

Application No. 25865/2000

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

AND

IN THE MATTER of an application by
Wong Siu Yee to register the mark

咀香園餅家

in Part A of the Register in Class 30

AND

IN THE MATTER of an opposition
thereto by Zhong Shan Juxiangyuan
Foods Co. Ltd. (中山市咀香園食品有
限公司)

**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on
28 August 2007.

Appearing : Mr Ling Chun Wai instructed by Messrs. Chan, Tang & Kwok for the
applicant.

Mr Jonathan Wong and Lawrence Cheung instructed by Messrs. Darin
Leung & Partners for the opponent.

Application for registration

1. On 25 November 2000 (“the application date”), Wong Siu Yee (“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 30, the trade mark, a representation of which appears below :

咀香園餅家

(“the suit mark”).

2. The goods intended to be covered by the registration were “almond cakes, Chinese cakes, short cakes, moon cakes; Chinese egg rolls (Chinese bakery product), Chinese phoenix egg rolls (Chinese bakery product); confectionery, Chinese confectionery, nut confectionery, peanut confectionery; all included in Class 30” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part A of the register subject to a disclaimer of the Chinese characters “香” and “餅家”. The application was advertised in the Government of the Hong Kong Special Administrative Region gazette on 7 February 2003.

Pleadings and evidence

3. On 7 April 2003, Zhong Shan Juxiangyuan Foods Co. Ltd. (中山市咀香園食品有限公司) (“the opponent”) filed notice of opposition to the application. The grounds of opposition state, *inter alia*, that the opponent is a company organised and existing under the laws of the People’s Republic of China (“PRC”) with its principal place of business at No. 74 Changdi Road, Shioi District, Zhong Shan, Guangdong. The opponent is and has at all material times been carrying on the business of producing, supplying, marketing and distributing food products, including moon cakes, egg rolls, almond cakes and biscuits under and by reference to the marks “咀香”, “咀香園”, “咀香園 Juxiangyuan & device” and “中山咀香園餅家” (“the opponent’s marks”). It is the opponent’s case that the opponent’s mark “咀香” was first coined by a Mr Xiao You Bo (蕭友柏), a native of Zhong Shan, for use on and in connection with almond cakes made and marketed by him and/or members of his family in or before 1918. The opponent’s predecessors had begun using the opponent’s marks substantially and extensively in respect of the opponent’s goods in

Mainland China since 1918, and later in Hong Kong and Macau.

4. The opponent pleads that it and its predecessors have at all material times made substantial sales of the opponent's goods under and by reference to the opponent's marks in Hong Kong and other countries. Further, the opponent and its predecessors have extensively promoted and advertised the opponent's goods under and by reference to the opponent's marks in Hong Kong and other countries. The opponent's goods marketed and distributed under and by reference to the opponent's marks have acquired a wide recognition among the public and have been given many awards throughout the world including Hong Kong, the United States and Mainland China. By reason of the foregoing, the opponent acting by itself and through its predecessors have acquired a substantial goodwill and reputation in the opponent's marks in Hong Kong and overseas.

5. The opponent pleads that the suit mark is identical with or nearly resembles the opponent's marks visually, phonetically and conceptually. The opponent's goods and the goods in respect of which the suit mark has been applied for are the same or goods of the same description. The use of the suit mark by the applicant in Hong Kong would be likely to deceive or cause confusion in the trade and/or the public. The opponent avers that it and its predecessors have registered the opponent's marks in the PRC, Australia and the United States. Further or in the alternative, it is asserted that the applicant's choice of the suit mark was not *bona fide*. The suit mark was copied from the opponent's marks and the use of it has been unlawful. The grounds of opposition comprise sections 2, 9, 10, 12, 13(1) and 23 of the Ordinance.

6. In the counter-statement, apart from admitting her own application for registration of the suit mark, the applicant also admits that the suit mark is identical with or nearly resembles the opponent's marks visually, phonetically and conceptually subject to the averment that the opponent does not have any rights to any of the opponent's marks in Hong Kong. Save and except as aforesaid, each and every allegation in the grounds of opposition is either denied or not admitted by the applicant. In particular, the opponent is put to strict proof of "its relationship with each and every of its alleged predecessors and each and every instances [sic] of its alleged predecessors' alleged substantial and extensive sales of the [opponent's] goods in Hong Kong and Macau since 1918".

7. The applicant avers that she is the sole proprietor of a business known as “Chui Heung Yuen 咀香園餅家” whose principal place of business is at Ground Floor, 718 King’s Road, Hong Kong. The applicant’s business was set up in Hong Kong by her predecessor, namely her late father Wong Kit Sun in 1939. The name then was “Tsui Heung Yuen (咀香園)” and its address was at No. 285, Des Voeux Road, Central, Ground Floor. The applicant’s business has been officially registered in Hong Kong under the name “Chui Heung Yuen 咀香園餅家” since 1961. The applicant is the proprietor of the trade mark registration No. 282 of 1939 in (old) Class 42 in Hong Kong in respect of “almond cakes”, a representation of the registered mark of the applicant appears below :



(“the applicant’s registered mark”).

8. It is the applicant’s case that she and/or her predecessors have since 1939 been using the suit mark as part of their trade marks or trade name in Hong Kong. The applicant and her predecessor have been actively selling and marketing products bearing the suit mark and such marks bearing the words “咀香” in Hong Kong. By virtue of the long and extensive user of the suit mark by the applicant and her predecessor, the suit mark has become distinctive of the applicant and her business.

9. As to the choice of the suit mark, the applicant avers that the suit mark and the applicant’s registered mark “were chosen by the applicant’s predecessor because of its meaning and the origin of the applicant’s predecessor”. She pleads that it was only in September 2001 that it came to her knowledge that the opponent was marketing and selling mooncakes bearing the opponent’s marks via one Yau Shing Trading Company in Hong Kong.

10. Trade Marks Rule/s Cap. 43, Sub. Leg (“Rule/s”) 25 evidence consists of a statutory declaration from Guo Weiwen, the director of the opponent, together with exhibits, which was declared on 2 July 2004 (“Guo’s statutory declaration”). Under

Rule 26, the applicant Wong Siu Yee filed a statutory declaration together with exhibits, which was declared on 24 December 2004 (“Wong’s statutory declaration”).

Preliminary issue

11. Five days before the hearing, by letter dated 23 August 2007, the solicitors for the opponent lodged a supplemental statutory declaration of Guo Weiwen declared on 21 August 2007 (“Guo’s supplemental statutory declaration”) with the Registrar which was copied to the solicitors for the applicant.

12. At the outset of the hearing on 28 August 2007, Mr Wong for the opponent applied for leave under Rule 28 to file further evidence. By the proposed Guo’s supplemental statutory declaration, first, the opponent sought to produce a copy of “China Time-Honoured Brand” (中華老字號) certificate in respect of the opponent’s mark “咀香園”. The second piece of evidence sought to be introduced by the opponent is a copy of the “Ruling for China-Honoured Brand” (“中華老字號” 認定規範(試行)) (“the Ruling”) attached to the opponent’s certificate which is said to outline the criteria and conditions for granting the certificate. Finally, the opponent attempted to produce some copies of newspaper clippings reporting the opponent’s accomplishment in obtaining the certificate.

