

**TRADE MARKS ORDINANCE (CAP. 559)**

**APPLICATION NO. : 300012455**

**APPLICANT : MOVADO WATCH COMPANY S.A.**

**CLASS : 14**

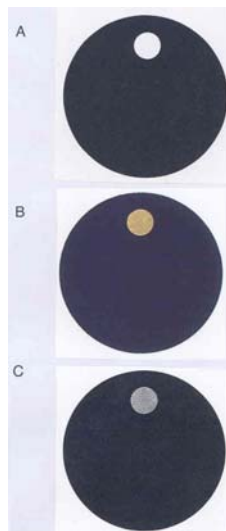
**MARK : Device**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 30 April 2003, Movado Watch Company S.A. (“the applicant”), represented by Messrs Wilkinson & Grist, applied, pursuant to the provisions of the Trade Marks Ordinance (Cap. 559) (“the Ordinance”), to register a series of four trade marks in class 14.
2. By letter of 21 May 2003, the Registrar advised the applicant that he did not consider that the second mark could form part of the series under section 51(3) of the Ordinance. In response to this, on 12 June 2003, the applicant filed Form T5B to delete the second mark from the series, resulting in an application to register a series of three trade marks as follows (“the subject mark”):



3. The subject mark is sought to be registered in respect of the following goods:

“watches, parts and fittings therefor; horological and chronometric instruments; all included in Class 14.”

4. The applicant claims the colours black and gold as elements of mark “B” in the series, and the colours black and silver as elements of mark “C” in the series. The applicant has also included in the subject application the following disclaimer:

“Registration of this trade mark shall give no right to the exclusive use of the circular shape of a watch face.”

5. At the examination stage, objections were raised under sections 11(1)(b), 11(1)(c) and 11(3)(b) of the Ordinance. The applicant filed evidence of use to overcome the objections. The Registrar maintained the section 11(1)(b) and 11(3)(b) objections but did not pursue the section 11(1)(c) objection.
6. On 28 February 2005, the applicant requested a hearing on the registrability of the subject mark. A hearing had been scheduled for 25 October 2005 and rescheduled to 16 February 2006 upon the applicant’s request. The applicant filed notice of attendance of the hearing on Form T12 on 7 September 2005. The hearing was further adjourned to 16 March 2006 upon the applicant’s request. By letter of 25 January 2006, the applicant indicated that it would file written representations and further evidence in lieu of appearing at the hearing. The applicant subsequently filed written submissions and further evidence on 15 and 17 March 2006 respectively. I accordingly proceed to decide the matter without a hearing in accordance with rule 75 of the Trade Marks Rules (Cap. 559 sub. leg.).

### **The Trade Marks Ordinance**

7. Section 11 of the Ordinance is in the following terms:

“(1) Subject to subsection (2), the following shall not be registered –

...

(b) trade marks which are devoid of any distinctive character;

...

(2) A trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

...

(3) A sign shall not be registered as a trade mark in relation to goods if it consists exclusively of-

....

(b) the shape of goods that is necessary to obtain a technical result; or

...”

## **Decision**

### Section 11(1)(b) of the Ordinance

8. Section 11(1)(b) of the Ordinance precludes from registration signs which are devoid of any distinctive character.
9. For a mark to possess distinctive character within the meaning of section 11(1)(b), it must serve to identify the products in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish those products from products of other undertakings (*Linde AG v Deutsches Patent-und Markenamt* [2003] R.P.C. 45 at para. 40). It must fulfil the essential function of a trade mark which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. It must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality (*Henkel KGAA v Deutsches Patent-und Markenamt* [2005] E.T.M.R. 45 at para. 30).
10. A trade mark’s distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of relevant persons, namely, the consumers of the goods and services. This means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (*Linde AG v Deutsches Patent-und Markenamt* [2003] R.P.C. 45 at para. 41).
11. The subject mark is sought to be registered in respect of watches, parts and fittings therefor; horological and chronometric instruments. Relevant consumers of these goods are members of the general purchasing public. The subject mark consists of a black circle circumscribing a smaller circle at the top, or at the ‘twelve o’clock’ position. The colours of the smaller circles in marks “A”, “B”, and “C” in the series are white, gold and silver, respectively.
12. The applicant submits that the subject mark is distinctive because of the simplicity of the design and because the design is unique among watches. However, in deciding that a

mark is distinctive for registration, I must be satisfied that it will be perceived by consumers as a badge of trade origin, identifying the applied-for goods as originating from a particular undertaking and distinguishing them from goods of other traders.

