

Application No. 426/2003

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

AND

IN THE MATTER of an application by
Great Metro International Limited to
register the marks

A **MOOK**

B **mook**

in Part A of the Register in Class 25

AND

IN THE MATTER of an opposition
thereto by Pacific Brands Sport &
Leisure Pty Ltd

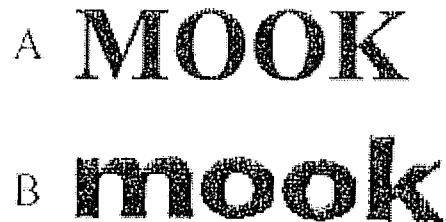
**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after a hearing on
16 December 2008.

Appearing : Mr Felix H. Pao instructed by Messrs. JSM for the opponent.

Application for Registration

1. On 10 January 2003 (“the application date”), Great Metro International Limited (“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 25, the trade marks, representations of which appear below :



(“the suit marks”).

2. The goods intended to be covered by the registration were “clothing, footwear and headgear” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the suit marks for registration in Part A of the register. They are registered under section 26 of the Ordinance as a series of marks. The application was advertised in the Government of the Hong Kong Special Administrative Region Gazette on 13 February 2004.

Pleadings and evidence

3. On 11 May 2004, Mooks Pty Ltd. filed notice of opposition to the application. The grounds of opposition state, *inter alia*, that it is a corporation organised and existing under the laws of Australia. It engages in the business of designing, manufacturing, selling, offering for sale, promoting and marketing a variety of goods including clothing and fashion accessories, which include sunglasses, belts, watches, pendants, rings, key rings, dog tats, bracelets, necklaces, bags, backpacks, handbags, wallets and courier bags.

4. The Mooks Pty Ltd. claims that it is the proprietor of the mark “MOOKS” and has registered the mark (with or without a device) in class 25 and other classes in various countries including Australia and Hong Kong. Amongst the registrations, it has a registration of the mark “Mooks & device” in Australia in class

25 in respect of “clothing, headgear and footwear” under registration no. 567458 with a date of registration of 19 November 1991 (“Australian registration”).

5. Mooks Pty Ltd. obtained registration of the mark “MOOKS” in Hong Kong in class 25 in respect of “clothing, headgear and footwear” under registration no. 3715 of 1995 on 25 August 1993. However, the said registration expired and was removed on 15 February 2002 for non-payment of the fee for renewal. It also applied to register the mark “Mooks & device” which is identical to the Australian registration in class 25 in respect of “clothing, headgear and footwear” in Hong Kong on 6 February 2004 under application no. 300154106.

6. Mooks Pty Ltd. avers that the word “MOOKS” does not have a dictionary meaning and was coined by one of its designers during his employment with it. The mark was adopted, developed and used by it for its visual and phonetic appeal. Since 1991, goods bearing its mark “MOOKS” (with or without a device) have been sold, distributed and marketed in Australia and extended to many countries in the world including Hong Kong. Its goods are primarily sold to or in specialty fashion retail shops and some large department stores and appeal to the young, energetic and sportive. It has also advertised “MOOKS” goods in a number of magazines which have circulation and readership in Hong Kong. Further, it has set up an official website which can be accessed by people all around the world including in Hong Kong. Therefore, its mark has become distinctive of and identified with it and its goods.

7. Mooks Pty Ltd. asserts that the suit marks “MOOK” in series and its mark “MOOKS” are not readily distinguishable whether in appearance, sound or on the basis of any idea they may generate. Neither “MOOK” nor “MOOKS” is a dictionary word. The public will readily associate “MOOK” with “MOOKS” given their close resemblance and will fail to distinguish that each of the suit marks “MOOK” does not end with the letter “S”. Mooks Pty Ltd. asserts that use and/or registration of the suit marks will inevitably cause confusion brought about by poor articulation, imperfect hearing, imperfect recollection or illegible writing or plain mistaken belief amongst the purchasing public in Hong Kong either that the goods of the applicant bearing the suit marks are in fact its goods or alternatively, that the applicant’s goods are approved or otherwise endorsed by or associated with it. The grounds of opposition comprise sections 2, 12(1), 13(1), 20(1) and 23(1) of the Ordinance. Pacific Brands Sport & Leisure Pty Ltd (“the opponent”) was granted

leave to substitute as the opponent on 25 November 2008.