13. Mr Wong submitted that on or about 28 December 2006, the opponent’s mark “咀香園” was certified a “China Time-Honoured Brand” (中華老字號) by the Commerce Department of the PRC (paragraph 3 of Guo’s supplemental statutory declaration). Mr Wong pointed out that it is the requirements for certification that the certified party was the proprietor of the mark and the mark was established prior to 1956 (paragraph 4 of Guo’s supplemental statutory declaration and clause 4 of the Ruling). Mr Wong submitted that the copy newspaper clippings are corroborative evidence showing that the opponent was awarded the certificate. It is the contention of Mr Wong that the latest evidence seeks to deal with the issues raised in paragraph 4 of the grounds of opposition and paragraph 14 of the counter-statement, namely the disputed use of the opponent’s marks by the opponent’s predecessors since 1918. It is particularly relevant in the light of the arguments put forward on behalf of the applicant.

14. In reply, Mr Ling submitted on the point that the Ruling shows at least since 1956 the opponent has been the proprietor of the trade mark “咀香園” in

Mainland China, that could not be right since the opponent did not come into existence until 1990. Regarding the conditions “認定條件” as provided for in clause 4 of the Ruling, Mr Ling said that the two conditions only state “一、擁有商標所有權和使用權。二、品牌創立於一九五六年(含)(以前)。” The conditions do not spell out by whom the brand was established before 1956 nor do they tell what happened between 1956 and 2006 when the certificate was granted. Mr Ling further referred me to clause 5 of the Ruling which provides as follows :

“五、認定方式

- 1、由商務部牽頭設立“中華老字號振興發展委員會”(以下簡稱振興委員會)，全面負責“中華老字號”的認定和相關工作。
- 2、中華老字號振興發展委員會下設秘書處、專家委員會。秘書處設在商務商業改革發展司，負責振興委員會的組織、協調和日常管理工作。專家委員會由各行業專家、法律專家、商標專家、品牌專家、企業管理專家、質量專家、歷史學家等組成，主要負責“中華老字號”的評審，並參與相關工作的論證。”

15. Mr Ling contended that the certification purports to be a result of the conclusions and views of a bunch of experts to which, Mr Wong tried to convince me, certain respectability should be given by this tribunal. Mr Ling contended that all the relevant questions identified by Mr Wong such as the issues raised in paragraphs 4 and 14 of the grounds of opposition and counter-statement respectively are all matters for the tribunal. Whether the opponent is the proprietor of the mark “咀香園” in Hong Kong and entitled to use it in Hong Kong are all matters for the tribunal, not for the Mainland experts. Mr Ling did not see how the extra evidence would help the Registrar to arrive at a fair and just determination in the present proceedings except perhaps to confuse the tribunal.

16. In my judgment, I do not think that the proposed new evidence is relevant to the issues raised in paragraph 4 of the grounds of opposition which states “the opponent’s predecessors had begun using the opponent’s marks substantially and extensively in respect of the [opponent’s] Goods in Mainland China since 1918, and later in Hong Kong and Macau”. It is also not relevant to paragraph 14 of the counter-statement which pleads that “the opponent is put to strict proof of its relationship with each and every of its alleged predecessors and each and every

instances [sic] of its alleged predecessors' alleged substantial and extensive sales of the [opponent's] Goods in Hong Kong and Macau since 1918". I do not see how the proposed new evidence is of any probative value in proving or disproving the issues raised. I also accept Mr Ling's submission that all those issues raised in the pleadings are matters for me to decide after having looked at the relevant evidence filed in the present case. I do not see I can seek any assistance from the so-called conclusions and views of the experts in granting the certificate to the opponent. It is not known under what circumstances the conclusions and views were made by the experts of the committee under the China Time-Honoured Brand programme. In any event, it all concerns about the situation in Mainland China, not in Hong Kong. I conclude that the proposed evidence is of no relevance to the opposition and does not add value and assist the Registrar. I therefore refused leave to the opponent to file the proposed further evidence by way of Guo's supplemental statutory declaration. Mr Wong confirmed that the opponent would like to proceed to the substantive hearing.

Decision

17. Though, by 28 August 2007, the date the matter was heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of sections 10(1) and 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.

18. Although a number of grounds were pleaded in the notice of opposition, Mr Wong for the opponent indicated at the hearing that the opponent only relies on the grounds under sections 12(1) and 23 of the Ordinance for the present opposition proceedings.

Under section 12(1)

Initial threshold

19. 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] RPC 237). The date at which this reputation in its mark or marks are to be established is the date of the application to register the suit mark, viz : 25 November 2000 – *NOVA Trade Mark* [1918] RPC 357 at 360.

The opponent and its predecessors

20. Mr Ling submitted that the opponent fails to discharge the initial onus in establishing a degree of reputation or awareness of its marks in Hong Kong among a substantial proportion of the interested public. Mr Ling pointed out that according to the business registration certificate of the opponent issued by 中山市工商行政管理局 (exhibit “1” to Guo’s statutory declaration), the opponent was established on 24 April 1990 at the address of 中山市石岐區長堤路 74 號. However, the opponent alleges that its predecessors’ business went back to as early as 1918 and various historical materials were produced by the opponent in support of the allegation. Mr Ling said that he is not in a position to verify what is stated in the historical materials. However, it is his stance that even if what is stated in the historical materials is true, it does not assist the opponent.

21. Mr Ling then brought me through the historical materials in details. The first piece of material relied on by the opponent is “中山市志” published in April 1997 by Zhong Shan Local Chronicles Compiling Committee (中山市地方志編纂委員會辦公室) (exhibit “3” to Guo’s statutory declaration). The relevant passages are reproduced below :

“民國 7 年(1918 年)

…石岐蕭咀餅家始製咀香杏仁餅，甘香鬆化，成爲香山特產，從而正式設店擴大銷售，名爲咀香園杏仁餅家。”

“到 20 世紀初，…較有名氣的有石岐咀香園杏仁餅…。”

“咀香園食品工業集團公司是 80 年代發展較快的企業。該企業原是地方國營咀香園食品廠，… …1990 年企業從業人員 1300 多人，完成業總產值 5900 多萬元。”

22. Mr Ling contended that two entities were mentioned in “中山市志”

including 蕭咀 (supposedly to be the creator of 咀香杏仁餅) and one 咀香園食品工業集團公司 which seemed to exist in the 1980s and 1990s. However, the relationship between 蕭咀, 咀香園食品工業集團公司 and the opponent is unknown.

