

Application No. 7737 of 2000

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

AND

IN THE MATTER of an application by
Xinqiao Towa Filter Co. Ltd. (新橋東和
濾蕊製品廠) to register the mark



in Part A of the Register in Class 11

AND

IN THE MATTER of an opposition
thereto by the Luen Cheong Automobile-
Wares Company Limited (聯昌行汽車製
品有限公司)

**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on
13 January 2004.

Appearing : Ms. Margaret Yu instructed by Messrs. Cheng, Yeung & Co. for the
applicant

Mr. Chong Choi Yuen of the opponent (represented by Mr. 陳彥傑)

Interpreter : Ms. Chelsea Wan from the Official Languages Agency

Application for Registration

1. On 11 April 2000 (“the application date”), Xinqiao Towa Filter Co. Ltd. (新橋東和濾蕊製品廠) (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance Cap. 43 (“the Ordinance”), in Part A of the register in Class 11, the trade mark, a representation of which appears below:



(“the suit mark”)

2. The goods intended to be covered by the registration were “air conditioning filters for use in vehicles” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part B of the register subject to a disclaimer of the word “filter”. The application was advertised in the Government of the Hong Kong Special Administrative Region Gazette on 30 March 2001.

Pleadings and Evidence

3. On 12 April 2001, Luen Cheong Automobile-Wares Company Limited (聯昌行汽車製品有限公司) (“the opponent”) filed notice of opposition to the application. Its grounds of opposition state that on 3rd January 2000, the opponent was authorised by one Chun Koo Enterprise Company Ltd. (均固企業有限公司) (“Chun Koo”) in Taiwan to apply for registration of the trade mark “MAX” in Hong Kong, a representation of which appears below:



4. The opponent’s application for registration of the trade mark “MAX” in respect of air filters for automobile engines, fuel filters, oil filtering operators for motors and motor spare parts in Class 7 was advertised in the Government of the Hong Kong Special Administrative Region Gazette on 11 August 2000.

5. The opponent pleads that Chun Koo is the owner of the registration no. 00686202 for the mark “MAX” in Class 12 in Taiwan. The exclusive period for the trade mark registration is from 1 August 1995 to 31 July 2005. One Daikuan Filter (Sanshui) Company Ltd. (中國大寬過濾(三水)有限公司) (“Daikuan”) in the

People's Republic of China ("PRC") which was invested by Chun Koo is the owner of registration no. 1225527 for the mark "MAX" in Class 12 in the PRC. The exclusive period for the trade mark registration is from 21 November 1998 to 20 November 2008. The opponent was authorised by Daikuan on 7 April 2000 to apply for registration of the trade mark "MAX" in Hong Kong.

6. A copy certificate of registration no. 00686202 issued by the National Bureau of Standards, Ministry of Economic Affairs of Taiwan, a copy letter of authorisation from Chun Koo in Taiwan and Daikuan in the PRC consenting to the registration of the trade mark "MAX" in Hong Kong by the opponent, a copy certificate of registration no. 1225527 issued by the Trade Marks Office of the PRC and a copy certificate of approval for Chun Koo in Taiwan to invest in Daikuan in the PRC were attached to the notice of opposition.

7. In the applicant's counter-statement, the applicant asserts that since mid 1994, the applicant's parent company, Towa Company Limited (日本株式會社トワ) ("Towa"), and the applicant's representative company in Hong Kong, Po Fung Auto Parts Trading Company (寶豐汽車配件貿易公司) ("Po Fung") have been working together to develop the automotive parts market in Hong Kong. Towa is responsible for supplying goods with "MAX" as the trade mark at cost while Po Fung is responsible for developing the Hong Kong market and paying the expenses of promotion and publicity. In late 1994, Po Fung obtained the first batch of automotive parts (filter-related products) with the trade mark "MAX" and sold them to the local automotive parts companies by wholesale. By 1996, Po Fung had over 100 regular clients which are automotive parts companies selling "MAX" products by retail. Since 1996, expenses have been spent to advertise the "MAX" mark in Hong Kong by distributing promotional calendars and T-shirts bearing the trade mark "MAX" to the applicant's clients free of charge. By 1998, the "MAX" products have become known to the Hong Kong automotive parts industry as well-reputed and fast-selling goods of the first rate. Since then, there has been a steady increase in the annual sales.

