

Application No. 200015768

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 Class 9 in Part A of the Register by
Guangzhou Guangxiang Enterprises
Group Co., Ltd. Double One Latex
Factory

AND

IN THE MATTER of an opposition by
Zhanjiang Rongli Rubber Products
Company Limited

**DECISION
OF**

Mr. Frederick Wong acting for the Registrar of Trade Marks after a hearing on 11 December 2006.

Appearing: Ms. Sandra Gibbons of Lloyd Wise & Co for the applicant Guangzhou Guangxiang Enterprises Group Co., Ltd. Double One Latex Factory.

Ms. Jennifer Tsang, counsel, instructed by Messrs Vincent Luk & Associates for the opponent Zhanjiang Rongli Rubber Products Company Limited.

1. These proceedings arise out of an application made on 17 July 2000 (“the application date”) by Guangzhou No. 11 Rubber Factory of 90 Industry Avenue, North, Guangzhou, People’s Republic of China, to register in Part A of the register, pursuant to the provisions of the Trade Marks Ordinance Cap 43 (the “Ordinance”), the trade mark, a representation of which appears below :



(the “suit mark”) in Class 9 in respect of “industrial latex gloves for protection against accidents”. The suit mark was accepted for registration in Part A after examination and advertised for opposition purposes in the Government of the Hong Kong Special Administrative Region Gazette on 17 May 2002.

2. Zhanjiang Rongli Rubber Products Company Limited (the “opponent”) filed a notice of opposition on 17 July 2002. On 26 January 2005, leave was granted to Guangzhou Guangxiang Tyre Enterprises (Group) Corporation Guangzhou No. 11 Rubber Factory to substitute it for Guangzhou No. 11 Rubber Factory as the applicant in the proceedings and continue the proceedings in its name. On 11 July 2006, Guangzhou Guangxiang Tyre Enterprises (Group) Corporation Guangzhou No. 11 Rubber Factory was recorded to have changed name to Guangzhou Guangxiang Enterprises Group Co., Ltd. Double One Latex Factory (the “applicant”).

Pleadings

3. The opponent is a company incorporated under the laws of the People’s Republic of China having its address at 32 Jin Chuan Road, Ma Zhang, Zhanjiang, Guangdong Province, the People’s Republic of China. The opponent claims to be the proprietor of the trade mark “77 Double Seven 双七 & device” and to have used the mark for “plastic gloves for industrial purposes, gloves for protection against x-rays for industrial purposes, gloves for protection against accidents, gloves for diving, gloves for household purposes, polishing gloves” since 1995.

4. The opponent has registered its mark in China in Classes 9 and 21 in relation to the aforesaid goods, and is applying in Hong Kong for registration of the same goods in

Classes 9 and 21 under application nos. 09743 of 2002 and 09744 of 2002 respectively.

5. The opponent claims that the suit mark nearly resembles and is confusingly similar to its mark, so that confusion in the trade is most probable. It pleads that registration of the suit mark should be refused under sections 12 and 13 of the Ordinance, and in the exercise of the Registrar's discretion. It also avers that the suit mark is not registrable under sections 9 and 10 of the Ordinance. It seeks costs against the applicant.

6. The applicant filed a counter-statement on 20 September 2002 putting the opponent to proof of its claims. It denies the grounds of objection, and avers that it is the applicant's rights that would be damaged by the use and registration of the opponent's mark in Hong Kong. It seeks costs against the opponent.

Preliminary issue

7. The hearing was originally fixed to take place on 6 July 2006. But due to the late attempt by the opponent to seek to file further evidence, that hearing turned out to be a hearing of arguments in that connection, details of which I need not recite here. As a result, the hearing on the substantive issues of these proceedings was adjourned, and leave was given under Rule 28 for the opponent to file further evidence in relation to the issue of commercial honesty in adopting the opponent's mark and for the applicant to file any evidence in reply thereafter. I also awarded the costs of the hearing on 6 July 2006 and the costs for the filing of further evidence to the applicant.

