

Application No. 200111646

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

AND

IN THE MATTER of an application for the
registration of the trade mark



in Part B of the Register in Class 14 by Wong
Wing Kin

AND

IN THE MATTER of an opposition by Hu
Kim Ai trading as Geneve Timepiece

**DECISION
OF**

Miss Lavinia Chang acting for the Registrar of Trade Marks after a hearing on
17 March 2006.

Appearing : Mr Ling Chun Wai, of counsel, instructed by Messrs Victor Chu & Co.
on behalf of the opponent, Hu Kim Ai trading as Geneve Timepiece

No appearance recorded by the applicant, Wong Wing Kin

1. On 20 July 2001 (the “application date”), Wong Wing Kin (the “applicant”) of G/F, 33 Sheung Heung Road, Tokwawan, Kowloon, Hong Kong applied to register, pursuant to section 26(1) of the Trade Marks Ordinance Cap 43 (the “Ordinance”), a series of marks, the representations of which are as follows,



in Part A of the Register. After an authorised amendment, the claim for a series was deleted on 21 January 2003 and the applicant’s mark amended to only the following:




(the “suit mark”). The goods intended to be covered include “watches; horological and chronometric instruments; jewellery; goods in or coated with precious metals and their alloys, not included in other classes; all included in Class 14” (the “specified goods”). After examination, the suit mark was found acceptable for registration, pursuant to section 10(1) of the Ordinance, in Part B (instead of Part A) of the Register, and was advertised for opposition purposes in the Government of the Hong Kong Special Administrative Region Gazette on 23 May 2003.

Pleadings


2. These proceedings arise out of a notice of opposition filed against the suit application on 15 August 2003 by Hu Kim Ai trading as Geneve Timepiece (the “opponent”). The opponent carries on business as a sole proprietorship in Malaysia, having his place of business at No. 2, Jalan S.B.C. 8, Taman Sri Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia.

3. Mr Hu is the proprietor of various registered trade marks in Hong Kong and in neighbouring Asian countries. His registered trade marks in Hong Kong include

No. 2000B15621 Five-Star device mark  , No. 199807559 BLANSACAR, No. 199808508 五星上將, No. 2000B15622 五星 and No. 2002B12271 五星系列 all in Class 14 registered in respect of “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments, clocks and watches; parts and fittings therefor; all included in Class 14” (the “opponent’s goods”). The opponent’s marks are used in Hong Kong on or in relation to watches, horological and chronometric instruments and accessories, components, part and fittings therefor. The opponent claims that through long periods of use, his marks have come to be identified exclusively with him and his business in Hong Kong, Malaysia and China.


4. The opponent avers that the applicant and his associated or related concerns have previously imported watches from the opponent into Hong Kong for sale.

5. The opponent claims the suit mark is confusingly similar to the opponent’s marks visually or conceptually, by incorporating the essential feature of the opponent’s

 Five-Star device mark. Use of the suit mark on the same or similar goods is likely to deceive or mislead the public that goods bearing the suit mark have come from the opponent or are otherwise connected with the opponent in the course of trade.

6. The opponent pleads that registration of the suit mark should be refused under sections 2(1), 9, 10, 12(1), 13(1), 20(1) and 23 of the Ordinance, and in the exercise of the Registrar’s discretion. The opponent seeks costs against the applicant.

7. The applicant filed a counter-statement on 10 December 2003. Save for details of the opponent’s trade mark registrations, the applicant denies the opponent’s allegations and puts the opponent to strict proof.

8. The applicant contends the suit mark is distinguishable from the opponent's Five-Star device mark due to the presence of "VALENLEO", the only pronounceable element in the suit mark, and the different design of the parties' five-star devices. The applicant contends his mark is distinguishable from the opponent's 五星, 五星上將 and 五星系列 marks as these do not contain any five star devices. The applicant pleads that the opponent cannot by the registration of No. 2000B15621  acquire monopoly in all five star devices in respect of goods in Class 14.

Evidence rounds

9. The opponent has filed evidence by way of two statutory declarations, one by him, and the other by Hau Shun Lan, Frances.

10. Hu Kim Ai is the proprietor of a Five-Star device mark created in early 1991 in Malaysia. This mark was registered in Malaysia in Class 14 on 21 May 1991 as "BLANSACAR & (Five Star) device" in the name of Hu Kim Ai and Ooi Boi Kwee trading as Syarikat Jaya Timor.