8. In the applicant's counter-statement, the applicant's own application for registration of the suit marks in series and other applications in other classes are admitted. Paragraphs 4 and 5 of the grounds of opposition concerning the removal of the opponent's registration no. 3715 of 1995, the opponent's applications for registration of the marks "MOOKS" and "MOOKS & Device" in class 25 in Hong Kong on 6 February 2004 under application nos. 300154115 and 300154106 respectively and the opponent's other registrations in Hong Kong for the mark "MOOKS" in classes 9 and 14 are also admitted. Save and except the aforesaid, each and every allegation in the grounds of opposition is either not admitted or denied.

9. Trade Marks Rules, Cap. 43, Sub. Leg. ("Rule/s") 25 evidence consists of a statutory declaration from Peter John Hill, a director of Globe International Limited, a publicly listed company in Australia which is the ultimate holding company of the opponent, together with exhibits, which was declared on 18 February 2005 ("Hill's statutory declaration"). The applicant did not file any evidence under Rule 26 although it was entitled to do so.

Decision

10. Though, by 16 December 2008, the date the matter was heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of section 10(1) and (2) of Schedule 5, an application for registration still pending as of 4 April 2003 and an opposition to the application are to be determined under the provisions of the repealed Ordinance, Cap. 43.

11. The applicant did not give notice of its intention to appear at the hearing by filing Form TM-No. 8 under Rule 30(3). It is therefore treated as not desiring to be heard. Mr Felix H. Pao of counsel appeared on behalf of the opponent. Although a number of grounds were pleaded in the notice of opposition, Mr Pao indicated at the hearing that the opponent only relies on the grounds under sections 12(1) and 23(1) of the Ordinance for the present opposition proceedings.

Under section 23

12. I set out the relevant provisions as follows :

“23. Protection of marks registered in country of origin

(1) Subject to subsection (3), the Registrar may refuse to register any trade mark relating to goods in respect of any goods or description of goods if it is proved to his satisfaction by the person opposing the application for registration that such mark is identical with or nearly resembles a trade mark which is already registered in respect of –

- (a) the same goods;
- (b) the same description of goods; or
- (c) services or a description of services which are associated with those goods or goods of that description,

in a country or place from which such goods originate.

(2)

(3) No application to register shall be refused under this section –

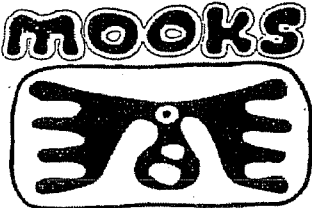
(a) if the applicant proves that he or his predecessors in business have in Hong Kong, in relation to such goods or services, continuously used the trade mark for the registration of which he has made application from a date anterior to the date of the registration of the other mark in such country or place of origin; or

(b) if the opponent does not give an undertaking to the satisfaction of the Registrar that he will, within 3 months from the giving of the notice of opposition, apply for registration in Hong Kong of the trade mark so registered in the country or place of origin and will take all necessary steps to complete such registration.”

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

The opponent's foreign registration

14. The opponent relies on the following Australian registration in mounting the opposition under section 23(1) :

Trade Mark	Registration No.	Class	Goods	Date of registration
	A567458	25	Clothing, footwear and headgear	19.11.1991

The application of the proviso in section 23

15. I shall first deal with the proviso in section 23 to see if there is a case for ruling out the application of this section. The proviso in subsection 3(a) does not apply as the applicant has not asserted, and certainly has not proved by way of filing evidence, use of the suit marks in Hong Kong anterior to the registration date of the opponent's trade mark in Australia.

16. The proviso in subsection 3(b) requires the opponent to give an undertaking that it will, within three months from the giving of the notice of opposition, apply for and take all necessary steps to complete registration of its overseas registered mark in Hong Kong. The opponent has not given the requisite undertaking. However, in the present case, the opponent applied to register its overseas trade mark in Hong Kong under application no. 300154106 on 6 February 2004 before the filing of the notice of opposition on 11 May 2004.

17. As was observed by Acting Registrar Thomson in *NORTH POLE Trade Mark* (unreported 9 January 1959) the undertaking under subsection (3)(b) is :

“plainly required simply to evidence the opponents’ good faith, and

accordingly where, as here, the good faith of the opponents is not in question, and it is possible by a liberal construction of the proviso to regard what they have done as complying with it, that construction should be adopted.”

18. Similarly, in *Maxim's 美心 (Label) Trade Mark* (unreported 30 June 1982) Acting Registrar Shum, faced also with the situation where the opponent had filed three applications for registration of their mark MAXIM'S prior to the filing of their notice of opposition, said at page 17 line 5 :

“I do not consider that it is necessary in the circumstances, or indeed possible, for the Opponents to give the undertaking that the Opponents will within three months from the giving of notice of opposition apply for registration in Hong Kong of the Opponent's marks registered in France.”