8. The opponent's Trade Mark Rule/s, Cap. 43, Sub. Leg. ("Rule/s") 25 evidence comprises a statutory declaration dated 26 September 2001 from Chong Choi Yuen, the director of the opponent, together with exhibits ("Mr. Chong's statutory declaration"). The applicant's evidence under Rule 26 consists of a statutory declaration dated 5 July 2002 from Hung Wai, a partner of Po Fung, together with exhibits ("Mr. Hung's statutory declaration"). The opponent, though it was entitled to do so pursuant to the provisions of Rule 27, filed no evidence in reply.

Preliminary point

9. On 31 December 2003, the opponent lodged with the Registry a statutory declaration of Chong Choi Yuen of the same date. By the proposed statutory declaration of Mr. Chong, the opponent purported to introduce: (1) copies of six contract notes and one purchasing order; and (2) one piece of oil filter for vehicle,

one piece of fuel filter for vehicle and two pieces of element air cleaners for vehicle bought by Mr. Chong from two local automotive parts retailers on 15 and 26 December 2003 respectively and their relevant receipts as its further evidence for the opposition proceedings. By letter dated 8 January 2004, the solicitors for the applicant indicated that their counsel would oppose the opponent's intended application for leave to adduce further evidence at the hearing fixed for 13 January 2004.

10. At the beginning of the hearing on 13 January 2004, I explained to Mr. Chong that the applicant and the opponent were given opportunity to file evidence in accordance with Rules 25 to 27 in the past and evidence was in fact filed by both parties. Under Rule 28, no further evidence shall be filed by either side, but in any proceedings before the Registrar he may at any time, if he thinks fit, give leave to either the applicant or the opponent to file any evidence upon such terms as to costs or otherwise as the Registrar may think fit. Therefore, I indicated to Mr. Chong that the opponent was required to apply for leave from the Registrar under Rule 28 to adduce his proposed statutory declaration lodged with the Registry. Before hearing his submissions in that regard, I made it clear to him that the copy contract notes and purchasing order marked "A" to "E" attached to his proposed statutory declaration are already contained in the Rule 26 evidence filed by the applicant. There is thus no need for him to apply for leave to file those documents. The leave application should be confined to the remaining pieces of evidence.

11. Mr. Chong submitted that the application for registration of the suit mark was not made in good faith. He said that on the purchasing order dated 18 February 1995 issued by Po Fung (exhibit marked "E" to his proposed statutory declaration), a remark stating that "中國出貨，盒印日本製造" is shown. On all the packaging boxes of the filters and cleaners bought by him on 15 and 26 December 2003 respectively, the words "made in Japan" are printed. Mr. Chong submitted that all these are evidence to show that the applicant has been deceiving the public as to the place of origin of the filter products sold in Hong Kong. The products were in fact not made in Japan but in China.

12. In reply, Ms. Yu submitted that the meaning of "中國出貨" is ambiguous. It does not necessarily mean that the products are made in China. She further contended that the grounds that the application for registration of the suit mark was not made in good faith and was contrary to law have never been pleaded in the grounds of opposition or raised in the opponent's evidence. One has to remember that the opponent was legally represented when it filed its Rule 25 evidence. The opponent should not now be allowed to raise the argument. It is most unfair to the applicant as the application for leave to file the further evidence was only made recently and the proposed evidence was only received by the applicant about one week before the hearing. There is absolutely no opportunity for the applicant to look into the matter in details and to file reply evidence. Moreover, Ms. Yu contended that it was of not much use for the opponent to exhibit the various items of filters purchased by Mr. Chong after the application date.