8. The opponent filed further evidence on 26 July 2006, and the applicant filed evidence in reply on 16 August 2006. The applicant had raised objections to the contents and scope of the further evidence filed by the opponent. Having considered the objections, the Registrar gave a preliminary ruling on 11 September 2006 that the further evidence filed by the opponent is within the scope of the order made on 6 July 2006 and is admissible as evidence of the opponent. The applicant was given an opportunity to call for a hearing to dispute the preliminary ruling but it did not call for any hearing. The ruling was thus made a formal ruling on 28 November 2006. Hearing on the substantive issues of these proceedings was resumed on 11 December 2006 before me.

Evidence

9. The opponent's evidence is by way of a statutory declaration of Lin Shuqi dated 15 August 2003 and a second statutory declaration of him dated 25 July 2006. Mr. Lin has been the managing director of the opponent since 1991 and has been associated with the opponent for 14 years by the time he made the first statutory declaration in 2005.

10. In his first statutory declaration, Mr. Lin avers that since 1995 the opponent had been using a mark containing the Chinese characters “双七” (meaning “double seven”) against the background of a fan design in relation to “plastic gloves for industrial purposes, gloves for protection against x-rays for industrial purposes, gloves for protection against accidents, gloves for diving, gloves for household purposes, polishing gloves”. The reason for choosing the Chinese characters “双七” as the main feature of the mark was that the characters could be pronounced loudly; and in order to make the mark “more eye-catching, fanciful and more accessible to non-Chinese speakers”, the number equivalent and English translation of the Chinese characters were added to the mark. A representation of the mark is shown below:



(the “opponent’s mark”).

11. Mr. Lin gives the business turnover figures of the opponent's goods under the mark and exhibits a number of sales contracts and invoices in that connection. I shall explore this evidence in more details later in this decision.

12. As the remainder of Mr. Lin's first statutory declaration consists in the main submissions, not evidence, I need not summarize them here.

13. The second statutory declaration of Mr. Lin was filed pursuant to my order of giving leave for the opponent to file further evidence in relation to the issue of commercial honesty in adopting the opponent's mark (see paragraph 7 above). The following information was given about the opponent:- The opponent was a joint venture company set up in 1991 by Zhanjiang Mazhang Latex Products Manufactory (“Mazhang”) and 香

港榮勝企業。 Mazhang, of which Mr. Lin claims to be a founder, was incorporated in mainland China in 1988. In order to develop the business plan of Mazhang for overseas expansion of its manufacturing and sales industries with respect to candles, plastic products, rubber and latex products, the opponent was incorporated in mainland China on 25 July 1991. Under the terms of operation sanctioned by the Foreign Economic Trade Committee of Countryside, Zhanjiang (湛江市郊區對外經濟貿易委員會), the opponent should manufacture household and latex industrial gloves for overseas and local sales in the proportion of 90% to 10%.

14. Mr. Lin avers that the opponent has become one of the 500 largest private enterprises in mainland China. Rubber gloves bearing the opponent's mark had passed the quality control sampling check of the Guangdong Quality Supervision Bureau, Zhanjiang Branch for a consecutive 8 years (up to 2001), were commended to be the Best Exhibition Product at the 1999 Zhanjiang Economic Trade Expo, and had been awarded Guangdong Province Award of High Standard of Excellence of Product.

15. Mr. Lin then gives a detailed account of how the opponent's mark was created. I do not propose to summarize them.

16. The applicant's evidence is by way of a statutory declaration of Wang Xiang Dong and a statutory declaration of Li Changen.

17. Mr. Wang's statutory declaration was originally filed on 12 August 2004. But to resolve a technical point concerning its execution, a re-executed statutory declaration of Mr Wang, in exactly the same form and content but dated 13 July 2006, was filed with leave to replace the original one.

18. According to Mr. Wang, the applicant was established in 1956 as the eleventh rubber factory in mainland China. It began to manufacture latex industrial gloves in 1958 and latex household gloves in 1963, and these goods had been sold under the suit mark in Hong Kong since 1964. Mr. Wang avers that the suit mark was created in 1962, the number and words "11 Double One" were chosen to refer to "quality first, customer first" and the applicant's name.

19. Mr. Wang exhibits copies of:

Annexure A - invoices issued by two PRC corporations which acted as the applicant's exporting agents for Hong Kong in 1990 and 1991.