19. Therefore, if the same liberal construction of the proviso is adopted, I consider that the opponent could be regarded as having complied with it. It is not necessary and indeed not possible for the opponent to give the undertaking. I am therefore satisfied that there is no case for ruling out the application of section 23 based on the proviso in subsection (3).

Whether the basic ground of section 23(1) has been made out

20. I shall proceed to consider whether the basic ground of section 23(1) has been made out by the opponent. Under section 23, first, the opponent has to show a foreign registration existing as at the application date. The opponent produced copies of certificate and registration information of the Australian registration in exhibit “6” to Hill's statutory declaration. Mr Hill also confirmed that the Australian registration remains to be valid and subsisting in paragraph 5 of his statutory declaration. Secondly, the opponent has to prove that the foreign registration is in respect of the same goods or goods of the same description as the specified goods. As the goods covered by the Australian registration overlap with the specified goods, there is no question that the foreign registration is in respect of the same goods as the specified goods.

21. The third point that the opponent needs to show is that the goods covered by the foreign registration originate from the country of registration, that is, Australia in the present case. As the goods concerned which are clothing, footwear and


headgear are only common goods which can originate from any country and in the normal course of trade they have no particular source of supply, I am satisfied the requirement that the opponent's goods originate from Australia has been met.

22. The fourth point required to be proved by the opponent is that the foreign registration must be in respect of a mark which is identical with or so nearly resembles the suit marks as to be likely to deceive or cause confusion.

Comparison of marks

23. Confusing resemblance under section 23 should be considered in the same way as confusing resemblance is considered under section 20 (see *SANNEX & Device*, unreported decision of Acting Registrar Shum dated 26 June 1982 at page 14). The only difference being that the burden of showing confusing similarity rests on the opponent under section 23 (see *ALTINO Trade Mark*, unreported decision of Mr Kripas acting for the Registrar, 22 March 2003, paragraph 47).

24. The accepted test to be applied under section 20 of the Ordinance is that stated by Evershed J. in *Smith Hayden & Co's Application* [1946] 63 RPC 97. Adapted to the matter in hand, the test may be expressed as follows :

“Assuming user by the opponent of its Australian registered mark  in a normal and fair manner for any of the goods covered by the registration, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion amongst a substantial number of persons if the applicant also uses its marks ^A **MOOK** normally and fairly in respect of any goods covered by its proposed registration?”

25. Both the suit marks consist of the word “mook”. The only difference between the suit marks A and B is that the former is in block capitals whereas the latter is in small letters. The opponent's Australian registered mark is a composite mark comprising the word “mooks” in small letters plus a device. It is trite law that words speak louder than devices. The distinguishing feature in the composite mark is the word “mooks”. The sole feature in each of the suit marks is the virtually identical word “mook”.

26. Conceptually speaking, both “mooks” and “mook” are invented words with no inherent meaning. Neither of the words conveys any specific meaning or idea to the likely purchasers in Hong Kong and thus they do not benefit from conjuring up distinct impressions. Generally, where two words have dissimilar meanings, or one has a meaning and the other none, they will be more easily distinguished than will two words having no readily apparent meaning. Invented words may be more likely to be confused with one another than will English words or an English word and an invented word (*Shanahan’s Australian Law of Trade Marks and Passing Off*, 2nd Edition, page 175). I find that the respective marks are conceptually closely similar.

27. Turning to aural comparison, as to the opponent’s Australian registered mark, there is unlikely to be any oral reference to the device part of the mark as the device does not represent any material object or convey any specific idea to the potential purchasers. Therefore, the opponent’s Australian registered mark will be memorized and referred to as “mooks”. Undoubtedly, each of the suit marks will be referred to as “mook”. I have no difficulty in finding that the opponent’s Australian registered mark and the suit marks sound very similar to one another.

28. Visually, on the one hand, the device part in the opponent’s Australian registered mark has certain appeal to eye. It therefore serves to make the overall appearance of the opponent’s Australian registered mark somewhat different from those of the suit marks. On the other hand, the device is an abstract one which cannot easily be remembered. Moreover, one should not overlook that each of the suit marks more or less contains the main identifying feature being the word “mooks” in the opponent’s Australian registered mark. As the marks are not to be placed side by side for critical comparison and after all it is a matter of first impression, to my mind, the marks are visually similar.

Likelihood of confusion and deception

29. The opponent’s goods and the specified goods do overlap and thus they will be bought by the same people in the same trade channels. All other surrounding circumstances are the same and as the goods concerned are clothing, headgear and footwear, they are generally purchased with normal care and attention, and purchasers will make no more than averagely intelligent examination of the marks. Having taken into account of the circumstances of the trade as aforesaid and in the light of the

similarities between the marks, I do consider 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 that it might be so if the marks are applied to the same goods.