23. Mr Ling then moved on to the next material relied on by the opponent, namely “偉人故里 錦繡中山 (旅遊在中山)” (May I tell you the local history of Zhong Shan city) (exhibit “4” to Guo’s statutory declaration). Given the Chinese characters “旅遊在中山” on the cover of the book, Mr Ling submitted that it appears to be a tourist brochure. The relevant passages are reproduced below :

“在中山的土特產中，以咀香園杏仁餅最為有名，入口杏仁香味濃郁、酥化甘香，深受食客歡迎。杏仁餅本為“易味廬”餅家創製於本世紀初，兩三年後，又有咀香園餅家異軍突起，所製之杏仁餅與易味廬齊名，二十年代至三十年代初為鼎盛期，產品遠銷至美洲和東南亞各國。1931年易味廬杏仁餅創始人去世，易味廬餅家因後繼無人而結業，咀香園杏仁餅成為獨領風騷的中山食品。1935年在美国檀香山國際食品展覽會上奪得金雞獎，為祖國贏得了榮譽。1949年，製餅工藝經過改革，杏仁餅不但保持了傳統的香純濃郁，入口酥甘溶化特色，而且餅質更加細膩，裝璜更符合現代化要求，因而更負盛名，榮獲省優質產品和部優產品稱號，1988年香港國際博覽會上，咀香園杏仁餅參與了世界食品羣雄的角逐，再獲金獎殊榮。”

24. Mr Ling submitted that again, this piece of document sheds no light on the relationship between the original 咀香園餅家 and the opponent. The Hong Kong Exhibition in 1988 referred to in the document has nothing to do with the opponent since it only came into existence in 1990. The nature of the exhibition and award “金獎” is not known. Without further information, Mr Ling contended that it is impossible to infer any reputation in relation to the opponent’s marks in Hong Kong from the sentence that “1988年香港國際博覽會上，咀香園杏仁餅參與了世界食品羣雄的角逐，再獲金獎殊榮” .

25. Mr Ling then went on to another document, namely “中山工業之路” (The Development of Zhong Shan’s Industries) (exhibit “5” to Guo’s statutory declaration) which looks more formal than the previous tourist brochure. However, it is not known who compiled it and when it was published. An extract from the document which is entitled “面對國際金獎的思索 – 訪中山市咀香園食品工業集團公司” is produced by the opponent. Mr Ling submitted that the document seems to be a result of an interview with 中山市咀香園食品工業集團公司, not the opponent.

The relevant passages are reproduced below :

“中山咀香園杏仁餅馳名中外，1935 年在美國檀香山國際食品博覽會上榮獲金雞獎。五十多年過去了，1988 年咀香園杏仁餅又在香港的國際食品博覽會上，與世界食品羣雄角逐，再次奪得桂冠，喜獲金獎殊榮。”

“……杏仁餅又被一個叫蕭咀的中山人看中了，入股擴大餅舖經營，取舖名叫咀香園，生意日益興旺。

咀香園杏仁餅以其獨特風味而馳名“省、港、澳”。然而，製作中山杏仁餅的咀香園確實是今非昔比。昔日的咀香園是一間只有幾張案板和幾把刀的手工製餅的小作坊；如今的咀香園已發展成爲一個具有現代生產規模的咀香園食品工業集團公司。公司擁有固定資產(淨值)4500 萬元，1989 年的銷售總額近 1 億元，年產 2.1 萬噸咀香系列餅乾和 7000 萬罐(6 萬噸)咀香系列飲料，以及年產 137 萬件月餅。其中餅乾和月餅的產、銷量在全國同行業中名列榜首：咀香園白蓮蓉月餅榮獲國家輕工部優質產品稱號，並在首屆中國食品博覽會上榮獲金獎。”

“……記者從老一輩的“咀香人”獲悉，在香港和澳門各有一家以咀香園命名的食品廠，也是中山人開的，他們都以“正宗”自居，其實都不沾邊，金獎都與他們無緣。

開創中山咀香園的蕭咀先生在新中國誕生前夕去了“南洋”後，中山咀香園已沉寂無聲了。到了 1956 年實行公私合營時，咀香園等 22 家私營企業聯合組成石岐食品廠。但是，所有制的改變並沒有給昔日的咀香園帶來興旺。”

26. Mr Ling submitted that clearly, there is a break in the chain between Mr Xiao (蕭咀) and the 石岐食品廠. Whether the 石岐食品廠 carried on the previous business of Mr Xiao (蕭咀) and if so, under what trade mark and trade name is all unknown.

27. Further passages from the document “中山工業之路” are reproduced below :-

“三十年過去，彈指一揮間。這間以生產杏仁餅而馳名中外的咀香園食品廠，在風風雨雨中幾度易名，到了 1981 年 11 月又恢復爲中山咀香園食品廠，但由於企業設備陳舊，生產能力低，產品單一，銷售渠道狹窄，生產仍是不景氣。到了 1984 年，該廠的年產值才 200 多萬元，企業在風雨飄搖中步履艱難。”

There is no evidence, Mr Ling submitted, that the present opponent took over the business of Mr Xiao (蕭咀). As stated in the document, the business had several starts and stops. In 1956, the business became 石岐食品廠 not even retaining the name of “咀香園”. Its name was changed several times until 1981 when there was 中山咀香園食品廠. There is no information as to what exactly happened between 1956 and 1981.

28. My attention was invited to two further passages from “中山工業之路” :-

“1987年11月經中山市人民政府批准，咀香園食品廠擴大為中山市咀香園食品總廠，下屬有咀香園餅乾廠、杏仁餅廠和咀香園食品廠；在1988又新建了咀香園飲料廠。”

“咀香園食品工業集團公司於1989年2月成立後，在管理體制上實行了一系列改革。”

Mr Ling pointed out that according to the above passages, in 1987, 咀香園食品廠 was expanded to become 中山市咀香園食品總廠 incorporating various factories including the original 咀香園食品廠. In 1989, 咀香園食品工業集團公司 was established.

29. The next piece of evidence relied on by the opponent is a copy extract of “中山日報” (Zhong Shan Ribao) dated 13 June 2001 (exhibit “7” to Guo’s statutory declaration). Mr Ling said that this piece of advertisement in the newspaper again recites the story of “咀香園” 杏仁餅 (almond cakes) being created by Mr Xiao (蕭友柏) (supposedly another name of 蕭咀) in 1918. Mr Ling found it sufficient to refer to me the following short passage :-

“咀香園杏仁餅面世後，聲名鵲起，後來海外華僑也來光顧，通過香港“金山莊”批發往北美洲（現時美國加拿大）、東南亞，並於1935年美國檀香山國際食品博覽會上奪得金雞獎而名揚天下。”

However, again, Mr Ling submitted that there is no reference to the opponent in the newspaper as such.

30. In exhibit “6” to Guo’s statutory declaration which reproduces a copy of

澳門日報 (Macao Daily News) dated 21 November 2000, Mr Ling said that it recites a slightly different story about the process of creation of “咀香園” 杏仁餅 (almond cakes) by Mr Xiao. It also stated in or about 1942 at the time of the invasion of the Japanese into China, Mr Xiao died of cancer.

31. The last piece of evidence which completes the history is produced in exhibit “8A” to Guo’s statutory declaration. It contains a “簡歷表” which appears to be prepared in the name of 石岐市公私合營糖果餅乾商品店 in 1956 and a copy business record taken in February 2003 from “中山市工商聯檔案館”. There are explanatory notes to the record which states that “咀香園創始人蕭友柏逝世後，由其兒子蕭幹偉接管咀香園生意，並於一九三〇年一月重新更名換新的開業執照，繼續經營咀香園生意至一九五六年公私合營。”. According to the record itself, it states that the “商號名稱” (trade name) is “咀香園”. The “營業地址” (business address) is “石岐牛角巷八號”. “主營種類” is “杏仁餅”. Mr Ling submitted that this piece of evidence did not take the matter further in terms of the development and use of the trade mark “咀香園”.