13. Consumers are more inclined to recognise a word, device or logo, as opposed to the appearance of the product itself, as a mark identifying the trade origin of the goods. I consider that consumers seeing the subject mark on the applied-for goods will perceive it as a watch dial, or as a feature of the watch, rather than as a badge of trade origin.
14. There is the applicant's submission that the design is unique. I note that although there are other available shapes for watch dials, a circular shape is by far the most common. Leaving aside digital watches, most wrist watch dials mark the twelve o'clock position with a marker of some sort: a dot, dash, numeral or device. Simple, black coloured watch dial designs are also popular. This is evident from other traders' watch designs shown in the registered design applications (in particular, design nos. 9802186.2, 0311500.7M003 and 9801261.0) which are provided under the cover of the applicant's letter of 28 February 2005. To my mind, the subject mark would be seen as simply a design of a particular style of watch dial, somewhat similar in appearance to other simple, black coloured designs offered by a number of other watch manufacturers.
15. Even if the subject mark is not the same as designs produced by other traders, there is nothing about the appearance of it that makes it distinctive as a badge of origin of the applicant's products. Consumers are likely to perceive it simply as the design of a particular style of watch dial and are unlikely to rely on it as an indication that watches bearing it come from a particular undertaking. Accordingly I consider the subject mark to be devoid of any distinctive character. The disclaimer offered by the applicant cannot assist. The objection under section 11(1)(b) of the Ordinance is maintained.

#### Section 11(2) of the Ordinance

16. Section 11(2) of the Ordinance provides that a trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.
17. In support of the subject application, the applicant has filed the following declarations:
  - (a) First Statutory Declaration of Timothy F. Michno made on 24 May 2004 ("First Statutory Declaration of Timothy F. Michno") - Exhibit E to the declaration includes a total of 12 statutory declarations made by persons working for authorized dealers of the applicant's products and persons

whose jobs involve daily contact with watches and clocks of different brands);

- (b) Statutory Declaration of Timothy F. Michno made on 14 March 2006 (“Second Statutory Declaration of Timothy F. Michno”);
  - (c) Statutory Declaration of Li Pui Wah made on 15 March 2006
  - (d) Statutory Declaration of Lai Chi Ki made on 14 March 2006
18. A trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings (*Windsurfing Chiemsee Produktions-und Vertriebs GmbH v. Boots- und Segelzubehör Walter Huber and Franz Attenberger* [1999] E.T.M.R. 585, at para. 54, on the interpretation of Article 3(3) of the First Council Directive 89/104/EEC of 21 December 1988, which is broadly similar to section 11(2) of the Ordinance).
19. With this principle in mind, I turn to consider the statutory declarations filed in support of the subject application.

*First and Second Statutory Declarations of Timothy F. Michno*

20. Evidence of use of the subject mark is provided in the First Statutory Declaration of Timothy F. Michno. In paragraph 3 of the declaration, Mr Michno declares that the subject mark consists of the design of a dial face of the Applicant’s “Museum Watch”. Mr Michno declares in paragraph 4 that the applicant first used the subject mark in Hong Kong in 1985 and he sets out sales and advertising figures from 1998 to 2003 in paragraphs 8 and 10 respectively. The average sales and advertising figures are approximately HK\$7,200,000 and HK\$1,500,000, respectively.
21. A sample catalogue for the applicant’s “Museum Watch” and advertisements in newspapers and magazines are shown in Exhibits “B” and “C”, respectively. It is not clear whether the catalogue and some of the newspapers and magazines circulate in Hong Kong. Additionally, some advertisements are either undated or date after the application date of the subject application. They are not therefore relevant for the purpose of section 11(2). From the advertisements which are placed in Hong Kong newspapers and magazines and which pre-date the subject application, it can be seen that the words “SWISS MOVADO MADE” or “SWISS MOVADO QUARTZ” invariably appear at the ‘six o’clock’ position on the dial face of various models or versions of the applicant’s Museum Watch: a point that I deal with in paragraph 24 below.