- Annexure B - certificate of approval for a PRC joint venture corporation, Guangzhou Sunreach International Rubber Industrial Co. Ltd (“Sunreach”), which exported the applicant’s goods bearing the suit mark to Hong Kong since 1992.
- a trade mark licence between the applicant and Sunreach.
- Annexure C - extracts of documents filed with the Companies Registry in Hong Kong since 1992 in relation to a company, Sunny Rubber and Plastics Co Ltd (“Sunny”), set up by the applicant in Hong Kong for distribution of the applicant’s goods under the suit mark in Hong Kong.
- Annexure D - invoices issued by Sunreach and other documents which evidence sales of the applicant’s goods bearing the suit mark to various businesses in Hong Kong for the years 1992 to 2003.
- Annexure E - two letters issued by two local business entities about their dealings in the 1970s in Hong Kong of the applicant’s goods bearing the suit mark; and a distributorship agreement which concerns, among other things, sale in Hong Kong of latex industrial gloves under the suit mark for the period from November 1988 to November 1991.
- Annexure F - the results of product trial tests conducted by the Consumer Council of Hong Kong as published in the “CHOICE” magazine in 1988, in which gloves under the suit mark feature as one of the products under the trial tests.
- Annexure G - proofs of advertisements being placed in the Hong Kong magazine “百花周刊” in 1983.
- Annexure H - trade mark registration certificates of the suit mark in PRC and in USA.
- Annexure I - record of the suit mark registered in Class 17 in the Hong Kong register, showing Sunny as the registered owner. The applicant avers that the registration was sought in order to protect its mark, but in the process Sunny had inadvertently made the application in its own name and in Class 17, rendering it necessary for the applicant to now file applications for registering the mark in Classes 9 and 21 to put the matter right.
- Annexure J - five packets bearing the suit mark used for storing the

applicant's goods together with five packets bearing the opponent's mark used for storing the opponent's goods.

20. Mr. Wang gives the sales figures of the applicant's goods in Hong Kong for the period between 1992 and 2000 in paragraph 7 of his statutory declaration.

21. The remainder of Mr. Wang's statutory declaration consists in the main of submissions in relation to the marks and the similarities between the packaging of the applicant's and the opponent's goods. I do not propose to summarize them at this point.

22. Mr. Li's statutory declaration dated 11 August 2006 was filed as evidence in reply to the opponent's further evidence under Rule 28. I find Mr. Li's statutory declaration consists in the main of comments and submissions, not evidence. I do not propose to summarize them.

Decision

23. Although the hearing on 11 December 2006 took place after the commencement of the Trade Marks Ordinance, Cap 559, by virtue of section 10(2) of Schedule 5 of Cap 559, oppositions that are pending at the commencement date, 4 April 2003, remain to be dealt with under the provisions of the repealed Trade Marks Ordinance, Cap 43.

24. Although sections 9 and 10 of the Ordinance had been pleaded in the grounds of opposition, the opponent did not file any evidence or argue the ground at the hearing in any respect. I treat that these grounds of opposition are no longer pursued by the opponent.

25. The remaining grounds of opposition are sections 13(1), 12(1) and 13(2). I shall deal with them in turn.

Objection under section 13(1)

26. Under section 13(1) an application for registration may be made by "any person claiming to be entitled to be registered as the proprietor of a trade mark used or

proposed to be used by him”. Paragraph 13 of the grounds of opposition asserts that the applicant is not entitled to be registered as the proprietor of the suit mark.

27. On the authority of *Mila Schon Group SPA v Lam Fai Yuen (t/a Tung Kwong Co)* [1998] 1 HKLRD 682, a claim to proprietorship arises only if the respective marks are identical or virtually identical. The suit mark and the opponent’s mark are to be compared side by side.

28. When the marks are compared side by side, I can see there are noticeable differences between the marks. I therefore do not find that they are identical or virtually identical to each other. The objection under section 13(1) therefore fails.

Objection under section 12(1)

29. Under section 12(1) ‘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’ The opponent’s evidence emphasizes the widespread use of the opponent’s mark in the mainland of China, Hong Kong and internationally. In its notice of opposition the opponent claims that by reason of the long and extensive use of its marks, the use of the suit mark in Hong Kong would be likely to deceive.