13. I accept the submissions of Ms. Yu and find that the proposed evidence of Mr. Chong is not relevant to the present opposition proceedings. In any event, I do not think that I would be able to draw the inferences that Mr. Chong wishes me to draw from the contract notes, purchasing order and the filters and cleaners purchased recently even if the issue of “not pleaded” is put aside and the proposed statutory declaration is admitted as part of the evidence. I therefore refused to grant leave to the opponent for filing the proposed further evidence under Rule 28.

14. Mr. Chong expressed great discontent with my refusal at the hearing. I explained to him that if he was not satisfied with my decision and insisted that the further evidence must be accepted before proceeding to the substantive opposition hearing, he has a right to apply for a judicial review against my decision at the Court of First Instance. If he wants to do so, I would adjourn the hearing of the substantive opposition pending the outcome of the judicial review against my decision on the application for leave with costs be reserved. Mr. Chong then requested me to stand the case down for ten minutes for him to consider the way forward. On the resumption of the hearing, Mr. Chong indicated to me that he did not want to take the matter further and would like to proceed with the substantive hearing.

Decision

15. Though, by 13 January 2004, the date the matter was heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of section 10(2) of Schedule 5, oppositions to registrations still pending as of 4 April 2003 are to be determined under the provisions of the repealed Ordinance Cap. 43.

Under section 12(1): likely to deceive

16. Before an opponent can invoke section 12(1), it must establish a certain degree of reputation in Hong Kong of its marks. At its very highest, it is a question of a substantial proportion of the interested public being aware of its marks, and at its very lowest, the question relates to the significance of the numbers in relation to the market for particular goods. In any event, the reputation of the opponent must be something more than *de minimis* (*Re Da Vinci Trade Mark* [1980] 9 RPC 237).

17. In paragraph 7 of Mr. Chong’s statutory declaration, he says that Chun Koo’s predecessor-in-title, Fast Year, is the proprietor of the opponent’s trade mark “MAX” and is the first company in the world to use the opponent’s trade mark back in 1995 in respect of air filters, oil filters and transmission filters for vehicles. The specified goods in the subject application “air conditioning filters for use in vehicles” are not mentioned by Mr. Chong at all. However, it is well settled in *Re Omega* [1995] 2 HKC 473 and *Gay Giano Trade Mark* [1996] 2 HKC 646 that the reputation of the opponent need not be in respect of the same goods as those of the suit mark. Mr. Chong’s assertion is a mere assertion not supported by any evidence. Furthermore, this assertion was strongly disputed by the applicant in its Rule 26

evidence. According to paragraphs 2 and 3 of Mr. Hung's statutory declaration, in about 1969, the head company of the applicant, Toko Industry Co. Ltd. was established as the subcontract company of Tokyo Roki Co. Ltd. specialising in the production of air-filters for Mazda Co. Ltd. In about 1981, Toko Industry Co. Ltd. established Towa Co. Ltd. (株式會社ト一ワ) ("Towa") to produce air- and oil-filters for aftermarket within Japan.

18. Mr. Hung continues to say in paragraph 6 of his statutory declaration that Towa is the proprietor of the trade mark "MAX NIPPON MAX FILTER" and "MAX" in respect of air and oil filters for motor vehicles manufactured by the applicant. As shown by the exhibit marked "HW-1", the trade mark "MAX NIPPON MAX FILTER" was designed by one Mr. Masakatu Yamamoto (山本正克) for Towa in 1993. I would like to mention at this juncture that the "MAX NIPPON MAX FILTER" mark is identical to the suit mark save and except with the addition of the word "Nippon" which is descriptive of the geographical origin and is an element of non-trade mark character. Mr. Yamamoto explains that the letter "X" in the word "MAX" contains three waves which represent that "air and oil are going through the filter".