11. Mr Hu claims to be the first to use a five star device arranged in this manner for Class 14 goods, particularly watches. He says stars are used as the theme as they "convey a sense of bravery and strength", and the arrangement of the five stars in a circle or pentagon "gives a feeling of uniformity, aesthetic beauty and good fortune."

12. The opponent's five-Star device ("Five-Star mark"), with or without the word BLANSACAR, is applied to various parts of a watch including the watch dial, winding crown, back cover glass, oscillating weight (watch movement), back cover case, bracelet buckle, buckle button, watch box, paper sleeves, instruction booklet, certificate of warranty and hang tag. Since August 1994 watch boxes and paper sleeves for the opponent's watches have been supplied by Hong Kong manufacturers. Bracelets and watch movements are also supplied by Hong Kong manufacturers.

13. The opponent's watches have been offered for sale in Malaysia since 1994. Mr Hu says that by 1996, the opponent's Five-Star mark and other 五星 marks have become well-known and were identified with the opponent's watches in Malaysia, especially among Mainland Chinese tourists.


14. The next part of Mr Hu's evidence is rather unfocussed but the gist of it is as follows. Mr Hu says that the opponent's watches had been sold in Hong Kong since 1997. Watch dealers/retailers in Hong Kong were appointed in January 1999. In May 1999, the opponent entered into an exclusive agency agreement with King Apex, a Hong Kong entity for the sale and distribution of the opponent's watches. Mr Hu gives evidence that the opponent has sold to King Apex and other entities in Hong Kong 3,503 watches which bear the opponent's Five-Star mark to the total invoiced value of HK\$3,212,444 (HKA-24). These were retailed at shops in Tokwawan and Hunghom including Swiss Club 瑞士時間廊, Euro Watch Gallery Co Ltd 歐洲表坊有限公司, Millenium Watch Co Ltd 金禧鐘錶有限公司, Zurish [sic] (Swiss) Watch Gallery 蘇黎世瑞士名錶總匯 and O'Neal (Swiss) Watch Dynasty 歐萊瑞士鐘錶世家.

15. By reason of breach of contract by King Apex, the opponent terminated the agency agreement in March 2000. Thereafter, the opponent continued to export watches bearing the opponent's Five-Star mark through a Malaysian entity Polo Eurostar Sdn Bhd directly to Hong Kong retailers including those named in the preceding paragraph.

16. It is known from the Trade Marks Registry's public records that King Apex had applied for registration, on 22 July 1999 and again on 11 March 2003, of the mark "GENERAL & device (Five Stars)" for horological instruments in Class 14. For reasons unknown, both applications were later withdrawn. Mr Hu says the five-star devices in these two applications were identical to the opponent's Five-Star mark (HKA-29).

17. On 22 October 1999 another company, Profit House Ltd (“Profit House”), of which the applicant is a director and shareholder, had applied for registration of “VALENLEO SWISS & device” in Class 14. The device in this mark is a five-star device identical to the opponent’s mark. This application was later also withdrawn.

18. Mr Hu says Profit House had applied for removal of the opponent’s

registration No. 2000B15621 Five-Star mark  on 16 October 2002. On 5 November 2002 Profit House and King Apex jointly commenced High Court proceedings for expungement of this mark. While the High Court proceedings are kept pending, the Registry removal proceedings have been abandoned (HKA-34).

19. Mr Hu says he first discovered in April 1999 the sale of watches in Hong Kong bearing a mark which consists of the opponent’s Five-Star mark and the word BLANKSCAR, a misspelling of the opponent’s mark (HKA-35). In 2000, the opponent filed a complaint with the Hong Kong Customs and Excise Department which led to raids for spurious watches, parts and accessories bearing the VALENLEO SWISS & Device (Five Stars) mark and King Apex’s GENERAL and Device (Five Stars) mark, and criminal prosecutions were laid in Hong Kong for offences under the Trade Descriptions Ordinance, Cap 362 (HKA-45).

20. The opponent’s evidence also includes a statutory declaration of Hau Shun Lan Frances, solicitor having the conduct of the proceedings on behalf of the opponent. Ms Hau exhibits in her evidence photographs of selected watch retailers located in the Hunghom and Tokwawan areas in Kowloon which sell watches which allegedly infringe the opponent’s marks; and newspaper articles and statistics showing the substantial numbers of Mainland Chinese tourists who visit Hong Kong each year and their expenditure patterns.

