

TRADE MARKS ORDINANCE (CAP. 559)

**APPLICATION FOR DECLARATION OF INVALIDITY OF TRADE MARK
REGISTRATION NO. 300019746**

MARK :



CLASSES : 25, 34

APPLICANT : DUNHILL TOBACCO OF LONDON LIMITED

REGISTERED OWNER : WUHU CIGARETTE FACTORY

STATEMENT OF REASONS FOR DECISION

Background

1. On 19 May 2006, Dunhill Tobacco of London Limited (“Applicant”) made an application (“Application”) to the Registrar of Trade Marks under the Trade Marks Ordinance (Cap. 559) (“Cap. 559”) for a declaration of invalidity of the registration of the following mark (“subject mark”):



(Trade Mark No. 300019746).

2. Registration of the subject mark was granted on an application for registration made on 16 May 2003 (“Filing Date”). The subject mark is registered as of that date in the name of Wuhu Cigarette Factory (“Registered Owner”) in respect of the following goods (“subject goods”):

Class 25

clothing; T-shirts; shirts; sweaters; suits; coats; jackets; sports jerseys; underwear; clothing of leather; layettes; swimsuits; shoes; caps and

hats; hosiery; gloves; neckties; shawls; girdles; headgear; footwear.

Class 34

tobacco; cigars; cigarettes; snuff; cigarette tips; tobacco pipes; cigarette cases, not of precious metal; ashtrays, not of precious metal, for smokers; matches; lighters for smokers; cigarette filters; cigarette paper; smokers' articles.

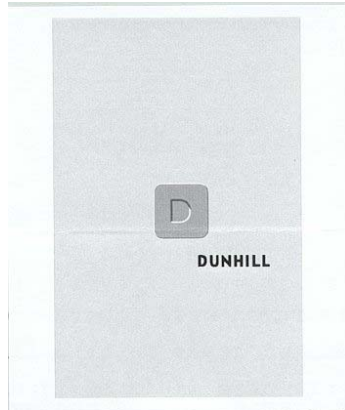
3. The Application on Form T6 was duly served on the Registered Owner. As the Registered Owner did not file a counter-statement within the prescribed period, the Application is treated as unopposed by the Registered Owner under rule 41(3) (as applied by rule 47) of the Trade Marks Rules (Cap.559 sub.leg.).
4. The Applicant's evidence consists of:
 - (a) a statutory declaration of Nicholas John Mercer declared on 15 May 2007 ("Mercer's 1st Declaration"); and
 - (b) a supplementary statutory declaration of the same Nicholas John Mercer declared on 31 July 2007 ("Mercer's 2nd Declaration").
5. The hearing in respect of the Application took place before me on 1 March 2010. Ms. Maria Smith of Messrs. Baker & McKenzie attended the hearing on behalf of the Applicant. The Registered Owner did not attend the hearing.

Grounds of the Application

6. Although the Applicant pleaded a number of grounds when it filed the Application in May 2006, at the hearing, the Applicant only relied on the grounds under the following sections of Cap. 559:
 - (i) sections 53(5)(a) and 12(3);
 - (ii) sections 53(5)(b) and 12(5)(a);
 - (iii) sections 53(5)(b), 12(4);

(iv) sections 53(3) and 11(5)(b).

For the purposes of (i), (ii) and (iii) above, the Applicant relied in particular on the following mark (“Applicant’s Mark”):



(Trade Mark No. 200204733) registered as of 23 November 2000 in respect of the following goods (“Applicant’s Goods”):

“cigarettes; cigars; cigarillos; pipe tobacco; rolling tobacco for smokers; tobacco and tobacco products for smoking; all included in Class 34”.

The material date

7. The material date at which validity of the registration of the subject mark is to be determined is the Filing Date, i.e. 16 May 2003.