32. Having gone through all the evidence about the history, Mr Ling submitted that from a review of the history, there is no link between any of the entities whoever they are and the opponent. In particular, he cannot see how the marks “咀香” or “咀香園” and the goodwill relating to the marks have been acquired by the opponent. The evidence shows that prior to 1990, a number of entities produced and sold bakery products, in particular, almond cakes (杏仁餅), in Zhong Shan under the mark “咀香園”. However, Mr Ling emphasised that it is unclear whether, and if so how, any of these entities are related to the opponent.

33. In a nutshell, Mr Ling put his argument in this way. The linkage between the various “咀香園” entities in Mainland China must show transmission or a chain of goodwill attaching to the trade marks “咀香” or “咀香園”. It is clear from the evidence that the chain was broken right from the 1940s. Not even one of the “咀香園” entities in the PRC claim to be a successor of Mr Xiao (蕭友柏). Tracing back to the beginning of the chain, Mr Ling said that it started with Mr Xiao (蕭友柏) in 1918. In the 1930s, his son succeeded his business. According to the account of story given in “中山工業之路”, Mr Xiao (蕭友柏) left China in about 1949 (see paragraph 25 above). According to another account of story given in 澳門日報 (Macao Daily News), Mr Xiao (蕭友柏) died of cancer in or about 1942 (see paragraph 30 above). The “咀香園” business then ceased. In 1956, some 公私合

營企業 picked up the business and combined it with 22 food manufacturers to form 石岐食品廠. It is not known whether this 石岐食品廠 had adopted the “咀香園” trade mark at all. The first one who picked up the name “咀香園” again was 中山咀香園食品廠 which was set up in 1981 after seventy years (it should be about sixty-three years to be exact) when Mr Xiao (蕭友柏) first created “咀香園”. In 1987, the 中山市咀香園食品總廠 was set up. In 1989, there were references to 咀香園食品工業集團公司. In 1990, the opponent 中山市咀香園食品有限公司 was established in the PRC.

34. Mr Ling contended that apart from the sharing of the same address between the various 中山市咀香園 entities, there is simply no evidence on the transmission of goodwill among the five entities starting from 石岐食品廠 down to the opponent. Mr Ling concluded that the extravagant assertions made in the grounds of opposition that the opponent and its predecessors had begun using the mark “咀香園” as early as in 1918 are not substantiated by any evidence.

35. In reply, Mr Wong submitted that the historical materials were produced to prove use of the opponent’s marks by the opponent and the opponent’s predecessors since 1918. Mr Wong rightly indicated that he is not in a position to improve the opponent’s evidence. However, while Mr Ling has made criticisms on the opponent’s evidence and pointed out that there are gaps in the evidence, no positive evidence has been submitted by the applicant to dispute the opponent’s allegation.

36. Mr Wong contended that all the names referred to in the historical materials at different stages including 中山咀香園食品廠 (1981), 中山市咀香園食品總廠 (1987) and 中山市咀香園食品工業集團公司 (1989) are all related to the opponent. As shown by the opponent’s evidence, they all share the same address at 中山市長岐區長堤路 74 號. Mr Wong argued it is apparent from the historical materials that there was some reorganisation between the various entities or the various entities were renamed. Mr Ling’s criticisms that the entities are unrelated are all made without any basis.

37. To illustrate the relationship, Mr Wong referred me to the contract made between 中山市咀香園食品工業集團公司 and Yau Shing Trading Company dated 31 March 1989 (exhibit “13” to Guo’s statutory declaration). Mr Wong pointed out that the letterhead of the contract bears the name 中山市咀香園食品總廠 but the

contracting and signing party is 中山市咀香園食品工業集團公司. Mr Wong submitted that further evidence of linkage between the various 咀香園 entities can be found in the copy certificates of registration in the PRC submitted by the opponent. For some certificates of registration produced in the exhibit “30” to Guo’s statutory declaration, although the names of 註冊人 are 中山市咀香園食品總廠, the opponent’s chop can be found to be stamped on the name of 中山市咀香園食品總廠.

38. In my judgment, in paragraph 3 of the grounds of opposition, the opponent pleads that its mark “咀香” was first coined by Mr Xiao (蕭友柏), a native of Zhong Shan, for use on and in connection with almond cakes made and marketed by him and/or members of his family in or before 1918. In paragraph 4 of the grounds of opposition, the opponent then jumped to the conclusion that the opponent’s predecessors had begun using the opponent’s marks substantially and extensively in respect of the opponent’s goods in Mainland since 1918, and later in Hong Kong and Macau. Apart from Mr Xiao, the opponent has not identified who else are its predecessors. The opponent has also not pleaded why Mr Xiao and other unidentified entities are its predecessors.

39. By his statutory declaration, Mr Guo attempted to fill in the gaps by merely submitting a number of materials relating to history from exhibits “3” to “8A” including even something which looks like a tourist guidebook. Mr Guo gives a blanket averment in paragraph 4 of his statutory declaration that all the aforesaid documents “provide ample evidence about the history of the development of the business of the opponent and its predecessors from as early as 1918 to present days” without giving any actual account of the relationship between the opponent and its alleged predecessors and the history and development of their business.

40. I have set out in details Mr Ling’s submissions on the opponent’s evidence above. I substantially agree with him in his analysis of the evidence and in his conclusions. I agree with Mr Ling that even taking all those materials relating to history on their face value, I do not consider that I am able to conclude from those evidence that Mr Xiao and other 中山咀香園 entities were the predecessors of the opponent for reasons given by Mr Ling. With respect, I do not see any substance in Mr Wong’s submissions that it is apparent from the historical materials that there was some reorganisation between the various entities or the various entities were renamed. Neither assertions were made in the pleadings nor evidence was filed by the opponent to support the same.

41. There is a vague assertion in the document “中山工業之路” that in 1987, 咀香園食品廠 was expanded to become 中山市咀香園食品總廠 incorporating various factories including the original 咀香園食品廠 (see paragraph 28 above). However, no formal document was adduced to support this assertion. The relationship between them and the opponent is unknown. As a matter of fact, according to the evidence in exhibit “30” to Guo’s statutory declaration, the various entities including 中山市咀香園食品總廠, 中山市咀香園食品廠 and the opponent have been and are still proprietors of various forms of 咀香園 trade marks in different classes in the PRC. They appear to co-exist but the relationship between them is not known. Regarding the opponent’s chop stamping on the name of 中山市咀香園食品總廠 being the proprietor recorded in some of the certificates of registration of the PRC, one does not know what the chop is supposed to show. However, it is clear from the certificates that there has been no formal assignment of the “咀香園” mark from 中山市咀香園食品總廠 to the opponent.

42. In my view, the opponent’s evidence to illustrate the relationship as referred to me by Mr Wong are so flimsy that they are at most tentative in suggesting that the various 中山市咀香園 entities should somehow be related to the opponent but exactly in what ways and why they are related is simply a mystery.

Opponent’s evidence of use in Hong Kong

43. I now turn to counsel’s submissions on the opponent’s evidence of use in Hong Kong. Mr Ling submitted that on this issue, three entities are mentioned, that is, 金山莊, Expand Enterprises Company Limited (擴業有限公司) and Yau Shing Trading Company. So far as 金山莊 is concerned, in paragraph 6 of Guo’s statutory declaration, Mr Guo asserts that the products under and by reference to the opponent’s marks were supplied to an entity known as 金山莊 which was a very established company selling products locally in Hong Kong and also in other places in North America and South East Asia. A copy of 工商日報 dated 5 May 1927 and a copy of 香港工商日報 dated 27 November 1937 were said to be produced in exhibit “9” to Guo’s statutory declaration to show the mere existence of 金山莊. Hence, Mr Ling pointed out that there is no reference to the use of the mark “咀香園” in relation to almond cakes (杏仁餅) or otherwise by the opponent in this exhibit. The promotion leaflet of one Panda Bakery in the United States (美國咀香園餅家總店) (exhibit “10” to Guo’s statutory declaration) has nothing to do with the use of the opponent’s mark in Hong Kong by the opponent.