30. To conclude, I am satisfied that for the purpose of section 23 the suit marks nearly resemble the opponent's mark which is already registered in respect of the same goods in a country from which such goods originate. I therefore find that the basic ground of section 23(1) has been made out by the opponent.

Exercise of discretion under section 23

31. I now proceed to consider whether I should exercise my discretion under section 23 to refuse to register the suit marks applied for.

Whether the marks applied for are adopted from the opponent's mark

32. The leading authority on the interpretation of section 23 is *Hong Kong Caterers Ltd v Maxim's Ltd* [1983] HKLR 287. Mr Justice Hunter observed at page 301 of the judgment as follows :

“(1) Section 23

In the Assistant Registrar's view the intention of this section is to “protect marks registered in their country of origin from being copied or imitated in Hong Kong”. A similar view was expressed in the 1911 edition of Wilkinson on Trade Marks. Mr. Jeffs attempts to challenge it wholly failed. The section can be paraphrased as : “the Registrar may refuse to register a copied mark”. This is a valuable provision. It enables the Registrar to deal directly with a copy, because it is a copy. Unlike the position in the U.K. there is no need to rely upon, or in the view expressed in Kerly in paragraph 4-03 to stretch, the provisions of s.13(1). I think it means that decisions like *The Pelican* [1974] RPC 692 have no authority here. The concept has a respectable antiquity. A court of chancery could and probably would refuse an injunction to a deceptive copier for want of clean hands, per Lord Diplock in *G.E.* at page 326. Refusal of registration is the modern equivalent. P.O. Lawrence, J. expressed similar views in *Poiret* at page 88.

The Registrar's finding that the applicants had copied the opponents' mark is beyond challenge. This alone entitled him to refuse to register. I would regard this as a "practical question" in the sense that this phrase is used in National Machine Co.'s Application 58 RPC, 135 and in Reddaway & Co.'s Application 44 RPC 27, 36."

33. It is laid down in the *Maxim's case*, supra, that the whole purpose of section 23 is to prevent piracy of foreign marks. The crucial test is whether the opponent's mark registered in its country of origin is copied or imitated by the applicant in Hong Kong.

34. Based on the opponent's grounds of opposition and evidence filed under Rule 25, the opponent is an Australian company carrying on business in the designing and manufacture of clothing, footwear and fashion accessories. The opponent was formed in November 1991, being the incorporation of the former business carried on by Mr Peter John Hill and his brother, Mr Stephen David Hill, with a Mr Richard Allan, who joined them in the new business. In Hill's statutory declaration, it is stated that the mark "MOOKS" was the invention of the three of them and was an adaptation of the word "moose". They believed that "MOOKS" would be visually and phonetically more distinctive. Mr Hill also produced several variations of the mark "MOOKS" to show its evolution from its inception in 1991 to 1995 onwards (exhibits "2" to "5"). Prior to the commencement of the opponent's business in 1991, the three of them had applied for and obtained registration of the mark "MOOKS & device" for clothing, footwear and headgear in class 25 in Australia. The registration was subsequently assigned to the opponent in 1997. The opponent was also once the registered proprietor in Hong Kong of the trade mark "MOOKS" in respect of clothing, footwear and headgear in class 25 under registration no. 3715 of 1995. However, due to an administrative slip, the mark was removed for non-payment of renewal fee.

35. Since 1991, the opponent's goods bearing the mark "MOOKS" have been distributed worldwide in large department stores and specialty fashion retail shops in Australia, Germany, Italy, Japan, the United Kingdom, Singapore, Switzerland, the United States of America, Malaysia, New Zealand, Indonesia, France, Taiwan, Canada and Panama.

36. Between 1994 and 1996, the opponent's goods bearing the opponent's

mark "MOOKS" were sold to and made available at Lane Crawford Express in Times Square, Causeway Bay, Hong Kong. Copies of the invoices showing the sale of the opponent's goods to Lane Crawford Express were produced in exhibit "17" to Hill's statutory declaration. Sales of the opponent's goods to Lane Crawford Express ceased in January 1996 due to the financial instability of Lane Crawford Express at that time. However, the opponent claims that despite the closure of Lane Crawford Express in Hong Kong, it had not given up marketing the mark in Hong Kong and had been in contact with potential distributors in Hong Kong from time to time. For instance, the opponent shipped its goods including clothing, footwear and headgear to a Hong Kong distributor in January and August 2000. Copies of relevant commercial and shipping documents were attached to exhibit "18" to Hill's statutory declaration.