19. In the same year in or about 1993, the applicant, being a limited liability company organised and existing under the laws of the PRC, was established by Towa being its parent company to enter into the overseas market in Shenzhen. Po Fung is a Hong Kong incorporated company responsible for the sale and marketing of the applicant's goods in Hong Kong. Ms. Yu submitted that the relationship between Towa, the applicant and Po Fung is clearly shown in the evidence filed by the applicant. A contract was exhibited in "HW-6" to Mr. Hung's statutory declaration which is dated 28 June 1999 made between the applicant and Po Fung. The material parts of the contract are reproduced below:-

“ 合約書

此合約由 XINQIAO TOWA FILTER CO., LTD./ 中文名：新橋東和濾芯製品廠--- 由日本株式會社ト一ワ在中國投資的企業（以下簡稱甲方）和 PO FUNG AUTO PARTS TRADING CO./ 中文名：寶豐汽車配件貿易公司（以下簡稱乙方）雙方簽訂。

自 1994 年中開始雙方承諾由甲方以成本價提供以“MAX”為品牌的濾清器產品，而乙方負責在香港試行銷售該品牌的產品及負責推廣該品牌之廣告費用。經過了五年的真誠合作，該品牌已成為了全香港汽車零件行內為人都熟知的名牌產品。為使雙方的商業關係更加明確化，經雙方協商制定了此合約書。

1. 關係

乙方 [Po Fung] 為甲方 [the applicant] 在香港地區的代理公司。

2. 支付方式

出貨以後 30 天以內乙方以電滙的方式將貨款匯入甲方指定的銀行帳號。

3. 包裝

甲方提供 “MAX” 標記的彩盒的包裝或由乙方自行印製 “MAX” 標記的彩盒。

4. 成交價格

由雙方共同商定的價格表決定。價格表根據市場的行情變化由雙方不定期進行協商修訂。

5. 有效期間

此合同從簽訂之日起有效期為 10 年。此後除非有一方表明不願意續約此合同將以 2 年為單位自動延期。雙方中任何一方在期滿時欲中止合約應在 3 個月前通知另一方。”

20. Apart from the contract, the applicant has also produced the following evidence in support of the relationship between Towa, the applicant and Po Fung. In the exhibit marked “HW-14”, a copy of a price list for the Towa and applicant’s goods dated 1 October 1995 was produced. On the first page of the price list, the suit mark (with the additional word NIPPON), the names of Towa and the applicant all appear. A letter of authorisation dated 19 May 1995 issued by Towa to Po Fung authorising Po Fung as the sole agent in Hong Kong fully responsible for the marketing of the products bearing the suit mark was also produced in the exhibit marked “HW-3” to Mr. Hung’s statutory declaration. A copy catalogue issued by the applicant was produced in the exhibit marked “HW-13”. At the last page thereof, it is stated that Towa is the “Japan Headquarters” of the applicant.

21. A copy statement made by Towa on 16 April 2002 was attached in the exhibit marked “HW-11” in which it states that Towa is the parent company of the applicant. However, I would like to say that this statement does not assist the applicant as this was made after the application date which does not serve to throw light on the situation as at the application date.

22. Thereafter, Mr. Hung says that the applicant has made substantial sales and promotion of the goods bearing suit mark in Hong Kong through Po Fung. A bundle of copy random purchase orders issued by Po Fung and copy sales invoices issued by the applicant since 1994 were produced and marked “HW-2”. The use of the suit mark in respect of air filter in Hong Kong by the applicant dating back as early as December 1994 is evidenced by the packing list issued by the applicant to Po Fung as exhibited in the last page of “HW-2”. When one cross-refers the code references appearing in the “description” item of the packing list with those in the

price list produced in the exhibit marked “HW-14”, one knows that the air filters sold are all in respect of the suit mark.

23. Mr. Hung states in paragraph 14 of his statutory declaration that from the records of Po Fung, Po Fung has placed the following orders with the applicant for the goods bearing the suit mark : HKD113,305.00 in 1994; HKD1,820,807.00 in 1995; HKD2,383,778.00 in 1996; HKD2,645,363.05 in 1997; HKD2,017,926.44 in 1998; HKD1,936,182.1 in 1999 and HKD2,007,358.6 in 2000.