44. Mr Ling then moved on to the evidence about the second entity Expand Enterprises Company Limited (擴業有限公司). Mr Guo avers in paragraph 7 of his statutory declaration that between about 1986 and 1995, the opponent appointed Expand Enterprises Company Limited (擴業有限公司) to deal with one of its products, 水泡餅 in Hong Kong and such product was marketed and distributed under and by reference to be opponent's marks in Hong Kong at all material times. Copies of the invoices between the opponent and Expand Enterprises Company Limited were said to be produced in exhibit "11" to Guo's statutory declaration. First of all, Mr Ling pointed out that in 1986, the opponent had not even come into existence. It could not have appointed Expand Enterprises Company Limited in 1986. The invoices were not issued by the opponent and there is no reference to any of the opponent's marks. The description of goods as found on the invoices is "水泡餅" only. Therefore, Mr Ling submitted that those invoices do not amount to evidence of use of any of the opponent's marks in Hong Kong.

45. As regards the third entity Yau Shing Trading Company, Mr Ling said that Mr Guo avers in paragraph 8 of his statutory declaration that from 1989 onwards, the opponent has appointed Yau Shing Trading Company as its exclusive distributor in Hong Kong to sell, supply and distribute the opponent's almond cakes, moon cakes and egg rolls under and by reference to the opponent's marks in Hong Kong. Two copy contracts made between the opponent and Yau Shing Trading Company dated 31 March 1989 and 14 March 2000 respectively were said to be produced in exhibit "13" to Guo's statutory declaration. However, Mr Ling submitted that the first contract dated 31 March 1989 was in fact made between 中山市咀香園食品工業集團公司 as 甲方(Party A) instead of the opponent and Yau Shing Trading Company as 乙方 (Party B). Clause 1 of the contract provides as follows :

“一、甲方以生產中山市正宗咀香園牌杏仁餅（包括罐裝、盒裝、散裝）。椰奶杏仁餅和其他各式餅食供乙方在香港地區代理銷售。代理銷售期限定為三年，期滿後，經甲乙雙方研究是否續期再另行協議。”

46. Turning to the second contract dated 14 March 2000, Mr Ling said that the contracting parties were named as the opponent (甲方 Party A) and Yau Shing Trading Company (乙方 Party B) but the contract was not signed by Yau Shing Trading Company. Clause 14.1 provides that the effective date of the contract will start retrospectively from 1 January 2000 to 30 December 2002. Clause 1.1 of the contract provides that :

“1.1、甲乙雙方經過相互了解與溝通，共同認為：甲方生產的杏仁餅、蛋卷系列產品品質優良、價格合理，極具市場前景，而乙方在所在地區熟習相關市場分銷網絡和具備市場推廣所需資金，雙方經過充分協商，同意共同遵守下列條款展開商務合作。”

47. Mr Ling argued that there is no reference in the contract to the trade mark which is to be applied onto the products. No explanation was given in the opponent's evidence as to why the contract was not signed by Yau Shing Trading Company. Further, Mr Ling contended that evidence of use refers to invoices of sales and advertising of goods in respect of the trade mark in issue. Contract itself does not normally amount to evidence of use.

48. Samples of export goods invoices issued by the tax office of the Guangdong Province, PRC to Yau Shing Trading Company were said to be produced in exhibit "14" to Guo's statutory declaration. Regarding these invoices, Mr Ling submitted that there is no information as to who issued the invoices and what trade mark is used in relation to the goods covered by the invoices. In the item "description and specification of goods" of the invoices, it only states the names of the products such as 杏仁餅, 蛋卷 and 盲公餅 without any reference to a specific trade mark.

49. Copies of two notarised invoices and some sample invoices issued by Zhong Shan Industrial Prod. I/E Corp GD were said to be produced in exhibit "15" to Guo's statutory declaration. Mr Ling submitted that although there is a reference to the "咀香園" trade mark in the invoices, we still have no idea as regards who issued the invoices. The opponent's chop seems to appear in the two pieces of notarised invoices. Nevertheless, it is the contention of Mr Ling that when and why the chop was applied onto the invoices is unknown. It may have been applied during the process of notarisation of the invoices by the opponent. The opponent's chop cannot be found in the other sample invoices which are not notarised.

50. Some sample invoices issued by Zhongshan Foodstuffs Import and Export Company of Guangdong, China to Yau Shing Trading Company were said to be produced in exhibit "16" to Guo's statutory declaration. Mr Ling argued that the same problems appear in these invoices. They are not invoices issued by the opponent and there is no reference to the trade mark "咀香園" in the invoices.

51. By exhibit “17” to Guo’s statutory declaration, the opponent purported to produce a copy of handwritten list of sales (一般小型商舖每年銷售記錄) of Zhong Shan “咀香園” products to local stores in Hong Kong. Exhibit “18” to Guo’s statutory declaration was said to consist of copies of four handwritten lists of the gross sales of Zhong Shan “咀香園” products to supermarkets in Hong Kong. These handwritten lists are, in Mr Ling’s words, very unsatisfactory piece of evidence about sales turnover. Mr Ling submitted that so far as exhibit “17” is concerned, the exact identity of the local stores (小型商舖) is unknown. For both exhibits “17” and “18”, there is no information as to who made the lists, what trade marks are involved and the products relating to the sales.

52. Exhibit “19” to Guo’s statutory declaration is said to contain copies of sample invoices or receipts issued by Yau Shing Trading Company to various supermarkets including China Resources, Parkn Shop, Wellcome, Guangnan (KK) and Dairy Farm Co. Limited. Although the trade mark “咀香園”, the names of products sold and the retail outlets such as China Resources and Parkn Shop supermarkets are shown in the invoices, Mr Ling pointed out that there are still problems with these invoices which are dated from 1995 to 2000 as evidence of use by the opponent in Hong Kong. According to the opponent’s evidence as analysed above, Yau Shing Trading Company was appointed as a distributor by 中山市咀香園食品工業集團公司, not the opponent, in 1989. It is not known whether the contract was renewed after the three years and was in force after 1992. We cannot simply presume that the goods represented by those invoices which date back from 1995 to 1999 were goods coming from the opponent. For those invoices that are dated in or after 2000, Mr Ling submitted that as the contract between the opponent and Yau Shing Trading Company dated 14 March 2000 was not signed by the latter, one cannot simply assume that the goods represented by the invoices were goods coming from the opponent. As shown by the opponent’s evidence (exhibit “30” to Guo’s statutory declaration), there are various entities including 中山市咀香園食品總廠, 中山市咀香園食品廠 and the opponent in the PRC who own various forms of 咀香園 trade marks.