21. No evidence has been filed in support of the application.

Decision

22. These proceedings were pending as of 4 April 2003, the date of commencement of the Trade Marks Ordinance Cap 559 (“Cap 559”). By virtue of section 10(2) of Schedule 5 to Cap 559, they remain to be dealt with under the provisions of the repealed Ordinance, Cap 43.

23. The opposition came on for hearing before me on 17 March 2006, at which Mr Ling Chun Wai of counsel appeared on behalf of the opponent. By letters dated 2 and 23 December 2005, the agent for the applicant confirmed he would not be attending the hearing but would be content to have a decision on the pleadings filed.

24. In his written submissions, Mr Ling indicated the opponent would proceed only on the bases of sections 20(1), 12(1) and 13(2) of the Ordinance. It will be convenient to deal first with the opposition under section 20(1).

25. It is not disputed that the applicable test under section 20(1) was laid down in *Smith Hayden & Co’s Application* (1946) 63 RPC 97. Adapted to the present case, the test is:

“Assuming user by the opponent of the opponent’s marks in a normal and fair manner for any of the goods covered by the registrations of those marks (and including particularly goods also covered by the proposed registration of the suit mark) is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion among a substantial number of persons if the applicant also uses the suit mark normally and fairly in respect of any goods covered by its proposed registration?”

26. As a starting point, it is the opponent's mark as registered and the suit mark as advertised that are to be compared, both in any fair and normal use that may be made of the marks in the ordinary course of business in respect of any goods for which they are respectively registered or sought to be registered.


27. The opponent relies primarily on Trade Mark No. 2000B15621, as follows:



(the "opponent's Five-Star mark").

28. The opponent has also pleaded proprietorship of Trade Mark No. 199808508 "五星上將", No. 2000B15622 "五星" and No. 2002B12271 "五星系列" which are word-only marks. At the hearing Mr Ling does not seek to rely on these registrations for the opposition under section 20(1). I will return to the significance of these later.

29. There is complete overlap between the applicant's specified goods and the opponent's goods, both consisting of watches, horological and chronometric instruments, jewellery and goods in precious metal or coated therewith. The only issue under section 20(1) therefore is whether the extent of similarity, if any, between the suit mark and the opponent's marks would reasonably cause confusion or deception among a substantial number of persons.

30. The contest here is therefore between the suit mark which consists of the word "VALENLEO" and a five-star device, and the opponent's  device-only mark.

31. The authorities have established that the question whether one mark too nearly resembles another is one of fact for the tribunal, not an exercise of discretion. The suit mark is to be compared with the earlier mark, each as a whole, not as if they appear side by side, but based on an impression or imperfect recollection of the earlier mark. Too detailed an examination should not be made. Conceptual similarity may increase the likelihood of confusion, as may a reasonably held belief that both marks belong to the same family of marks. The onus is on the applicant to satisfy the tribunal that the trade mark applied for is not reasonably likely to deceive or cause confusion.

32. In his counter-statement, the applicant argues:

- (a) that the configuration of the five stars in the suit mark is different from the opponent's Five Star mark; and
- (b) that five-star devices are commonly used in the luxury goods trade, particularly for jewellery and watches.

33. Taking the second contention first, I agree with Mr Ling's criticism that the applicant has filed no evidence at all to show a prevalence of five-star devices in the watch trade, let alone in the luxury goods trade in general. That said, I do not overlook the fact that the word component of the suit mark, VALENLEO, is a coined word and is inherently distinctive.

34. I also note that the opponent's Five-Star mark is registered in Part B of the register pursuant to section 10(1) of the Ordinance rather than in Part A. However, as the authorities make clear, no distinction needs be drawn under section 20(1) between earlier marks registered in Part B and those registered in Part A (*Linpac* [1973] RPC 661).

35. As for the applicant's first contention, namely, that the configuration of the five stars in the suit mark is different from the opponent's Five Star mark, that distinction is, in my view, unsupportable. The suit mark is used or intended to be used in relation to goods which are relatively small items, such as watches, jewellery, horological and chronometric instruments. The fine differences in configuration of the five-star devices will most likely be lost in imperfect recollection. This is confirmed by evidence of how the suit mark has been used (Exhibit HKA-32, current as of March 2001). This shows the words VALENLEO SWISS and a five-star device mark appearing in small size in the usual space between the hour and minute hands at 10 minutes past 10 on the watch dial.