30. It is well-established that before an opponent can mount a section 12(1) opposition, it must first establish, as a threshold question, that its mark is known to a substantial number of persons in Hong Kong – see *Re Arthur Fairest Ltd.’s Application* (1951) 68 RPC 197 at 200. The date at which this cognizance or reputation is to be established is the date of the application to register the suit mark (*NOVA Trade Mark* (1968) RPC 357 at 360), which in the present case is 17 July 2000. The reputation in the opponent’s mark must be more than de minimis to bring section 12(1) into operation the reason being, if the opponent’s mark is unknown in Hong Kong, deception or confusion is unlikely to arise (*Da Vinci Trade Mark* (1980) RPC 237). Only if the opponent discharges this burden does the onus shift to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception among a substantial number of persons if the suit mark proceeds to registration (*Eno v Dunn* (1890) 15 App Cas 252 at 261).

31. Reputation in the local market may be established through user of the mark in its widest sense including advertisements if the goods are available to be traded in Hong

Kong or even if they are not, through the spill-over of foreign goodwill and reputation into Hong Kong (*Hong Kong Caterers Ltd v. Maxim's Ltd* [1983] HKLR 287. See also *Sans Souci Trade Mark*, unreported decision of the acting Registrar M W Fox dated 28 May 1991).

32. Mr. Lin, managing director of the opponent, gives very substantial sales figures of goods sold under the mark, which had been shipped to Hong Kong and overseas countries from the mainland for sales in these places, for the period between 1995 and 2002 in paragraph 5 of his first statutory declaration dated 15 August 2003. Mr. Lin then exhibited as “LS-2” to his first statutory declaration copies of sales contracts and invoices, which are said to be copies “pertaining to shipment of the opponent’s goods under the opponent’s mark to Hong Kong *for local sales*” (italic added). Although the goods are alleged by Mr. Lin to include “plastic gloves for industrial purposes, gloves for protection against x-rays for industrial purposes, gloves for protection against accidents, gloves for diving, gloves for household purposes, polishing gloves”, on the documents the goods are only described as “工业乳胶手套” or “工业橡胶手套” (both can be described as latex industrial gloves) and “家用橡胶手套” (can be described as latex household gloves).

33. On the face of the documents in “LS-2”, I can see that some of the buyers are local companies having an address in Hong Kong, whilst others are obviously overseas companies having an overseas address.

34. I am able to find that there are sales evidenced by documents as sales of latex industrial gloves under the opponent’s mark to about nine local companies totalling 139,460 dozens, worth US\$503,871, over a period of about five years (from mid-1995 up to the application date). The quantities and values involved and the clientele base are more than de minimis. I find the opponent has established a reputation in the opponent’s mark in the Hong Kong market of latex industrial gloves prior to the application date at least to mount an opposition under section 12(1).

35. The onus thus shifts to the applicant to satisfy me that use of the suit mark will not be reasonably likely to cause deception and confusion amongst a substantial number of persons. The classic expression of the question to be decided is in *Smith Hayden & Co.’s Application* (1946) 63 RPC 97 which, if adapted to the present case, is as follows:

- (a) “Having regard to the reputation of the opponent's mark in respect of latex industrial gloves, is the tribunal satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be likely to cause deception and confusion

amongst a substantial number of persons? May a number of persons be caused to wonder whether goods under the respective marks come from the same source? Is there a real tangible danger of confusion if the applied for mark is put on the register?"

36. The comparison is between the opponent's mark as it has in fact been used and the suit mark in notional fair use.

37. The applicant did not dispute that the suit mark and the opponent's mark are similar.

38. I agree that visually the marks are similar. I also agree that, since both marks use the concept of expressing a two-digit recurring number in the form and sequential order of a numeral (11 and 77), English words ("Double One" and "Double Seven") and Chinese characters ("双—" and "双七"), conceptually the marks are similar. Aurally, the suit mark may be referred to as the "双—" mark or the "Double One" mark, and the opponent's mark as the "双七" or the "Double Seven" mark. I think most people would pay more attention to the first words spoken, which are in common between the respective marks whether they are referred to in Chinese or in English. Moreover, when the second Chinese character "—" and "七" are pronounced in Cantonese in a bit compressed way, they could easily be mistaken for one another. So aurally I also find the marks similar. I conclude that the suit mark is similar to the opponent's mark.

39. The specified goods covered by the registration proposed are "latex industrial gloves for protection against accidents". I find they are the same goods or of the same description of goods as the opponent's latex industrial gloves.