24. Mr. Hung goes on to state in paragraph 17 of his statutory declaration that Po Fung has extensively advertised and promoted the suit mark by way of brochures, shop displays and promotional gifts since 1994. Copy of a calendar for the year of 1999 was exhibited in “HW-19”. On the exhibited calendar, the suit mark is clearly depicted and the words “Po Fung Auto Parts Trading Co. Sole Agent” are shown. Copies of random sales invoices issued by one Anpak Calendars Ltd. and Hanes & Printer Publisher Ltd. to Po Fung for the publishing of calendars bearing the suit mark for the years from 1996 to 2000 were produced in the exhibit marked “HW-20”. Copies of photographs showing different promotional T-shirts bearing the suit mark of the applicant were attached to the exhibit “HW-21”.

25. In the circumstances, Mr. Hung states in paragraph 21 of his statutory declaration that it would be wrong for the opponent to claim that Fast Year is the first company in the world to use the opponent’s trade mark “MAX” back in 1995 in respect of air filters, oil filters and transmission filters for vehicles. Mr. Hung goes on to say in paragraph 22 that the applicant, in fact, sold its goods bearing the suit mark to Fast Year in Taiwan as early as in 1993 and 1994. Two copies of purchase orders for “air filter” and “filter element” issued by Fast Year to the applicant dated 21 July 1995 and 10 November 1995 respectively were exhibited in “HW-24” to Mr. Hung’s statutory declaration. When one cross-refers the item no. “16546-77A10” appearing on the purchase order with the price list in the exhibit “HW-14”, one knows that the purchase was in respect of air filters bearing the suit mark. Copies of a bundle of invoices dated from November 1994 to March 1995 issued by Towa, the applicant’s parent company, to Fast Year evidencing the sale of air filters bearing the suit mark from Towa to Fast Year were also produced in the exhibit marked “HW-25”.

26. Mr. Hung states in paragraph 23 of his statutory declaration that by virtue of the business relationship between the applicant and Fast Year in 1993/94, Fast Year had acquired the knowledge of the suit mark developed by the applicant and it would be unjust for the opponent to claim that Fast Year was the proprietor of the opponent’s trade mark “MAX” back in 1995.

27. In my judgment, the assertions made by the applicant in Mr. Hung’s statutory declaration are well-supported by the evidence exhibited. I should also mention that although the opponent is entitled to file evidence to challenge the applicant’s evidence under Rule 27, the opponent has chosen not to do so. Therefore, I accept the unchallenged evidence of the applicant and find that the suit mark was

designed by Mr. Masakatu Yamamoto (山本正克) for Towa in 1993. It is clear from the contract in the exhibit marked “HW-6” and the other supporting evidence in the exhibits marked “HW-14”, “HW-3” and “HW-13” and Mr. Hung’s statutory declaration that the applicant is a company invested and established by Towa in the PRC in 1993 and Towa is the applicant’s parent company in Japan.

28. Po Fung was appointed by the applicant in 1999 as its distributor in Hong Kong for the sale of filter products bearing the suit mark for a term of ten years from 28 June 1999. Prior to the contract, the applicant first introduced its goods bearing the suit mark to Hong Kong in around 1994 by first selling them to Po Fung at cost price which would in turn sell the goods to its customers in Hong Kong (see paragraph 9 of Mr. Hung’s statutory declaration). Since then, Towa and the applicant have used the suit mark in Hong Kong in respect of air and oil filters for vehicles. It follows that Mr. Chong’s allegation that Fast Year, being the first company in the world to use the suit mark in 1995 in respect of air filters, oil filters and transmission filters for vehicles, is the proprietor of the suit mark must be wrong. Fast Year was merely a buyer of the filter products bearing the suit mark from Towa and the applicant.