36. In his counter-statement, the applicant avers there are clear visual, phonetic and conceptual differences between the suit mark and the opponent's mark. On behalf of the opponent, Mr Ling argues that the visual impact of the mark would depend on the way in which it is applied to the goods even assuming normal and fair use.


37. Against that comparison, the question whether the marks are so nearly resembling as to be likely to deceive is to be considered with regard to those who are likely purchasers of the goods on which the marks are used. Mr Ling submits that special features are present in this case in respect of the likely purchasers and relevant trade channels. The applicant's counter-statement is completely silent on these aspects. As I said, the applicant has filed no evidence.

38. Mr Ling points out there is evidence, unchallenged by the applicant, to show that watches sold by both the applicant and the opponent are intended for a specialized sector of the Hong Kong market, namely, tourists from Mainland China. In each case the goods are sold through retail outlets in the Hunghom and Tokwawan areas in Kowloon under outlet names that suggest or evoke a connection with Switzerland. Typically, Mainland tourists are taken to the outlets by coach in organised tour groups with little time to browse or window-shop before making their purchases.

39. It is necessary to go into the opponent's evidence in some detail. Even though Mr Hu carries on his business in Malaysia, over 80% of the opponent's sales volume for watches in its Batu Caves outlet is attributable to purchases by Mainland Chinese tourists. It is true that the opponent's watches bear not only the Five-Star mark but also the word BLANSACAR. However, in his evidence Mr Hu says his customers are mainly Mainland Chinese tourists who simply do not understand or are unfamiliar with English or foreign languages:

“... [They] invariably remember and identify (or choose to remember and identify) the opponent's watches only by reference to the distinctive [Five Star Device mark] and/or its Chinese counterparts or names “五星” or “五星上將” (and not “BLANSACAR”), which were also names/marks first devised and used by the opponent in respect of its watches bearing the [Five Star Device mark].” (HKA, para 16)

40. As the majority of these customers neither read nor speak foreign languages,

Mr Ling submits it matters little which word it is that lies beneath the  Five-Star mark. He submits that what is highly significant here is the fact that these target customers seek out and identify the opponent's watches by reference to 五星 or 五星上將, the Chinese name by which the opponent's BLANSACAR & Five Star watches are advertised and known (e.g. exhibits HKA-17, HKA-20, and HKA-21). Even assuming linguistically more sophisticated Mainland customers, Mr Ling argues, there is a likelihood that the suit mark may be thought to be an extension of the opponent's “Five-Star” watches.

41. Unlike other section 20 oppositions, the opponent's case is predicated on:

- (a) the specialised sector of customers, i.e. Mainland Chinese tourists armed with knowledge or recognition of the

opponent's 五星上將 and  marks in relation to watches;

- (b) the characteristics of this specialised sector of Mainland Chinese tourists; and
- (c) the general buying pattern and habit of these tourists at the relevant date.

42. Mr Ling reminds me that as at the relevant date, that is, prior to the implementation in Hong Kong of the “Individual Visit” Scheme in July 2003, it was general knowledge that Mainlanders’ entry to Hong Kong was restricted. Tourists from the Mainland travelled in groups by coach on escorted tours. According to the statistics compiled by the Hong Kong Tourism Board (Exhibit FH-3), the main item or area of expenditure is “shopping”, which accounted consistently for between 47% and 48.5% of the total spending by Mainland overnight visitors for the years 1998 to 2001. According to the Singtao Daily News of 1 October 2000 (Exhibit FH-3), watches, jewellery, and electronic and electrical appliances were reported as being at the top of the list of items purchased by Mainland visitors on their visits to Hong Kong.

43. Typically these tourists are linguistically unsophisticated. The opponent’s evidence is that watches bearing his Five Star mark are commonly referred to as 五星 or 五星上將 watches among Mainlanders or in Mainland China (Exhibit HKA-23). The applicant has filed no evidence to the contrary.

44. Mr Ling submits that the characteristics of this group of customers have a critical bearing on the likelihood of confusion. In assessing the risk of deception and confusion, general illiteracy or unfamiliarity with a particular language on the part of the ultimate purchasers plays an important role.