40. From the sale contracts and invoices produced by the opponent, most of the companies buying latex industrial gloves from the opponent have these or similar words in their names, namely, "machinery companies" or "trading companies". There is no indication what these companies did with the latex industrial gloves after they received them, or whether they would eventually reach the general purchasing public and be sold through retail outlets such as supermarkets, department stores, retail shops, etc. But the fact that the applicant's applied for goods are the same as or of the same description as the opponent's goods mean that they are likely to be distributed through the same trade channels to the same kinds of customers, no matter they are end-users or retailers.

41. In the circumstances, I consider the applicant has not discharged its onus that there is no reasonable likelihood of confusion or deception if the applied for mark is put on the Register. As the opponent succeeds, registration should be refused.

Section 22

42. There is, however, exception provided by section 22 of the Ordinance. It has been established that section 22 of the Ordinance, like section 20 of the Ordinance does, is capable of overriding section 12(1), though section 20 of the Ordinance makes express reference to the exception provided by section 22 whereas section 12(1) does not (see, for instance *CHELSEA MAN Trade Mark* [1989] R.P.C. 111; *In Re Hunters Leatherwares Ltd.* [1994] HKDCLR 55; *Re Borsalini Trade Mark* [1993] 1 HKC 587).

43. Section 22 of the Ordinance is equivalent to section 12(2) of the United Kingdom Trade Marks Act 1938 and decisions on section 12(2) of the 1938 Act are relevant to section 22 of the Ordinance and it can be considered on much the same basis as section 12(2) of the 1938 Act. Section 22 of the Ordinance reads as follows:-

“In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or of the Registrar make it proper to do so, the Court or the Registrar may permit the registration by more than one proprietor, in respect of-

- (a) the same goods or services;
- (b) the same description of goods or services; or
- (c) goods and services or descriptions of goods and services which are associated with each other,

of trade marks that are identical or nearly resemble each other, subject to such conditions and limitations, if any, as the Court or the Registrar, as the case may be, may think it right to impose.”

44. The applicant for registration of a trade mark must bring himself within either “honest concurrent use” or “special circumstances” or both to justify the exercise of discretion under section 22 (see *Budweiser Trade Marks* [2000] R.P.C. 906). Guidance about the basis on which this discretion should be exercised is provided by Lord Tomlin in *Pirie's Application* [1933] 50 R.P.C. 147 at 159. They are as follows:

- (1) The honesty of the concurrent use;

- (2) The extent of use in time and quantity and the area of the trade;
- (3) The degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
- (4) Whether any instances of confusion have in fact been proved; and
- (5) The relative inconvenience which would be caused if the mark in suit were registered, subject if necessary to any conditions and limitations.

45. I shall consider these five factors in turn, bearing in mind the caution stated in the *Budweiser* case that these factors do not represent a reworking of the statutory provision sufficient to cover every case where the court or the tribunal is considering whether to exercise its discretion in favour of registration.

The honesty of the concurrent use

46. Honesty of use of the mark was said to be a prerequisite to the court exercising its discretion under section 22 (*Bali Trade Mark (No.2)* [1978] FSR 193). The burden of proof in establishing honest use was on the applicant for registration of a trade mark (*Lam Soon Marketing Services Ltd v Lam Mei Hing (t/a Yat Hing Trading Co)* [1994] AIPR 317, [1994] HKLY 685).

47. The opponent did not take issue on the honesty of use of the suit mark by the applicant. On the other hand, it is the applicant who put the honesty of use of the opponent's mark by the opponent in issue. I do not think I need to determine on the latter issue as the prime concern for the present purposes is whether the concurrent use of the suit mark has been honest.

48. According to Mr. Wang's statutory declaration, the applicant was established in 1956 as the eleventh rubber factory in mainland China. It began to manufacture latex industrial gloves in 1958 and latex household gloves in 1963, and these goods had been sold under the suit mark in Hong Kong since 1964. Mr. Wang avers that the suit mark was created in 1962, the number and words "11 Double One" were chosen to refer to "quality first, customer first" and the applicant's name.