29. Returning to the opponent’s Rule 25 evidence, it can be gathered from paragraphs 6 to 13 of Mr. Chong’s statutory declaration that it is his assertion that the opponent’s right to register and use the suit mark in Hong Kong derives from Chun Koo and Daikuan (the opponent is their authorised representative in Hong Kong) which are the successors-in-title of the “MAX” mark of Fast Year. In that context, Mr. Chong states in paragraph 18 of his statutory declaration that the opponent’s trade mark “MAX” was extensively used in respect of air filters, oil filters and transmission filters for vehicles in Hong Kong. Some evidence of use of the opponent’s trade mark “MAX” by way of copies of the photographs of the private vans of the opponent, the entrance of the opponent’s factory affixing a signboard showing the opponent’s trade mark “MAX”, some yearly calendars, souvenir watches, copies of some stationeries, confirmation letters and catalogues of the goods was produced by Mr. Chong in the exhibits marked from “CCY-9” to “CCY-15” to his statutory declaration. All of them are undated. I have no idea as to whether they are evidence of use before the application date. Putting that question aside, most important of all, even assuming that those evidence of use is all before the application date, the opponent had not been using its own mark. It is apparent on the evidence that the opponent had been, in essence, using the Towa or the applicant’s mark, that is, the suit mark.

30. In the result, the opponent has failed to establish the requisite degree of reputation in Hong Kong for its mark so as to trigger section 12(1) of the Ordinance.

Under section 23

31. Section 23 is a provision peculiar to Hong Kong, affording protection to foreign trade marks in priority to a Hong Kong pending application.

32. The opponent is relying on two foreign registrations in Taiwan and the PRC respectively. In paragraph 8 of his statutory declaration, Mr. Chong says that on 1 September 1995, the opponent's mark "MAX" was registered in the name of Fast Year Co. Ltd. (惠益股份有限公司) ("Fast Year") in Taiwan in respect of air filters, oil filters, fuel filters and transmission filters in Class 12 for a period of ten years from 1 August 1995. A copy of the certificate of registration no. 00686202 was produced and marked exhibit "CCY-2". In December 1999, the Taiwan trade mark registration was assigned from Fast Year to Chun Koo. Therefore, the Taiwan registration is not owned by the opponent. Mr. Chong says in paragraph 6 of his statutory declaration that the opponent was granted the right, interest and licence to apply for registration of the trade mark "MAX" in Hong Kong by Chun Koo on 3 January 2000. A copy of the letter of authorisation was produced in the exhibit marked "CCY-1". For clarity sake, the essential parts of the letter of authorisation are reproduced below:-

“

授權書

均固企業有限公司是中華民國 MAX 商標持有人，因合作關係，現授權香港聯昌行汽車製品有限公司，同意該公司在香港地區申請註冊 MAX 商標，指定使用商品：空氣濾清器、機油濾清器、空氣過濾器、燃料油濾清器。



附件：中華民國商標註冊證複印件 證號：00 六八六二 0 二 ”

33. Mr. Chong states in paragraph 10 of his statutory declaration that Fast year is also the registered proprietor of the opponent's trade mark "MAX" in the PRC from 21 November 1998. The registration is in respect of air filter, oil filter, transmission filter, fuel filter for vehicle use, vehicles or truck's parts in Class 12. A copy of the certificate of registration no. 1225527 was produced and marked as exhibit "CCY-4". In paragraph 11 of his statutory declaration, Mr. Chong continues to state that in August 1999, the Fast Year's interest and proprietorship in and of the opponent's trade mark "MAX" in the PRC was assigned to Daikuan. Daikuan is a PRC company beneficially owned and controlled by Chun Koo. At present, Daikuan is the registered proprietor of the opponent's trade mark "MAX" in the PRC. As described by Mr. Chong himself, the opponent is the sole authorised representative of Daikuan in Hong Kong to apply for the registration of the opponent's trade mark "MAX" in Hong Kong. A copy of the letter of authorisation from Daikuan was attached to Mr. Chong's statutory declaration as the exhibit marked "CCY-1". For

clarity sake, the essential parts of the letter of authorisation are also reproduced below:

“

授權書

大寬過濾器(三水)有限公司現授權香港聯昌行汽車製品有限公司，同意該公司在香港註冊大寬過濾器(三水)有限公司之“MAX”商標，核定使用商品為第12類：車輛空氣濾清器；車輛機油濾清器；車輛空氣過濾器；車輛燃料油濾清器；汽車或貨車零件。



附件：中華人民共和國國家工商行政管理局商標局“商標註冊證，證號：第1225527號”

34. Therefore it is very clear from the opponent's own evidence that the foreign registrations relied on by the opponent under section 23 are not owned by the opponent at all. I have reservation as to whether the opponent can rely on the two foreign registrations which are not owned by it under section 23. This issue does not appear to have been decided by the courts in Hong Kong. As section 23 reads which I see it, it does not specifically provide that the foreign trade mark which has already been registered must be "in the name of the person opposing the application for registration." Assuming that the opponent can rely on the two foreign registrations which are not registered in its own name, I now move on to consider whether section 23 is applicable to the present case.

35. Section 23(1) requires that the foreign trade mark is registered in respect of the same or same description of goods "in a country or place from which such goods originate". The phrase "in a country or place from which such goods originate" has been judicially interpreted in *Hong Kong Caterers Ltd. v. Maxim's Ltd.* [1983] HKLR 287 at 299 where Mr. Justice Hunter adopted the technical meaning of the word "origin" in *Aristoc Ltd. v. Rysta Ltd.* [1945] RPC 65. It was held that a trade mark is an indication of the origin of goods in the broadest sense of having been adopted or stamped with the approval of the holder of the mark in the course of his business, before being offered for sale. It is apparent, on the evidence, that Fast Year, the first and original registered proprietor of the Taiwan and PRC registrations, were buying the Towa and applicant's goods bearing the suit mark as early as in 1994 or 1995. Fast Year then obtained registration of the "MAX" mark which closely

resembles the Towa/applicant's mark, that is, the suit mark in Taiwan and the PRC in 1995 and 1998 respectively. In the circumstances, the "MAX" mark must have been attached to the opponent's goods with the approval of the applicant's parent company, Towa, which is domicile in Japan. The only country that would qualify therefore under section 23 is Japan, not Taiwan or the PRC. To conclude, section 23 is not an available ground for opposition.

36. In the result, the opposition under section 23 fails.

Under section 21

37. In the grounds of opposition, the opponent mentioned its own trade mark application in Class 7 which was filed on 13 April 2000 with the registry, that is, after the application date of the subject application. Section 21 of the Ordinance was raised as a ground of opposition in paragraph 5(b) of Mr. Chong's statutory declaration. However, in my judgment, section 21 confers no further jurisdiction upon the Registrar. It merely provides a power to stay approval of either of two competing marks pending a determination of the respective parties' right by a court or by agreement between the parties. As the applicant's suit mark had been accepted for registration, the dispute must be determined by normal opposition proceedings. Section 21 has no application in these proceedings.

38. It follows that the opposition under section 21 is defeated.

Under section 13(2)

39. The exercise of discretion pursuant to section 13(2) arises when opposition under sections 12(1), 21 and 23 fail and the mark is acceptable for registration under either section 9 or 10. I remind myself that the register has been created by the Ordinance for the purpose of enabling marks to be entered therein. If no proper reason can be advanced as to why registration should be refused for a qualifying mark, the exercise of discretion should not be adverse to the applicant. I therefore decline to exercise my discretion adversely to the applicant.

Costs

40. 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.

41. 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, with one counsel certified unless otherwise agreed between the parties.

42. This decision is written in both English and Chinese languages.

(Ms. Fanny Pang)
p. Registrar of Trade Marks
17 March 2004