presentation of the letters and the presence of the device in the opponent's mark VODAFONE and device are not features that make a strong difference between the applicant's mark and the opponent's marks.

50. *Accutron [1966] RPC 152*, cited by the opponent, reinforces the principle that a mark should be considered as a whole. Registration of 'Accutron' was refused in view of the opponent's marks 'Accurist' and 'Accularm'. Mr Wong says *Accutron* can be distinguished, as the opponent owned, not one but two, 'Accu' marks. However, the court did not substantially rely on the fact (*Buckley J at 154 lines 45 - 50)*. The emphasis was on the comparison of the marks, each as a whole *(Harman LJ at 158 lines 5 – 25)*.

51. Comparing the applicant's mark VODATEL with the opponent's marks VODAFONE and VODAFONE and device, I find there is an immediate impression of similarity between them.

Likelihood of deception and confusion

52. If people notice differences between the applicant's mark and the opponent's, they may still think that the marks come from the same company or proprietor. In this opposition, I find that the applicant's mark VODATEL and the opponent's marks VODATEL and VODATEL and device are similar. The applicant's services are of the same description as the opponent's services or are associated with the opponent's goods. In notional use, the applicant's mark and the opponent's marks would appear on the same type of services provided to the same customers, or on services and goods that might be provided by the same business. I find there is a reasonable likelihood of deception or confusion under section 20. As a result I must refuse the application for registration.

53. Mr Wong stresses the fact that there are no instances of actual confusion between the applicant's mark and the opponent's in Hong Kong or anywhere in the world. There was no actual confusion in *Buler [1966] RPC 141 at 149* but as it was said there, 'the burden is on the applicants. They must prove that there is no reasonable probability of confusion'.

54. The opponent's evidence includes an expert's opinion on the comparison of the marks VODATEL and VODAFONE (Mr Banford's declaration of 28 September 2004 exhibit C). It is a linguistic analysis. It is not evidence of the circumstances of sale in the particular trade, for example how the customers in fact pronounce the marks. I do not consider it relevant to the question of whether VODATEL is likely to cause confusion with the marks VODAFONE and VODAFONE and device and I do not rely on it.

Section 23

55. The opponent opposes on the ground that under section 23 its trade mark registrations in many countries internationally should prevent the applicant's mark from becoming registered in Hong Kong.

56. Section 23 was authoritatively interpreted in the High Court judgment *Hong Kong Caterers Ltd v Maxim's Ltd [1983] HKLR 287*. The section is intended to prevent an applicant from registering a mark already registered elsewhere. It is to prevent piracy. As Hunter J expressed it: 'The section can be paraphrased as: 'the Registrar may refuse to register a copied mark' *(Hong Kong Caterers Ltd v Maxim's Ltd at 301)*.

57. The ground must be based in some way on an assertion of copying. But in this opposition, the opponent's notice of opposition and evidence do not assert that the applicant has copied its marks and do not challenge the applicant's

explanation of how the mark VODATEL was devised. In the circumstances, the opponent does not establish the basis for the ground.

Section 13(1)

58. The opponent's notice of opposition alleges, 'the applicant cannot claim to be entitled to registration of the opposed mark and accordingly the opposed application should be refused by virtue of section 13(1)'. The words 'entitled to registration' suggest proprietorship is at issue. If this is the opponent's claim, the applicant rightly says on the authority of *Re Wowi and device [1998] 3 HKC 221* that a claim to proprietorship is relevant only if the respective marks are identical or virtually identical which is not the case here. The question under section 13(1) is not whether the marks are so alike as to be deceptively similar. Unlike the comparison for the purposes of section 20, a side by side comparison of marks is appropriate under section 13(1) and in comparing the applicant's mark VODATEL with the opponent's marks VODAFONE and VODAFONE and device, side by side, I do not find them virtually identical.

59. The opponent's argument at the hearing was that the applicant does not itself use or propose to use the mark VODATEL; there is trafficking in trade marks; and there are no registered user applications that might remedy the deceptive use.

60. Under section 13(1), an applicant is 'any person claiming to be entitled to be registered as the proprietor of a trade mark used or proposed to be used by him'. In other words, an applicant must use or intend to use the mark himself. As an exception to the requirement, an application for registration of a trade mark may be accompanied by an application for the registration of a person as a registered user of the trade mark (section 18(1)(b)). Mr Stephenson says such is the rigour of the law that an application for registration of a mark must fail, if the applicant does not intend to use the mark himself and does not file an application for the registration of a person as a registered user.

61. Mr Stephenson concedes on the facts in *Radiation Trade Mark (1930) 47 RPC 37* that, without a registered user, use by a wholly controlled subsidiary company would not be fatal to the registration of a mark. In that case, the applicant for the trade mark was a company holding practically all the shares in a group of associated companies that manufactured and sold the trademarked goods. Apart from the manufacture and sale by the associate companies, the applicant did not itself manufacture or sell. However, the applicant, controlled the policy of the associated companies and took the production and marketing decisions. The applicant maintained its own testing establishments and staff who inspected the works of the associated companies to ensure the design and quality of the goods *(see Firemaster Trade Mark [1965] RPC 40 at 42,* discussing *Radiation)*.