49. The opponent has not challenged the aforesaid, and as to be shown below, use of the suit mark, on the evidence, had occurred for a substantial period of time and extent

in Hong Kong, at least since the early 1980s. The opponent only claims that the opponent's mark was designed by one of its employees at or around the beginning of 1995 and on evidence, goods bearing the opponent's mark began being sold and shipped to various Hong Kong business entities in mid-1995. It follows there is no question of the applicant having copied the opponent's mark with an intention to obtain any benefit or advantage from the repute of the opponent's mark.

50. I am satisfied that the concurrent use of the suit mark has been honest.

The extent of use in time and quantity and the area of the trade

51. The applicant's use counts from the date of first use to the date of the filing of the application. The applicant claims that its latex industrial gloves have been sold in relation to the suit mark in Hong Kong since 1964. The opponent made no challenge to this claim in its evidence in reply. I have summarized the evidence filed by the applicant at paragraph 19 above.

52. Annexure E to Mr. Wang's statutory declaration exhibits two letters issued by two local business entities concerning their dealings in the 1970s in Hong Kong of the applicant's goods. The one dated 11 December 2000 appeared to have been solicited for the purpose of these proceedings rather than being contemporaneous, spontaneously generated document. As such it has little evidential value. The other letter was dated 18 July 1978 and appears to be issued by a local wholesaler to certain retailer(s) which do not appear in the copy letter exhibited. Latex industrial gloves and household gloves were sold by reference to the brand "双一牌" and their wholesale prices were mentioned in the letter. As there is no addressee shown and it is not clear whether the goods concerned were to be dealt with or sold in Hong Kong, I find the letter to be of little evidential value in so far as use of the suit mark in Hong Kong is concerned.

53. The earliest direct evidence of use of the suit mark in Hong Kong is the advertisement placed with the weekly magazine "百花周刊" which was distributed with the local newspaper Wen Wei Po (Annexure G to Mr. Wang's statutory declaration). The insertion order indicates that the advertisement was to be placed in ten issues of the weekly magazine from December 1983 to February 1984. The suit mark can be clearly seen with the characters "双一牌" immediately beneath it and another trade mark beside it in the advertisement which concerns both latex industrial gloves and latex household gloves imported from mainland China.

54. The suit mark had featured in the Choice magazine published by the Consumer Council (in Issue No. 141 published on 15 July 1988) where the branded latex industrial gloves “雙一 Double One” were compared with 2 other latex industrial gloves and 12 latex household gloves in a product trial tests conducted by the Consumer Council (Annexure F to Mr. Wang’s statutory declaration). All gloves tested were said to be bought from supermarkets. In one of the pictures appearing in the magazine, the suit mark can be seen on a packaging of the gloves. The fact that the applicant’s latex gloves were chosen in the product trial tests conducted by the Consumer Council in 1988 suggests that products bearing the suit mark had been in the Hong Kong market before 1988.

55. The applicant has exhibited invoices issued by its export agent Sunreach and some customs clearance documents to show that latex industrial gloves and latex household gloves had been sold by the applicant to various business entities in Hong Kong for the years 1992 to 2003 (Annexure D to Mr. Wang’s statutory declaration). “双一牌” is mentioned in the invoices. I have also in mind the distributorship agreement dated November 1988 entered into by the applicant, another Chinese corporation and a Hong Kong company (exhibited in Annexure E to Mr. Wang’s statutory declaration) whereby the applicant and the Chinese corporation appointed the Hong Kong company as their agent in Hong Kong to deal in the latex industrial gloves and latex household gloves exported by the applicant and the Chinese corporation to Hong Kong for the period from November 1988 to November 1991. Latex industrial gloves of the brand “双一牌” as well as latex household gloves of another brand were mentioned in the agreement.

56. The opponent has not challenged the sales figures for the period from 1992 to 2000 (November) given by the applicant at paragraph 7 of Mr. Wang’s statutory declaration. Taking into account the evidence discussed above, I have no reason to doubt the validity and accuracy of these figures. The volume of sales of the applicant’s goods in Hong Kong seems to be more substantial than the opponent’s (see paragraphs 33 and 34 above).

57. Having thus considered the totality of the evidence, I am satisfied that use of the suit mark had occurred and sustained for a substantial period of time and extent from 1980s up to the date of the filing of the application.

The degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience

58. As said in *Re Borsalini Trade Mark*, the most important consideration is the likelihood of inconvenience to the public. If there was very little likelihood of public inconvenience, there would be no good reason why registration of the mark in question should be refused. Although the respective marks are similar, they are not identical; this may lessen the possibility of confusion. However, even if confusion is likely to ensue from the concurrent use of the two marks, it is no bar to obtaining registration under section 22 of the Ordinance. As is said in *Kerly's Law of Trade Marks* (12th ed.) (1986), para. 10-18: "The discretion of the tribunal is unfettered and concurrent registration may be allowed even when the probability of confusion is considerable. Every case has to be determined on its own particular merits and circumstances."

59. It is also noteworthy that in *Star Trade Mark* [1990] RPC 522, the hearing officer of the UK registry expressed the view that the correct appraisal of the degree of confusion likely to ensue from the concurrent use of the marks must take account of what had occurred rather than what might occur; and in *Buler Trade Mark* [1975] RPC 275 at 289, Graham J. expressed the view that "the degree of likely confusion is relatively unimportant under [section 22] provided the honesty of the applicant is established and it is otherwise just in all the circumstances that this mark should be registered."

60. What are the particular merits and circumstances in the present case? I have found that the concurrent use of the suit mark has been honest. On the evidence, the applicant has used its mark at least since 1980s whilst the opponent has only begun to use its mark in Hong Kong since 1995; the volume of sales of the applicant's goods in Hong Kong also seems to be more substantial than the opponent's. All these tip the balance in favour of allowing registration of the suit mark.

Whether any instances of confusion have in fact been proved

61. I note that in paragraph 16 of Mr. Wang's statutory declaration, it is stated that in 1999, the applicant had received complaints from its customers that they are confused by the similarities between the applicant's "Double One" trade mark and the opponent's "Double Seven" trade mark and also between the packets. This is supplemented by a statement in Mr. Li's statutory declaration dated 11 August 2006 that the customers have contacted the applicant to complain because they incorrectly believe that the opponent's

products were another sub-brand of the applicant. The opponent has raised objection, justly in my view, to the admission of the latter statement into evidence as this does not qualify as evidence in reply (in the context Mr. Li's statutory declaration was filed). Regarding the statement of Mr Wang, it is not clear what is the nature of the complaints, what types of customers they are, whether actual confusion has been recorded and how it came about. I do not find instances of confusion have been proved.

The relative inconvenience which would be caused if the mark in suit were registered, subject if necessary to any conditions and limitations

62. As I have found above, the extent of use in time and quantity of the suit mark far exceeds that of the opponent's mark. In the light of all the circumstances, I consider the inconvenience to the applicant, if the suit mark is not registered, would be greater than the inconvenience to the opponent if it is.

63. Taking all of the above into consideration, I find that a strong case of honest concurrent use has been made out. It is not, therefore, necessary to consider whether there are "other special circumstances", although I propose to state my conclusion in that respect also lest I were wrong in finding that what has occurred amounts to honest concurrent use.

Special circumstances

64. The reference to "special circumstances" includes use by an applicant of his mark before the conflicting mark was registered or used. If the applicant was the first to use the mark in Hong Kong, this would qualify as a special circumstance under section 22 of the Ordinance – *Holt's Trade Mark Application ("English Rose")*.

65. The applicant claims that its industrial gloves and household gloves have been sold in relation to the suit mark in Hong Kong since 1964, which is not challenged by the opponent. As analyzed above, on the evidence, not only has the applicant used the suit mark in Hong Kong at least since 1980s which is way far ahead of the opponent's use of its mark in Hong Kong from 1995 onwards, but it has also outdone the opponent in terms of sales volume.

66. I therefore accept that there are special circumstances which make it proper for the Registrar to exercise his discretion to permit the registration by the applicant of the suit mark.

67. Having thus found that the applicant brings himself within both “honest concurrent use” and “special circumstances”, I see no reason why discretion should not be exercised under section 22 to permit the registration of the suit mark, and I accordingly order so.

Costs

68. The applicant has sought costs. As nothing in the circumstances or conduct of this case warrants a departure from the general rule that the successful party is entitled to his costs, I order that the opponent pays the costs of these proceedings.

69. 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.

(Frederick Wong)
p. Registrar of Trade Marks
6 June 2007