45. Mr Ling relies on the Privy Council decision in *White Hudson & Co. Ltd. v Asian Organisation Limited* [1965] RPC 45 (Privy Council, Singapore) cited in *Kerly* for the proposition that Asiatic customers may be unfamiliar with Roman letters. To illustrate the point, it is necessary to go into the facts of the case. In *White Hudson* the plaintiffs had sold their cough sweets in Singapore since 1953 in orange coloured cellophane wrappers on which was printed the word “Hacks” in Roman alphabet only. The defendants first entered the same market in 1958 with cough sweets in a white cellophane wrapper, but two months later they went over to using an orange wrapper similar to the plaintiffs’ but which bore the word “Pecto”. In the plaintiff’s action to restrain passing-off, the trial judge found that no other wrapped sweets had been sold loose, that the sweets were called by the local population “red paper cough sweets”, that the plaintiffs’ get-up had become distinctive of their goods, that the get-up of the defendants’ sweets resembled the plaintiffs’ to such an extent as to lead to confusion, that the difference in the names printed on the wrappers was not sufficient to distinguish the goods in the eyes of a purchasing public largely unable to read English, and therefore passing-off had been established. Though on appeal the Court of Appeal came to a different view, on further appeal, the Privy Council agreed with the trial judge, reversing the judgment of the Court of Appeal, holding that the plaintiffs’ wrappers were distinctive, particularly as their sweets had become known as “red paper cough sweets”. Important evidence was given for the plaintiffs and accepted by the trial judge that some retailers in Singapore displayed both “Hacks” and “Pecto” sweets in the same jar. A witness who visited six shops in Singapore was on each occasion given “Hacks” or “Pecto” sweets mixed together. The Privy Council opined:

“It may well be that to an English speaking customer the word “Pecto” on the respondents’ sweets would be sufficient to distinguish their sweets from those of the plaintiffs, but according to the trial judge the majority of purchasers of these sweets are unable to read English and accordingly “Pecto” is not sufficient to distinguish the defendants’ goods.

As the trial judge succinctly expresses it, ‘so far as non-English speaking members of the public are concerned the get-up is all

important in this case, while the name is insignificant.’ The courts will have regard to conditions existing in foreign markets and to the type of customers.

Upon this evidence the trial judge found that the similarity of the get-up of ‘Pecto’ sweets and ‘Hacks’ sweets is such as to be calculated to deceive. No case of actual deception was proved, but this is not necessary. In their Lordships’ view this finding of the trial judge was fully justified on the evidence.”

46. Though this was a passing-off case, the commentary in *Kerly* at para 17-06 suggests the same reasoning should apply *a fortiori* to a trade mark case. Hence, even though the marks in question could not have been more dissimilar (*Hacks vs Pecto*), use of a similar get-up was considered calculated to deceive.

47. Mr Ling submits that the inquiry as to the ultimate purchasers for the purpose of section 20(1) is not confined to Hong Kong if the goods in question have a foreign market. He relies on the following commentary by the authors of *Kerly*, speaking in the context of England (at para 17-06):

“It is clearly not enough to show that retail dealers buying goods for resale would not be deceived, since they might themselves fraudulently or carelessly make use of the ambiguous character of the trade mark to deceive their customers, the ultimate purchasers... Dealers who buy from the manufacturers in order to sell by retail may be aware of attempted infringements and parties to the fraud. Nor is the inquiry to be confined to England, or to persons acquainted with the English language, in cases where the goods in question have a foreign market ...

It must not be assumed that a very careful or intelligent examination of the mark will be made, and if it is shown that the class of persons who bought the goods were illiterate, that is a material fact in cases where printing enters into the marks; but, on the other hand, it can hardly be a bar to the admission of a mark that unusually stupid people ... may be deceived. Where the trade relates to goods largely sold to illiterate or badly educated persons, a plaintiff has often established his case although it has been proved that well-educated persons have not been deceived. If the goods are expensive and not of a kind usually selected without deliberation, and the customers generally educated persons, these are all matters to be considered. If some parts of the mark are common, one must consider whether people who know the distinguishing characteristics of the opponent's mark would be deceived. The cases cited are nearly all cases of infringement or passing-off, but a weaker case than would entitle a plaintiff to succeed in an action for infringement will enable an opponent to object successfully to the registration of a new mark."

48. Mr Ling argues the above must apply with even stronger reason to the present case since Hong Kong is the market concerned even though foreign purchasers i.e. tourists, are the ultimate purchasers. I think the point made by the authors of *Kerly* is that the court will look at the nature of the ultimate purchasers or market including the perceptions or likely perceptions of these purchasers to decide whether deception is likely. This includes looking at the conditions in a foreign market where the goods in question have a foreign market.