The ground under sections 53(5)(a) and 12(3) of Cap. 559

8. Section 53(5)(a) of Cap. 559 provides, *inter alia*, as follows:

“...the registration of a trade mark may also be declared invalid on the ground-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 12(1), (2) or (3) (relative grounds for refusal of registration) apply;”.*

9. Section 12(3) of Cap. 559 provides that:

“A trade mark shall not be registered if-

- (a) the trade mark is similar to an earlier trade mark;*
- (b) the goods or services for which the application for registration is made are identical or similar to those for which the earlier trade mark is protected; and*
- (c) the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”*

10. Section 12(3) of Cap. 559 essentially prohibits the registration of a trade mark which would be likely to cause confusion on the part of the public as a result of its being similar to an earlier trade mark and because it is to be registered in respect of goods or services the same as or similar to those the subject of the earlier trade mark. A trade mark which has been registered in contravention to section 12(3) of Cap. 559 may be declared invalid under section 53(5)(a) of Cap. 559.

11. According to section 7(1) of Cap. 559, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.

12. The Applicant’s Mark has a date of application for registration which is earlier than that of the subject mark. According to section 5(1)(a) of Cap. 559, the Applicant’s Mark is an earlier trade mark in relation to the subject mark.

13. The basic principles regarding the assessment of similarity between signs and the likelihood of confusion between them are set out in *Julius Sämann Ltd v Tetrosyl Ltd* [2006] F.S.R. 42 at para. 51, which have been adopted in *Guccio Gucci SpA v Gucci* [2009] 5 HKLRD 28. They are as follows:

- (a) The likelihood of confusion must be appreciated globally, taking account of all the relevant factors: *Sabel BV v Puma AG* [1998] R.P.C. 199 at paras.22-24;
- (b) The matter must be judged through the eyes of the average consumer of the goods in issue, who is deemed to be reasonably well informed

and reasonably observant and circumspect: *Sabel BV v Puma AG* at paras.22-24; *Lloyd Shuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] F.S.R. 77 at paras. 26-27;

- (c) In order to assess the degree of similarity between the marks concerned the court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements taking into account the nature of the goods in question and the circumstances in which they are marketed: *Lloyd Shuhfabrik Meyer & Co GmbH v Klijsen Handel BV* at paras.27-28;
- (d) The visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. The perception of the marks in the mind of the average consumer plays a decisive role in the overall appreciation of the likelihood of confusion: *Sabel BV v Puma AG* at paras.22-24;
- (e) The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details: *Sabel BV v Puma AG* at paras.22-24;
- (f) There is a greater likelihood of confusion where the earlier trademark has a highly distinctive character, either per se or because of the use that has been made of it: *Sabel BV v Puma AG* at paras.22-24;
- (g) The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; further the average consumer's level of attention is likely to vary according to the category of goods in question: *Lloyd Shuhfabrik Meyer & Co GmbH v Klijsen Handel BV* at paras.26-27;
- (h) Appreciation of the likelihood of confusion depends upon the degree of similarity between the goods. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*: *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117 at paras.17-28;
- (i) Mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purpose of the assessment: *Sabel*

BV v Puma AG at para.26;

- (j) But the risk that the public might believe that the goods come from the same or economically linked undertakings does constitute a likelihood of confusion within the meaning of the section: *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* at paras.29-30.

Relevant public

14. The subject goods consists of items of clothing, headgear and footwear in Class 25 and tobacco, cigars, cigarettes and various smokers' articles in Class 34. The average consumer of these goods is any ordinary member of the public interested in these goods. Some of the subject goods, for example cigarettes, are less expensive than others and may be consumed within a short period of time after purchase. Others are more durable and can be more expensive. The average consumer of the subject goods is deemed to be reasonably well informed and reasonably observant and circumspect. The degree of attention he pays to the marks on these goods may vary with their prices.

Distinctiveness of the Applicant's Mark

15. In determining the distinctive character of an earlier trade mark, I must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and

professional associations (*Windsurfing Chiemsee v Huber and Attenberger* [1999] E.C.R. I-2779; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* (supra)).

16. The Applicant's Mark (appearing at paragraph 6 above) consists of a rectangle, at the centre of which is a square enclosing a capital letter "D", and beneath the square and slightly to the right is the word "DUNHILL".

17. Registration of the Applicant's Mark is subject to the following disclaimer¹:

"Registration of this Trade Mark shall give no right to the exclusive use of the letter "D"."