62. Mr Stephenson says the evidence in the present application shows that the applicant, Vodatel Technology Limited, formerly Worldtown International Limited, a British Virgin Islands company, does not use the mark VODATEL. The applicant claims that the mark is used by Vodatel Systems (HK) Limited and by Vodatel Networks (HK) Limited. Mr Stephenson points to the applicant's group structure exhibited at MMN-4, page 50, which shows that the applicant holds trade marks for the group but does not show either Vodatel Systems (HK) Limited or Vodatel Networks (HK) Limited. The two companies' relationship with the applicant is unexplained. If they are members of the same group, it is not clear that the applicant is in any position to control their use of the mark. Mr Stephenson says the present circumstances are unlike the facts in *Radiation* with the result that the applicant's application for registration of VODATEL must fail for lack of a registered user application under section 18(1)(b). I think this must be right.

63. Mr Stephenson says that the uncontrolled use of the mark by Vodatel Systems (HK) Limited and by Vodatel Networks (HK) Limited is deceptive *(Firemaster Trade Mark [1965] RPC 40 at 43, 44)* and that even if the use of the mark is licensed, the absence of any real trade connection between the proprietor of the mark and the licensee or his goods, suggests that there is trafficking in the mark *(American Greetings Corporation's Application [1984] 1WLR 189, HL, at 198)*. I do not need to consider the point as I find that, without a registered user or any offer to register a user, the applicant's application must fail. Similarly, I do not need to

consider Mr Stephenson's argument that the lack of any real trade connection between the applicant and the companies using the mark, VODATEL, must be contrary to section 2 (applicant's mark not used or proposed to be used in relation to goods so as to indicate a connection in the course of trade) and section 10 (applicant's mark not capable of distinguishing the applicant's goods in the course of trade).

64. Mr Wong, for the applicant, says that in any event, a narrow view of the role of individual companies in a group is not in accordance with recent authority. Mr Wong cites *Revlon Inc v Cripps & Lee Ltd [1980] FSR 85* for the proposition that use of a trade mark by any company in a group indicates that the goods to which the mark is applied originate from the group, not from any particular part of the group. Mr Wong says that in these circumstances, a mark becomes in effect the house mark of the whole group. By analogy, Mr Wong says that the applicant, Vodatel Technology Limited, has an intention to use the mark, VODATEL, as a group mark.

65. Two points can be made against Mr Wong's argument. *Castrol Limited v Automotive Supplies Limited [1983] RPC 315,* distinguishing *Revlon,* shows that consent to the use of a mark by any company within the group is not automatic. It is a question of fact in each case whether there is consent. Secondly, the decision in *Revlon* is about infringement and whether a registered proprietor has consented to the use of a mark. *Kerly's Law of Trademarks and Trade Names 12th edition 14-30* notes that the decision does not regard the use, with consent, as being by the proprietor or registered user. Consent does not avoid the severity of the law that requires an application to register a person as a registered user. It is apparent from *Revlon at 97* that there was a registered user agreement in that case and that it emphasised that REVLON FLEX was a group mark. That is different from the position here where there is no registered user application. The result is that the applicant's application for registration of VODATEL fails under section 13(1) and section 18(1)(b).

Section 22 – concurrent use

66. Mr Wong's written submissions state that the applicant's mark VODATEL can be registered under section 22, which gives the registrar a discretion, despite section 20, to allow the registration of an identical or nearly resembling mark on honest concurrent use *(Borsalini [1993] I HKC 587 at 591)*.

67. Even if the use of the mark by Vodatel Systems (HK) Limited and Vodatel Networks (HK) Limited is use by the applicant to support the application for registration, which it is not (see paragraphs 61, 64, above) the applicant's evidence does not show use of the mark VODATEL, nor does the evidence show use of the mark VODATEL in Hong Kong. It shows use of the names Vodatel Systems (HK) Limited and Vodatel Networks (HK) Limited as trade marks, not VODATEL. Additionally, invoices in the names of Vodatel Systems (HK) Limited and Vodatel Networks (HK) Limited date from September 2002, which is after the date of the applicant's application for registration. In a claim to registration under section 22, an applicant's use is counted from the date of first use to the date of filing the application for registration. In the present proceedings, the applicant claims use from 1993; a claim unsubstantiated by the evidence which refers mainly to activities in Macau and the Mainland. The applicant's mark cannot proceed to registration under section 22.

Exercise of discretion

68. If there is a probability of deception under section 20, there is no discretion to the registrar in the application of the section *(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

69. 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
10.1.2006