37. In 1996, the opponent was approached by a Hong Kong based lawyer who was interested in purchasing the opponent's trade mark. Upon investigation, the opponent found that the lawyer represented the applicant. Since then, the opponent was made aware of the existence of the applicant and the suit marks under opposition which are considered to be substantially similar to and/or nearly resemble the opponent's mark. A High Court action was commenced by the opponent in 1997 against the applicant for trade mark infringement and passing off by reason of the applicant's use of the mark "MOOK" in Hong Kong (paragraph 18 of Hill's statutory declaration).

38. In the face of all the opponent's assertions and evidence set out above, it is telling that the applicant is completely silent on the origin of adoption of the suit marks as its marks and whether it had knowledge of the opponent's mark in its counter-statement. Further, the applicant chose not to file any evidence in support of its application or in reply to the opponent's evidence under Rule 26.

39. As I have found above, the opponent's Australian registered mark and the suit marks do nearly resemble one another. The sole feature in each of the suit marks is undoubtedly the word "MOOK" which is virtually identical to the most essential feature in the opponent's Australian registered mark being the word "MOOKS", bearing in mind that "MOOK" is an invented word and was coined by the opponent in as early as 1991. I also take into account the history of the opponent's use of the "MOOKS" mark in its home country, Australia and overseas including Hong Kong before the application date. In all the circumstances of the case, it is

quite impossible for me to treat the case as one of coincidence and to take the view that in adopting the suit marks as its trade marks, the applicant had no regard to the opponent's mark. In fact, the applicant must have been aware of the opponent's mark in 1996 when its lawyer approached the opponent which was well before the application date for the registration of the suit marks in 2003. On balance, I find there is an irresistible inference that the suit marks were copied or imitated from the opponent's Australian registered mark. This weighs heavily against registration of the suit marks.

40. Apart from the copying point, there are other factors which should be taken into account by me including the type and source of supply of the goods or services; whether the suit marks had been used in Hong Kong at the application date and the extent of such use; and whether the opponent's mark had been used in Hong Kong or was known to a number of persons in Hong Kong at the application date and the extent of such use or knowledge (*SANNEX & device*, supra, at page 16).

Whether the marks applied for have been used in Hong Kong at the application date and the extent of such use

41. The applicant has not asserted in its counter-statement and certainly has not proved, by way of filing evidence, use of the suit marks in Hong Kong at the application date.

Whether the opponent's mark had been used in Hong Kong or was known to a number of persons in Hong Kong at the application date and the extent of such use or knowledge

42. It is clear from the evidence that the opponent's goods were offered and sold to the public in Hong Kong by the Lane Crawford Express in Times Square between 1994 and 1996. However, the sales stopped in 1996 following the cessation of business of Lane Crawford Express. Apart from two isolated instances of shipments of the opponent's goods to a Hong Kong distributor, Wind n Surf Ltd., in 2000, there had been no sales of the opponent's goods in Hong Kong from 1997 up to the application date in January 2003. There has also been no advertising of the opponent's mark in Hong Kong since 1998. Moreover, as shown by the invoices and advertising materials produced in Hill's statutory declaration (exhibits "17" to "22"), the opponent's marks shown to be in actual use are as follows :



It seems to me that the opponent used the mark "MOOKS" together with a device different from that contained in the opponent's Australian registered mark in Hong Kong in 1994, 1995, 1996 and 2000. In the circumstances, I find that the essential feature in the opponent's Australian registered mark being the word "MOOKS" had to certain extent been used in Hong Kong for a number of years although the use had ceased for some years immediately preceding the application date. However, when I balance the use of the opponent's marks incorporating the word "MOOKS", albeit limited, against no proven use of the suit marks at all, I incline to consider this factor in favour of the opponent.

The type and source of supply of the goods

43. If the goods in question originate only from one country, this is a factor which should be weighed in favour of the opponent. If the goods in question originate from all sorts of countries, this should be weighed in favour of the applicant (see *NORTH POLE Trade Mark*, supra, at page 12). As the goods in question being clothing, footwear and headgear originate from all over the world, therefore, this factor should be weighed in favour of the applicant.

44. Having taken into account the above matters and the intention of section

23, on balance, I have decided to exercise my discretion to refuse registration of the suit marks. Accordingly, the opposition under section 23 succeeds.

Under section 12(1)

45. Having decided the opposition under section 23, I do not think I need to consider the opposition under section 12(1).

Under section 13(2)

46. As the opponent has succeeded in the opposition under section 23, the exercise of my discretion under section 13(2) of the Ordinance does not arise.

Costs

47. The opponent 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 its costs. I accordingly order that the applicant pays the costs of these proceedings.

48. 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. 4A) 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

13 February 2009