18. In relation to disclaimers, section 15 of Cap. 559 provides, *inter alia*, that:

"(1) An applicant for registration of a trade mark, or the owner of a registered trade mark, may –

(a) disclaim any right to the exclusive use of any specified element of the trade mark;

...

(2) Where the registration of a trade mark is subject to a disclaimer, limitation or condition, the rights in the registered trade mark conferred by this Ordinance are restricted accordingly."

19. The entry of a disclaimer should be regarded as an admission by the proprietor that – in any proceedings based upon the registration with the disclaimer – the disclaimed matter is not to be regarded as in itself distinctive of the trade origin of the proprietor's goods or services (*PACO/PACO LIFE IN COLOUR Trade Marks* [2000] R.P.C. 451 at 467). Thus, the letter "D" in the Applicant's Mark is not to be regarded as in itself distinctive of the Applicant's Goods.

¹ The Applicant's Mark was registered under the repealed Trade Marks Ordinance (Cap. 43). Pursuant to section 2(1), Schedule 5 to Cap. 559, the Applicant's Mark shall be deemed to be transferred on 4 April 2003 to the new register under Cap. 559 and, subject to Schedule 5 to Cap. 559, is deemed to be registered under Cap. 559. Pursuant to section 3(2), Schedule 5 to Cap. 559, any entry in the old register under Cap. 43 of a disclaimer which relates to an existing registered mark shall be deemed to be transferred to the new register under Cap. 559 and shall have effect as if entered in the new register in accordance with Cap. 559.

20. The word “DUNHILL” in the Applicant’s Mark has no dictionary meaning. It is highly distinctive in relation to the Applicant’s Goods.
21. Taking the Applicant’s Mark as a whole, I find that it has inherent distinctive character. As to whether the distinctiveness of the Applicant’s Mark has been enhanced through use of the mark in Hong Kong before the Filing Date, I turn to consider the Applicant’s evidence.
22. Mercer’s 2nd Declaration merely corrected a typographical error in the heading of Mercer’s 1st Declaration. I would therefore focus on Mercer’s 1st Declaration.
23. According to Mercer’s 1st Declaration, the Applicant is a member of the British American Tobacco Group of companies which has been principally engaged in the business of manufacturing and selling cigarettes since 1902.
24. Paragraph 16 of Mercer’s 1st Declaration sets out sales figures for “the Goods” sold by the Applicant under “the Trade Marks” in Hong Kong for, *inter alia*, the years 2001 to 2003. The term “the Goods” is defined in paragraph 14 of Mercer’s 1st Declaration as “cigarettes, tobacco and tobacco products” in Class 34’. The term “the Trade Marks” is defined in the same paragraph by reference to a list of 40 trade marks of the Applicant registered or applied for in Hong Kong². Although paragraph 16 of Mercer’s 1st Declaration gives the aggregate sales figures for “the Goods” sold by the Applicant under those 40 trade marks, there is no breakdown of the sales figures for goods sold under the Applicant’s Mark. Similarly, whereas paragraph 17 of Mercer’s 1st Declaration sets out the amounts spent on promoting “the Goods” under “the Trade Marks” in Hong Kong for, *inter alia*, the years 2001 to 2003, there is no breakdown of these figures for promotion of goods under the Applicant’s Mark. These sales figures and figures for the amounts spent on promotion given in Mercer’s 1st Declaration therefore do not in any way indicate the extent to which the Applicant’s Mark has been used in Hong Kong, if at all.
25. Moreover, according to paragraph 11 of Mercer’s 1st Declaration, the Applicant’s Mark was not launched until 2002 in South Africa and 2004 in Hong Kong. In other words, the Applicant’s Mark was not launched in Hong

² The list appears at Exhibit “XX-5” to Mercer’s 1st Declaration.

Kong until after the Filing Date. It is, therefore, not surprising that no evidence of any use of the Applicant's Mark in Hong Kong before the Filing Date can be found in any of the exhibits to Mercer's 1st Declaration.

26. I have already found that the Applicant's Mark is inherently distinctive. Having fully considered the Applicant's evidence, I consider that the distinctiveness of the Applicant's Mark has not been enhanced through use of the mark in Hong Kong before the Filing Date.