53. A sample of Trading Terms Agreement made between Yau Shing Trading Company and Parkn Shop was produced in exhibit “20” to Guo’s statutory declaration. Mr Ling said that Yau Shing Trading Company trades in a lot of goods including 大良牛乳, 積士佳鮮椰提子圈, 積士佳蔥油薄餅 and so on as shown by the invoices produced by the opponent in exhibit “19”, not just the “咀香園” products. Therefore,

the agreement does not serve to prove the opponent's use of any of its marks in Hong Kong.

54. Mr Ling then turned to the evidence relating to advertisements on the television channels "TVB Jade" and "ATV Home" in Hong Kong in exhibits "21" to "26" to Guo's statutory declaration. Mr Ling said that these pieces of evidence are the only evidence that assist the opponent. Mr Ling accepted that for three years immediately before the date of application, the opponent advertised its mooncakes on local or Mainland television for about a month each year around the Mid-Autumn Festival period. Given the timing, frequency and number of such advertisements, Mr Ling contended that the impact on the public consciousness is minimal. Mr Ling submitted that according to the case of *Da Vinci*, supra, the real test is framed by reference to the market in question. The question is : at the date of the application, was a substantial proportion of the interested public aware of the opponent's mark? In the present case, the goods in question are inexpensive, common items of foodstuff, consumed by the population at large. The question of substantial number will have to be considered in that light.

55. For the above reasons, Mr Ling submitted that the S.12(1) objection fails *in limine*.

56. In reply, Mr Wong contended that in paragraph 7 of Guo's statutory declaration, Mr Guo declared that between 1986 and 1995, the opponent appointed Expand Enterprises Company Limited (擴業有限公司) to deal with one of its products, 水泡餅 in Hong Kong and such product was marketed and distributed under and by reference to the opponent's marks in Hong Kong at all material times. As shown by the copy invoices (出口貨物報關單) in exhibit "11" to Guo's statutory declaration, it is clearly stated in them that the 起運地點 is "中山咀香園食品廠" (but not the opponent) and 收貨單位 is "擴業有限公司".

57. So far as the invoices are concerned, Mr Wong submitted that although the invoices in exhibit "15" to Guo's statutory declaration dated from September 1989 to February 1993 were not issued by the opponent to Yau Shing Trading Company, the invoices were issued by Zhong Shan Industrial Prod. I/E Corp GD (廣東省中山市工業產品總出口公司) which is the same exporting unit set out in the contract dated 31 March 1989 made between 中山市咀香園食品工業集團公司 (but not the opponent) and Yau Shing Trading Company. The description of products "咀香園杏仁餅" can

clearly be seen on the invoices.

58. To further confirm the relationship between the opponent and Yau Shing Trading Company, Mr Wong submitted that there is evidence of dealings between Yau Shing Trading Company and the opponent. In the first receipt issued by one Dramatic Advertising Agency Limited to the opponent dated 3 August 1999 (exhibit “24” to Guo’s statutory declaration), one can see there were comments made by Yau Shing Trading Company and its company chop.

59. Regarding the handwritten lists of the gross sales in exhibit “18” to Guo’s statutory declaration, Mr Wong conceded that Mr Ling quite justifiably criticised the lack of formalities of those documents. However, Mr Wong contended that they are reliable evidence and there are underlying documents supporting the same. For example, in the second page of exhibit “18” which is a handwritten list of the gross sales of Zhong Shan “咀香園” products to Parkn Shop, a sum of HK\$40,000 was stated to be the ad hoc promotion expenses for the year 1999. The same amount is reflected in the Trading Terms Agreement made between Yau Shing Trading Company and Parkn Shop in exhibit “20” to Guo’s statutory declaration.

60. As I have found there is no evidence from which I can conclude that Mr Xiao and the other 中山咀香園 entities were the predecessors of the opponent. It follows that I have to disregard all the evidence of use not concerning the opponent. With this in mind I now turn to consider the opponent’s evidence of use in respect of its marks in Hong Kong.

61. In my view, when I come to the question of the opponent’s evidence of use in Hong Kong, the starting premise is that the opponent was only established on 24 April 1990. Hence, it could not have appointed 金山莊 or Expand Enterprises Company Limited (擴業有限公司) to sell its products bearing its marks in Hong Kong before April 1990. In fact, as shown by the “出口貨物報價單” dated 1994 produced on the first page of exhibit “11” to Guo’s statutory declaration which contains the invoices issued to Expand Enterprises Company Limited, it is apparent that the delivering party is 中山咀香園食品廠, not the opponent, and the party receiving the goods is Expand Enterprises Company Limited. Supposedly, the party who sold products to Expand Enterprises Company Limited from 1986 to 1995 should be 中山咀香園食品廠. As I have found above, I cannot conclude from the evidence that 中山咀香園食品廠 is the predecessor of the opponent. So the invoices

issued to Expand Enterprises Company Limited cannot constitute evidence of the opponent's use of its mark in Hong Kong, not to mention the other deficiencies in the evidence picked up by Mr Ling such as the invoices have no reference to the “咀香” or “咀香園” marks.

62. I now move on to the third entity referred to by the opponent. Two contracts made with Yau Shing Trading Company were produced in the opponent's evidence. The first contract dated 31 March 1989 was made between 中山市咀香園食品工業集團公司 and Yau Shing Trading Company. I would disregard it as evidence not concerning the opponent. Regarding the second contract dated 14 March 2000 made between the opponent and Yau Shing Trading Company, Mr Ling correctly pointed out that the contract was not signed by Yau Shing Trading Company and no explanation was given in the opponent's evidence. Furthermore, Mr Ling said there is no reference to the trade mark which is to be applied onto the products and the contract on its own does not normally amount to evidence of use.

63. Contrary to the submissions of Mr Ling, I do find that there is a reference to “咀香園杏仁餅、蛋卷系列產品” at the heading of the alleged contract between the opponent and Yau Shing Trading Company. It tallies with Clause 1.1 of the contract which provides “...甲方生產的杏仁餅、蛋卷系列產品品質優良...”. Therefore, I consider that the contract is in relation to “咀香園” almond cakes (杏仁餅) and egg rolls (蛋卷). That said, I agree with Mr Ling that the problem lies in the fact that the contract was not signed by Yau Shing Trading Company. The space for signatory by Yau Shing Trading Company was simply left blank in the copy contract produced by the opponent. No explanation was given by the opponent as to why the contract was not signed by Yau Shing Trading Company.

64. As to the evidence on the dealings between Yau Shing Trading Company and the opponent in 1999 referred to by Mr Wong, I find that the dealings are only in relation to advertisements for mooncakes, not almond cakes and egg rolls. In the invoice in exhibit “24” to Guo's statutory declaration, it is clearly stated “支付報價表 (DFS-9704288) 之款額”. That means, the invoice was issued in payment of the quotation No. DFS-9704288 which was produced in exhibit “23” to Guo's statutory declaration. In the quotation, it states that the title for the advertisement is “月餅推介”. The comments made by Yau Shing Trading Company dated 16 August 1999 in exhibit “24” are “我公司茲收到中山市咀香園食品有限公司, 交來代支香港電視廣告制作費用港幣 HK82,000 元 實收折算人民幣¥93,480 元”. Therefore, for my

part, this piece of evidence is part and parcel of the opponent's evidence of use in relation to the advertisement of “咀香園” mooncakes in Hong Kong. It does not throw any light on the alleged contract between the opponent and Yau Shing Trading Company dated 14 March 2000 which was not signed by the latter as the contract is in respect of “咀香園杏仁餅、蛋卷系列產品” only.