22. At paragraphs 5 to 6 of the declaration, Mr Michno explains how the designer of the “Museum Watch” came up with the design. He also declares that the Museum watch design has been selected as one of the permanent collections by The Museum of Modern Art in New York in 1960, and is featured in various prominent museums around the world. Mr Michno further states that the design has been acclaimed by various eminent persons.
23. Turning to the Second Statutory Declaration of Timothy F. Michno, Exhibit TFM-1 to the declaration shows extracts from various books about watches, which describe the applicant’s history and its Museum Watch. Exhibit TFM-2 consists of a total of 66 documents. A brief description of each document is provided. Documents nos. 1 to 27 include articles which discuss or feature various models or versions of the applicant’s Museum Watch, the applicant’s own brochures and testimonials written by various eminent persons regarding the Museum watch, etc. Documents nos. 28 to 66 contain extracts from various magazines in which advertisements of various models or versions of the applicant’s Museum Watch appear. However, as it is not apparent that these magazines have circulation in Hong Kong, they are of little relevance in establishing that the subject mark has in fact acquired a distinctive character under section 11(2). Mr Michno avers that the documents demonstrate the Applicant’s long history and goodwill based on the “Museum Watch” and the distinctiveness of the design.
24. I have considered the evidence. However, I note that the subject mark is used by the applicant as the dial face design of some of its watches rather than as a badge of trade origin. Although the sales figures for the applicant’s goods bearing the subject mark may be substantial, and the subject mark may be recognised as an attractive and elegant design, there is nothing in the evidence that shows that customers perceive it as a badge of trade origin. Further, the applicant’s use of the subject mark with the distinctive mark “MOVADO” suggests that it is “MOVADO” that consumers would rely on as the indication of the trade source of the goods.
25. As stated by Jacob J. in *British Sugar Plc v James Robertson & Sons Ltd.* [1996] R.P.C. 281, at 286:
- “mere evidence of use of a highly descriptive or laudatory word will not suffice, without more, to prove that it is distinctive of one particular trader – is taken by the public as an indication of trade origin. This is all the more so when the use has been accompanied by what is undoubtedly a distinctive and well-recognised trade mark.”
26. The same principle applies to a mark which inherently lacks distinctive character and for this reason I consider that the subject mark will not, on its own, be taken by consumers as an indication of the trade origin of the applied-for goods.

27. The applicant refers me to European Court of Justice (“ECJ”) decision *Société des Produits Nestlé SA v Mars UK Ltd (HAVE A BREAK)* [2006] F.S.R. 2 (Case C-353/03), in which it is held, at paragraph 32, that the distinctive character of a trade mark may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark. I take note of the decision, but in considering whether the subject mark has acquired a distinctive character as a result of use made of it, the critical consideration is whether the subject mark will independently be relied on by customers as a badge of trade origin which identifies the goods as originating from a single undertaking. For the reasons given, I am not satisfied that the subject mark will be relied on as a badge of trade origin.
28. I have considered the statutory declarations included in Exhibit E to the First Statutory Declaration of Timothy F. Michno. In these declarations, persons working for authorised dealers of the applicant’s products, or whose jobs involves daily contact with watches and clocks of different brands aver that the Museum Watch dial face design identifies the Applicant. However, these views lend little assistance to my assessment of whether the mark has, through use, acquired a distinctive character, since the question needs to be assessed from the perspective of the average consumer of the applied-for goods, rather than the perspective of persons in the trade (*Dualit Ltd’s (Toaster Shapes) Trade Mark Applications* [1999] RPC 890 at 898-899).