Comparison of goods

27. The well known tests for assessing similarity in goods are found in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* (supra) and *British Sugar Plc v James Robertson & Sons Ltd.* [1996] R.P.C. 281. These require considerations of all relevant factors relating to the goods including, *inter alia*, their nature, intended purpose, method of use, whether the goods are in competition with each other or are complementary, as well as their users and the channels through which they reach the market.
28. Applying these considerations, I agree with the submission of Ms. Smith at the hearing that those of the subject goods which are in Class 34 are similar, if not identical, to the Applicant's Goods.
29. Ms. Smith very sensibly accepted at the hearing that those of the subject goods which are in Class 25 are not similar to the Applicant's Goods. Applying the considerations referred to in paragraph 27 above, that must be right.

Comparison of marks

30. The subject mark consists of two capital letter "D"s, one inside the other.
31. The Applicant's Mark has been described in paragraph 16 above. As pointed out in paragraphs 19 and 20 above, the letter "D" in the Applicant's Mark is

not to be regarded as in itself distinctive, whilst the word “DUNHILL” is highly distinctive, in relation to the Applicant’s Goods. The word “DUNHILL” is the dominant and distinctive element in the Applicant’s Mark.

32. It is the Applicant’s submission that the dominant and only element of the subject mark is the letter “D”.
33. Registration of the Applicant’s Mark is subject to the disclaimer that it shall give no right to the exclusive use of the letter “D”.
34. According to *TORREMAR Trade Mark* [2003] R.P.C. 4, an objection under section 5(2) of the UK Trade Marks Act 1994³ cannot succeed in a case where the resemblance between the marks in issue is attributable to nothing more than the presence in the earlier trade mark of an element for which protection has been disclaimed: *PACO/PACO LIFE IN COLOUR Trade Marks* [2000] R.P.C. 451.
35. Having regard to the degree of visual, aural and conceptual similarity between the subject mark and the Applicant’s Mark, I find that the resemblance between the subject mark and the Applicant’s Mark is attributable to nothing more than the presence in the Applicant’s Mark of the letter “D”, for which protection has been disclaimed.
36. I find that the Applicant’s Mark is not similar to the subject mark.

Likelihood of confusion

37. Applying the global appreciation test and taking into account all relevant factors, including the disclaimer in respect of the letter “D” in the Applicant’s Mark, I find that despite the fact that those of the subject goods which are in Class 34 are similar, if not identical, to the Applicant’s Goods, the subject mark is not similar to the Applicant’s Mark such as to be likely to cause confusion on the part of the public when the subject mark is used in relation to those of the subject goods in Class 34. As those of the subject goods which are in Class 25 are not similar to the Applicant’s Goods, and given that the

³ Similar to section 12(2), (3) of Cap. 559.

subject mark is not similar to the Applicant's Mark, use of the subject mark in relation to those goods in Class 25 would, *a fortiori*, not be likely to cause confusion on the part of the public.

38. The ground under sections 53(5)(a) and 12(3) of Cap. 559 is not made out.

Overseas decision

39. Included at Exhibit "XX-8" to Mercer's 1st Declaration is a copy of an English translation of a decision of the Korean Intellectual Property Office in 2006 ("Korean Decision") in respect of a successful opposition by the Applicant against an application for registration filed by the Registered Owner in Korea for registration of the subject mark. The copy of the translated Korean Decision as appearing at Exhibit "XX-8" does not include any representation of the prior registered marks relied on by the Applicant in the relevant opposition proceedings. There is no evidence as to the conditions upon which those prior marks were registered in Korea, including whether there was any disclaimer in respect of the letter "D". All I can tell is that there is no mention of such disclaimer in the Korean Decision itself. There is no evidence as to whether the applicable law in Korea is the same as that in Hong Kong. On the facts before me, I am not satisfied that the same considerations that were taken into account in arriving at the Korean Decision apply equally in the present case. I do not find the Korean Decision to be of assistance to the Applicant in this case.

The ground under sections 53(5)(b) and 12(5)(a) of Cap. 559

40. Section 53(5)(b) of Cap. 559 provides, *inter alia*, as follows:

"... the registration of a trade mark may also be declared invalid on the ground –

...(b) that there is an earlier right in relation to which the condition set out in section 12(4) or (5) (relative grounds for refusal of registration) is satisfied."