49. Mr Ling points out there is no evidence that the parties' watches were sold to customers outside this particular class.

50. In my view, the evidence points strongly to the likelihood of confusion and deception. For example, during the subsistence of the opponent's agency agreement

with King Apex, King Apex had wholesaled or distributed the opponent's BLANSACAR & Five Star 五星上將 watches to Hong Kong retail outlets such as Millenium Watch Co. Ltd. 金禧鐘錶有限公司 ("Millenium"). The agency relationship with King Apex was terminated in March 2000. Millenium was one of the Hong Kong watch retailers to whom the opponent (through another entity Polo Eurostar Sdn Bhd) continued to export watches bearing the opponent's Five-Star mark after termination of his agency agreement with King Apex (HKA, para 28). The evidence shows, however, sales invoices issued by Millenium dated between 16 and 25 April 2000 for watches identified as VALENLEO Model No. 五星上將. This appears to be a concoction between VALENLEO (part of the suit mark), and 五星上將 which is one of the trade marks registered in the opponent's name and by which the opponent's goods are known.

51. There is also evidence of how the applicant's mark has been identified by Hong Kong retailers such as Bern (Switzerland) Watches Limited 歐洲伯恩瑞士鐘錶世家有限公司 ("Bern"), of which the applicant is a director and shareholder (Exhibit HKA-31). On Bern's invoices issued between 20 June and 26 July 2000, the goods sold are referred to as VALENLEO Model No. 五星將軍 28, VALENLEO Model No. 五星將軍 2834-1301, VALENLEO Model No. 五星將軍 2834-1506, VALENLEO Model No. 五星將軍 2834-1509, etc.

52. To me this suggests at least two possibilities, namely,

- (a) that the retailers themselves were confused between the applicant's suit mark and the opponent's 五星 and 五星上將 trade marks; or
- (b) they were using the opponent's and applicant's marks interchangeably even though different proprietors' goods were involved.

53. Also, the possibility that the retailers might be suggesting that the applicant's VALENLEO watches were part of the opponent's 五星 or 五星上將 family of marks could not entirely be discounted.

54. Apart from the mistaken reference, on Millenium's and Bern (Switzerland)'s invoices, to VALENLEO 五星上將 and VALENLEO 五星將軍, Mr Ling also draws my attention to the Certificates of Guarantee which accompany the applicant's watches. Save for substituting VALENLEO where the opponent's mark BLANSACAR appears, and adding a "chronometer" number at the top right corner, the rest of the Certificate contains the same text as that appearing on the opponent's BLANSACAR Certificates of Guarantee. A telling sign that there has been verbatim copying is that the same grammatical mistakes which appear in the opponent's Certificates of Guarantee for BLANSACAR watches are also reproduced in the applicant's Certificates of Guarantee for their VALENLEO watches.

55. It is recognised that if the form or get up in which the applicant is using or intends to use the applied-for mark is deceptive or likely to confuse, such actual use may be taken into consideration in assessing the likelihood of deception (*Dustic Trade Mark* (1955) 72 RPC 151 at 156).

56. The evidence demonstrates the parties' goods are targeted for a special market under special circumstances of sale. As in the case of *White Hudson*, there are special characteristics attributable to the target customers here, particularly their unfamiliarity with foreign words and the fact that they are "shopping in a hurry" which is likely to cause them to be more susceptible to deception than the average shopper in Hong Kong. They are more likely to focus on the five-star devices as opposed to the words. This is borne out by the fact that in at least one outlet, they are likely to have relied on the circumstances of the sale, that is to say, the goods were offered by retailers who appear to have made no distinction between the opponent's and the applicant's goods. These customers would very likely have relied on the salespersons' representations or misinformed representations.

57. Taking into account these circumstances, I find that on a balance of probabilities there is a tangible risk that a substantial number of persons would be confused or be caused to wonder whether the applicant's goods are those of the opponent or are otherwise connected with the opponent.

58. The opposition having succeeded on section 20(1), I need not consider the opponent's case under section 12(1) or grounds for exercising the Registrar's discretion under section 13(2) of the Ordinance.

Costs

59. The opponent has sought costs. There is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that costs should follow the event. I accordingly order that the applicant pays the costs of and incidental to these proceedings.

60. Subject to any representations as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap 4) as applied to trade mark matters, with one counsel certified, unless otherwise agreed between the parties.

(Lavinia Chang)

p. Registrar of Trade Marks

19 April 2006