65. Although the opponent is able to produce some invoices issued by Yau Shing Trading Company to various supermarkets in Hong Kong for the year 2000 (exhibit “19” to Guo's statutory declaration) which is supposed to fall within the contracting period (from 1 January 2000 to 30 December 2002) of the alleged contract between the opponent and Yau Shing Trading Company and there are references to “咀香園杏仁餅、蛋卷”, I agree with Mr Ling that as the alleged contract was not signed by Yau Shing Trading Company, I am not in a position to simply assume that the goods represented by the invoices were goods coming from the opponent, bearing in mind that there are various 中山咀香園 entities involved.

66. In particular, in my opinion, the matter is complicated by the fact that Yau Shing Trading Company was the distributor of 中山市咀香園食品工業集團公司 in respect of “咀香園杏仁餅、椰奶杏仁餅和其它各式餅食” (Clause 1 of the contract) by virtue of the contract dated 31 March 1989. The contract was for three years and may be renewed upon further consideration and agreement. It is not known whether the contract was in fact renewed and in force in the year of 2000.

67. Regarding the handwritten lists of the gross sales of the opponent's products in Hong Kong, I am convinced that those evidence is, in Mr Ling's words, very unsatisfactory evidence for the reasons given by Mr Ling. I also agree that the Trading Terms Agreement made between Yau Shing Trading Company and Parkn Shop does not shed any light on the opponent's use of its marks in Hong Kong.

68. The remaining evidence on the opponent's use of its marks in Hong Kong now rests only on the evidence relating to advertisements produced in exhibits “21” to “26” to Guo's statutory declaration. To my mind, Mr Ling rightly conceded that these pieces of evidence are the evidence that would assist the opponent. Mr Ling pointed out that for three years immediately before the date of application, the opponent advertised its mooncakes on local television for about a month each year around the Mid-Autumn Festival period. I should perhaps add that besides the advertisements on television, the opponent has also produced copies of sample

advertisements published in the “Oriental Daily” newspaper dated 2 and 9 September 2000 respectively in exhibit “26” to Guo’s statutory declaration.

69. Like the advertisements on television, the newspaper advertisements were also in relation to mooncakes only (咀香園月餅). Mr Ling also helpfully drew my attention to paragraph 35 of Wong’s statutory declaration which states that ‘it came as a shock to me when, in September 2000, I came across a newspaper advertisement showing the opponent’s mooncake products bearing the marks “咀香園” and “咀香 Juxiangyuan” by the defendant [the opponent] in Hong Kong and a further one after a week. Around about the same time, I also saw on the Chinese television channels an advertisement of such products’. Therefore I consider that, to a certain extent, the applicant’s evidence echoes the advertisement evidence given by the opponent.

70. 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 (*Sans Souci Trade Mark*, unreported decision of the acting Registrar M W Fox dated 28 May 1991).

71. Although the opponent has not produced sales invoices in relation to its mooncakes bearing the “咀香園” mark in Hong Kong, I feel it reasonable for me to deduce from the Oriental Daily newspaper advertisements that the opponent’s “咀香園” mooncakes were at least available for sale in Wellcome supermarkets, one of the major chain supermarkets in Hong Kong, before the application date, for the advertisements in the Oriental Daily appear to have been placed by Wellcome advertising different brands of mooncakes including the opponent’s “咀香園” mooncakes that were on sale in Wellcome. There is no doubt that Oriental Daily is among one of the popular local newspapers in Hong Kong.

72. On top of the coverage in newspaper, there were also advertisements broadcast in the two major Chinese television channels in Hong Kong, namely “TVB Jade” and “ATV Home”. As shown by the evidence, the opponent’s “咀香園” mooncakes had been advertised in the most popular television channels and newspaper in Hong Kong for three consecutive years immediately before the date of application. I also bear in mind that Mid-Autumn Festival is in fact one of the big Chinese festivals to the Chinese population at large in Hong Kong.

73. In the circumstances, I consider that the opponent acquired a sufficient level of consumer knowledge of its mooncakes and attraction for them at the application date. As such, the opponent's mark “咀香園” in respect of the opponent's mooncakes was known to a substantial number of people in Hong Kong. The reputation of the opponent in respect of “咀香園” mooncakes must be something more than *de minimis*. The onus then shifts to the applicant to show there is no reasonable likelihood of deception and confusion.

Similarity between the marks

74. It is well established that the test to be used in applying section 12(1) is that stated by Evershed J. in *Smith Hayden & Co's Application* (1946) 63 R.P.C. 97 at 101. The test under section 12(1), adapted to this application, is as follows :

“Having regard to the reputation of the opponent's mark “咀香園” in respect of mooncakes, is the Registrar satisfied that the suit mark, if used in a normal and fair manner in respect of the specified goods will not be reasonably likely to cause deception and confusion amongst a substantial number of persons? May a number of people be caused to wonder whether the 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?”

75. Under section 12(1) of the Ordinance an opponent's mark must be considered only in the form in which it has been used. On the evidence, the opponent's marks in actual use appear below :-

(i) 咀香園

(ii)



76. In the applicant's counter-statement, she admits that the suit mark is identical with or nearly resembles the opponent's marks visually, phonetically and conceptually subject to the averment that the opponent does not have any rights to any of the opponent's marks in Hong Kong. I am of the view that the qualification to the admission is pointing nowhere as the admission on similarity between the marks does not carry with it an implication of the applicant accepting the opponent's claim of

rights to its marks. Therefore, I simply take that the applicant concedes that the respective marks are similar which is, to my mind, a concession rightly made.

Likelihood of deception or confusion

77. The specified goods in this case cover, amongst other things, mooncakes and other bakery products. The opponent's goods are mooncakes. The applicant's and the opponent's goods are identical or of the same description. It follows that the nature and kind of purchasers likely to buy the parties' goods are the same. Goods in the nature of the parties' goods are generally purchased with normal care and attention only, and purchasers will make no more than averagely intelligent examination of the marks. In the light of the similarities between the marks, I conclude that there is a real tangible risk that the purchasing public would be confused into believing the goods of the parties come from the same source or wondering whether or not they might not so if the marks are applied to the same goods.

78. It follows that the section 12(1) opposition succeeds.

Under section 22

79. This does not conclude the matter as I still have to consider whether the mark could be registered pursuant to the provisions of section 22 of the Ordinance. At paragraph 7 of her counter-statement, the applicant raises honest and concurrent use.

80. It is now settled law that section 22 may be invoked not only where the suit mark offends against section 20(1), but also where it offends against section 12(1) of the Ordinance – see *Berlei (U.K.) Ltd v Bali Brassière Co. Inc.* [1970] RPC 469 at 476 and *CHELSEA MAN Trade Mark* [1989] RPC 111 at 123.

81. The principal matters to be taken into consideration in considering section 22 are established in the leading case *Alexander Pirie & Sons Application* (1933) 50 RPC 147. They are :

- (1) The extent of use in time and quantity, and the area of the trade;
- (2) The degree of confusion likely to ensue from the resemblance of the marks;

- (3) Whether any instances of confusion have in fact been proved;
- (4) The honesty of the concurrent use; and
- (5) The relative inconvenience which would be caused if the mark in suit was registered, subject if necessary to any conditions and limitations.