41. Section 12(5)(a) of Cap. 559 provides, *inter alia*, as follows:

“(5) ... a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented –

- (a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of passing off); ...

and a person thus entitled to prevent the use of a trade mark is referred to in this Ordinance as the owner of an “earlier right” in relation to the trade mark.”

42. The relevant question is whether normal and fair use of the subject mark for the purpose of distinguishing the subject goods from those of other undertakings was liable to be prevented at the Filing Date by an action of passing off.
43. The elements of the tort of passing off as formulated by Lord Oliver in the *JIF* case⁴ have been repeatedly relied upon⁵. Having said that the questions which arise are, in general, questions of fact, he said :

*“The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. **First**, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. **Second**, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. **Third**, he must demonstrate that*

⁴ *Reckitt & Colman Products Limited v. Borden* [1990] R.P.C. 341, 406, [1990] 1 All ER 873, 880.

⁵ Applied in e.g. *Ping An Securities Ltd v 中國平安保險 (集團) 股份有限公司*, FACV 26/2008 (12 May 2009).

he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff." (emphasis added)

44. In the context of a challenge to trade mark registrations, there may be no actual conduct of the defendant at the material date of application for registration. For that reason, it is necessary to postulate any normal and fair use that may be made of the trade mark and to determine whether that would constitute passing off.
45. I have referred to the Applicant's evidence at paragraphs 23 to 25 above. There is no evidence of any use of the Applicant's Mark in Hong Kong before the Filing Date. Having fully considered the Applicant's evidence, I am not satisfied that the Applicant has established that by the Filing Date, it enjoys a goodwill or reputation attached to the Applicant's Goods in the mind of the purchasing public by association with the Applicant's Mark. It follows that there is no relevant goodwill or reputation of the Applicant as at the Filing Date which could be damaged by any misrepresentation (if any) on the part of the Registered Owner.
46. The ground under sections 53(5)(b) and 12(5)(a) of Cap. 559 therefore is also not made out.

The ground under sections 53(5)(b) and 12(4) of Cap. 559

47. The relevant part of section 53(5)(b) of Cap. 559 is set out in paragraph 40 above.
48. Section 12(4) of Cap. 559 provides, *inter alia*, as follows:
 - (4) ... a trade mark which is-
 - (a) *identical or similar to an earlier trade mark; and*
 - (b) *proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,*

shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

49. For the purpose of the ground under sections 53(5)(b) and 12(4) of Cap. 559, the Applicant also relies in particular on the Applicant’s Mark.
50. To succeed under section 12(4) of Cap. 559, the Applicant has to establish, *inter alia*, that the Applicant’s Mark is entitled to protection under the Paris Convention as a well known trade mark as at the Filing Date. For that purpose, it is necessary to establish that the Applicant’s Mark is well known in Hong Kong within the meaning in section 4 of Cap. 559. In determining whether a trade mark is well known in Hong Kong, the Registrar shall have regard to Schedule 2 to Cap. 559.⁶ The Registrar shall take into account any factors from which it may be inferred that the trade mark is well known in Hong Kong⁷, including information concerning the matters referred to in section 1(2), Schedule 2 to Cap. 559.
51. I have fully considered the Applicant’s evidence. I find that there is no evidence of any use or promotion of the Applicant’s Mark in Hong Kong before the Filing Date. Having regard to the totality of the Applicant’s evidence and all relevant factors for consideration in accordance with section 1, Schedule 2 to Cap. 559, I find that the Applicant has failed to establish that the Applicant’s Mark is well known in Hong Kong as at the Filing Date.
52. The ground under sections 53(5)(b) and 12(4) of Cap. 559 therefore is also not made out.

The ground under sections 53(3) and 11(5)(b) of Cap. 559

53. Section 53(3) of Cap. 559 provides as follows:

“The registration of a trade mark may be declared invalid on the ground that the

⁶ Section 4(2) of Cap. 559.

⁷ Section 1(1), Schedule 2 to Cap. 559.

trade mark was registered in contravention of section 11 (absolute grounds for refusal of registration)."