*Statutory declarations of Li Pui Wah and Lai Chi Ki*

29. The statutory declarations of Li Pui Wah and Lai Chi Ki give details of surveys carried out by two authorized dealers of the applicant, namely, King’s Watch Co and May’s Jewellery Watch Co. Both dealers invited their customers to complete a questionnaire prepared by the applicant. A total of four customers completed the questionnaire: Simon Lee and Raymond Li (customers of King’s Watch Co.) and Lo Wai Ming and 唐麗斯 (customers of May’s Jewellery Watch Co.) (“the respondents”).
30. The questionnaire exhibits specimens of the subject mark at Exhibit A. In question 2, of the questionnaire, the respondents were asked to complete the sentence ‘I recognize the specimens shown as “Exhibit A” as...’, and in question 3, the sentence ‘I consider the specimens shown as “Exhibit A belongs to or are associated with...’. In question 5, respondents were asked to indicate whether they are aware of other reputable companies that also use the specimens shown as “Exhibit A”. The completed questionnaires are included as exhibits to the statutory declarations. In answer to question 2, the respondents filled in either ‘Movado watches’, ‘the design of Movado watches’, or ‘watches currently designed by Movado’. Mr Simon Lee even listed specific models of the applicant’s watches. To question 3, Mr Simon Lee answered “Movado watches for models as listed in #2”, and Mr Raymond Li answered “Movado watch”. The other two respondents answered ‘sun’ and ‘Tai-Chi’ devices respectively. To question 5, all

respondents answered that they were not aware of other reputable companies that also used the specimens shown as “Exhibit A”. However Mr Simon Lee remarked that there were some ‘low class’ shops selling quartz watches with a similar black face and gold/white/silver/diamond design under other brand names.

31. I have considered the survey evidence, but it does not assist in substantiating that the subject mark has acquired distinctive character. Firstly, the number of respondents involved in the survey is too small to be statistically significant. Secondly, the survey is targeted at the customers of only two shops. I do not consider that the respondents are sufficiently representative of the public, namely, consumers of watches and clocks in general (*Imperial Group Plc & Another v Philip Morris Limited v Another (Raffles)* [1984] R.P.C. 293). Additionally, even if the survey shows that the respondents recognise the subject mark as a design of the applicant’s watches, it does not show that the respondents will recognise it as a badge or trade origin which identifies that watches bearing it originate exclusively from the applicant rather than other traders. I maintain that customers will rely on the applicant’s mark “MOVADO” for this purpose. If anything, Mr Simon Lee’s remark in answer to question 5 of the questionnaire may mean he is aware that designs similar to the subject mark are used by other watch traders. If so, it indicates that despite his recognition of the subject mark, he may not expect that watches bearing the design should originate only from the applicant.

#### *Conclusion on evidence filed*

32. Considering all the evidence, I consider the applicant has not demonstrated that before the date of application for registration, the subject mark has in fact acquired a distinctive character as a result of the use made of it under section 11(2) of the Ordinance. The objection under section 11(1)(b) must be maintained accordingly.

#### Section 11(3)(b) of the Ordinance

33. As I have found the subject application is objectionable under section 11(1)(b), I do not need to consider whether an objection under section 11(3)(b) is also applicable.

#### Reference to other registered marks and overseas registrations

34. At paragraph 7 of the First Statutory Declaration of Timothy F. Michno, it is stated that the subject mark has been accepted as a Community Trade Mark in the European Communities and has been accepted for registration in other Far East and European countries. Copies of the registration particulars of the overseas registrations are shown at Exhibit A to the statutory declaration.

35. I have considered the overseas registrations shown at the declaration. However, national trade mark rights are territorially limited and granted independently of each other. The bare fact of registration in other jurisdictions is not sufficient to establish that a sign is eligible for registration here (*Automotive Network Exchange Trade Mark* [1998] R.P.C. 885 at 887). I must examine the registrability of the subject mark against the registration requirements laid down in the Ordinance and against the principles established in case law, not simply on the bare fact of acceptances in other jurisdictions. Since I have found valid reasons for refusing the subject application, I should not simply follow the acceptances of other overseas registries.

### **Conclusion**

36. In this decision, I have carefully considered all statutory declarations and documents filed and all written submissions made by the applicant. For the reasons given, I consider that the subject mark is precluded from registration by section 11(1)(b) of the Ordinance. The subject application is accordingly refused under section 42(4)(b) of the Ordinance.

Simon Chan  
for Registrar of Trade Marks  
28 July 2006