82. In *Bali Trade Mark (No. 2)* [1978] FSR 193 the “honesty” of the concurrent use was said to be a prerequisite to the application of the section. *Bali* was applied in *Lam Soon Marketing Services Ltd v Lam Mei Hing* [1994] AIPR 317. The onus is on the applicant. Honesty cannot simply be assumed.

83. The opponent’s attack on the applicant’s honesty may be found in paragraph 22 of the grounds of opposition :

“Further or in the alternative, it is averred that the Applicant’s choice of the proposed marks was not bona fide, or alternatively, it was derived from the Applicant’s predecessor’s mark “咀香/中山咀香園餅家”, of Hong Kong Trade Mark Registration No. 282 of 1939, which in turn was copied from the Opponent’s Marks and the use of which is and was unlawful.”

84. The applicant gives an explanation in her statutory declaration for how the suit mark came to be adopted as her trade mark. The applicant says that her father ‘coined the name and mark “咀香園” because he liked the sound and the meaning conveyed by the combination of the three Chinese characters which compose it. These characters individually mean “mouth, fragrance, garden” (paragraph 14 of Wong’s statutory declaration). Her father applied for registration of the mark “中山咀香園餅家 咀香” in Hong Kong, a representation of which appears in paragraph 7 above, which was registered in his name on 25 April 1939 in respect of “almond cakes”. The registration of this mark was assigned to the applicant in 1994. The opponent does not dispute that the suit mark is derived from this old mark originally registered by the applicant’s father in 1939 and then assigned to the applicant (see paragraph 22 of the grounds of opposition above).

85. There is ample evidence proving that the applicant and her late father being her predecessor have used the suit mark since the 1960s. On this point,

Mr Wong helpfully conceded at the hearing that the applicant and her predecessor have used the suit mark in relation to the specified goods in Hong Kong since the 1960s. It seems that Mr Ling is contented with the opponent's concession though it is the applicant's case pleaded in the counter-statement that the applicant and her predecessor's business in Hong Kong can be traced back to 1939. Mr Ling said he did not suggest to go further than the opponent's concession. So far as direct evidence of use is concerned like invoices of sales and advertisements, the applicant and her predecessor's use goes back to the 1960s.

86. I have found above that there is no evidence which enables me to conclude that Mr Xiao (蕭友柏) and the other 中山咀香園 entities were the predecessors of the opponent. The opponent was established on 24 April 1990. Hence, the applicant's registration in 1939 and use of the suit mark in Hong Kong since the 1960s have been well before the opponent even came into existence in 1990. It follows that the opponent's assertion that the suit mark was copied from the opponent's mark is not substantiated.

87. In the light of the above, in my view, there is no question that the applicant has copied the opponent's mark. I am satisfied that the applicant has established the necessary honesty of the use by her of the suit mark.

88. Turning to the question of extent of use in time and quantity and the area of the trade, as pointed out earlier, the opponent conceded that the applicant and her predecessor have used the suit mark in Hong Kong since the 1960s in relation to the specified goods which cover a wide range of bakery products and confectionery apart from mooncakes. Sales figures extracted from the accountant's report for the eighteen years prior to the application date were substantial (paragraph 38 of Wong's statutory declaration). While I appreciate that the sales figures were given in respect of the sale of both the specified goods and the class 29 goods, I however consider, on the applicant's evidence of use, that the sales figures should be largely attributed to the sale of the specified goods. I am of the view that the much earlier and substantial use of the suit mark by the applicant is more than sufficient to establish concurrent use in respect of the specified goods.

89. Regarding the degree of confusion, the applicant accepts that some confusion may arise from the common elements between the respective marks, namely the Chinese characters “咀香園”. In my view, as the Chinese characters “餅

家” in the suit mark meaning “bakery” are indistinctive in respect of the specified goods, I consider that the suit mark and the opponent’s mark “咀香園” are virtually identical.

90. Lord Hanworth M.R. in *Alex Pirie and Sons Limited’s Application* (1932) 49 RPC 195 (CA) observed at 213 as follows :-

“I find that section [22] is a section which does not carry with it a limitation as to there being a slight possibility of deception, for its words indicate that the Registrar may permit the registration of the same trade mark, or of nearly identical trade marks, for the same goods by more than one proprietor. It seems to indicate that the powers of the court (and the Registrar) can be exercised even when there is likely to be confusion between the marks.”

91. 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”.

92. In my judgment, it is clear from the authorities that even if there exists confusion between the two marks, it should not pose a bar to registration under section 22 of the Ordinance if it is otherwise just in all the circumstances that the mark should be registered.

93. Despite concurrent use of the suit mark by the applicant and the mark “咀香園” by the opponent for about three years prior to the date of application, the opponent has not proved a single instance of confusion. This fact cannot be regarded as unimportant even though allowance be made for difficulty of proof (*Alex Pirie*, supra, at 195). Therefore, I should take this into account in exercising my discretion under section 22 of the Ordinance.

94. Finally the relative inconvenience to the parties is to be weighed. As the extent of use in time and quantity of the suit mark far exceeds that of the opponent’s mark, I consider the applicant will suffer disproportionately if the subject application for the specified goods is refused. Furthermore, as submitted by Mr Ling, so far as the opponent is concerned, the 1939 registration, that is, the applicant’s registered mark would continue to prevent the opponent’s unauthorised use of its “咀

香園” mark in Hong Kong. Thus any “inconvenience” would not be occasioned by the proposed registration but rather by the opponent’s relatively late entry into the Hong Kong market and the continued existence of the 1939 registration.

95. Having taken into account of all the above, I have no hesitation in exercising my discretion under section 22 in favour of registration of the suit mark.

Under section 23

96. At paragraph 12 of the grounds of opposition, a list of foreign registrations was given by the opponent. At the hearing, Mr Wong indicated that the opponent relies on altogether six registrations in the PRC for the purpose of the section 23 opposition. The earliest PRC registration No. 604249 in respect of “咀香園 Juxiangyuan & device” in Class 30 dates back to 30 July 1992. However, this mark is registered in the name of 中山市咀香園食品總廠, not the opponent. Even if I accept Mr Wong’s contention that the wording of section 23 does not require that the foreign trade mark must be registered in the name of the opponent, this does not assist the opponent.

97. The proviso in section 23(3)(a) of the Ordinance provides, *inter alia*, that no application shall be refused under this section if the applicant proves that she or her predecessor in business have in Hong Kong, in relation to the goods applied for, continuously used the suit mark from a date anterior to the date of registration of the foreign mark. The opponent has conceded that the applicant or her predecessor have used the suit mark in relation to the specified goods in Hong Kong since the 1960s, long before the earliest PRC registration relied on by the opponent.

98. It follows that the objection under section 23 fails.

Under section 13(2)

99. Having exercised my discretion in the applicant’s favour under section 22, it would be somewhat perverse to exercise it again against the applicant under section 13(2). In any event, no fresh grounds have been advanced by the opponent in relation to my exercise of discretion under this section. I accordingly decline to exercise my discretion against the applicant.

Costs

100. 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.

101. Subject to any representations as to 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, with one counsel certified, unless otherwise agreed between the parties.

Original signed

(Ms Fanny Pang)

p. Registrar of Trade Marks

4 October 2007