54. Section 11(5)(b) of Cap. 559 provides that :

"(5) A trade mark shall not be registered if, or to the extent that –

... (b) the application for registration of the trade mark is made in bad faith."

55. Ms. Smith referred me to the relevant principles in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367, *DEMON ALE Trade Mark* [2000] R.P.C. 345, *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, *Harrison v Teton Valley Trading Co. (CHINAWHITE)* [2005] F.S.R. 10, and *Ajit Weekly Trade Mark* [2006] R.P.C. 25, which are not in dispute. I only need to set out the following:

*"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."*⁸

*"... the expression 'bad faith' has moral overtones which appear to make it possible for an application for registration to be rendered invalid under s.3(6)⁹ by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant."*¹⁰

*"The words "bad faith" suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards."*¹¹

⁸ *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* (supra).

⁹ Section 3(6) of the UK Trade Marks Act 1994 is similar to section 11(5)(b) of Cap. 559.

¹⁰ *DEMON ALE Trade Mark* (supra).

¹¹ *Harrison v Teton Valley Trading Co (CHINAWHITE)* (supra).

“The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”¹²

56. In the statement of grounds attached to the Application (“Statement of Grounds”) filed in May 2006, the Applicant pleaded, *inter alia*, as follows:

“8. By virtue of its registered Trade Marks¹³ and its extensive use of the Trade Marks in Hong Kong the Applicant has, prior to 8 August 2003 built up substantial goodwill and reputation in the Trade Marks.

9. By seeking registration of “D Mark”¹⁴, Wuhu is seeking to register a mark which is deceptively similar to the Trade Marks claiming goods of the same and / or similar description. Use of “D Mark” by Wuhu in relation to the goods claimed is likely to mislead purchasers or potential purchasers into the belief that they are the goods of or are associated with the Applicant.

...

12. “D Mark” should be refused pursuant to Section 5(b) [*sic*]: a trade mark shall not be registered if or to the extent that the application for registration of the trade mark is made in bad faith.”

57. Other than the facts pleaded in paragraphs 8 and 9 of the Statement of Grounds as set out above, the Applicant has not relied on any facts in support of its claim that the application by the Registered Owner for registration of the subject mark was made in bad faith.

58. Contrary to what is claimed in paragraph 8 of the Statement of Grounds, I have already found that the Applicant has failed to establish that by the Filing Date it enjoys a goodwill or reputation attached to the Applicant’s Goods in the mind of the purchasing public by association with the Applicant’s Mark (paragraph 45 above).

59. The risk that the public might believe that the subject goods offered under the

¹² *Ajit Weekly Trade Mark (supra)*.

¹³ The term “Trade Marks” is defined in the Statement of Grounds by reference to more than 30 Hong Kong trade mark applications and registrations set out in Schedule I thereto.

¹⁴ The “D Mark” is defined in paragraph 2 of the Statement of Grounds as the subject mark.

subject mark and the Applicant's Goods offered under the Applicant's Mark come from the same or economically-linked undertakings constitutes a likelihood of confusion within the meaning of section 12(3) of Cap. 559 (paragraph 13(j) above). I have already found that the Applicant's attack of the subject mark on the ground under sections 53(5)(a) and 12(3) of Cap. 559 is not made out. Contrary to what is claimed in paragraph 9 of the Statement of Grounds, I do not consider that use of the subject mark by the Registered Owner in relation to the subject goods is likely to mislead purchasers or potential purchasers into the belief that those goods of the Registered Owner and the Applicant Goods offered under the Applicant's Mark come from the same or economically-linked undertakings.

60. There being no other factual circumstances on the basis of which the Applicant claims that application for registration of the subject mark by the Registered Owner was made in bad faith, the ground under sections 53(3) and 11(5)(b) of Cap. 559 is also not made out.

Conclusion

61. For the reasons stated above, the Applicant has not succeeded in any of the grounds relied on in support of the Application. The Application therefore fails.
62. Although the Application fails, as the Registered Owner has not taken part in the subject proceedings, I make no order as to costs.

(Finnie Quek)
for Registrar of Trade Marks
7 June 2010