

TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION NO. : 300189964AA

MARK : BT

APPLICANT : BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY

CLASSES : 9, 38

STATEMENT OF REASONS FOR DECISION

Background

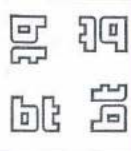
1. This is an application by British Telecommunications Public Limited Company (the “Applicant”) under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”) to register the mark **BT** (the “subject mark”) in respect of various goods and services in Classes 9 and 38 (the “subject application”). It is a divisional application of an application filed on 2 April 2004 (the “filing date”), and has the same filing date as that application.
2. Objection was raised against the subject application under section 12(3) of the Ordinance on the basis of the following registered trade marks (the “cited marks”) :

First cited mark

Trade Mark : 

Registration no. : 300000890

Second cited mark

Trade Mark : 

Registration no. : 300000917

The date of registration of both cited marks is 4 April 2003. They are both registered in relation to “electric, electromechanical and electronic apparatus, instruments and systems for residential, commercial and industrial equipments and installations; switches, circuit-breakers, plugs and sockets, fuses, relays, electric bells, thermostats, alarms' systems, indicator pilot lights, electric conductors, transformers, cable trunkings, porter's switchboards, table-intercoms and table telephone devices, photoelectric cells, thermometers, hygrometers, barometers”.

3. The objection under section 12(3) having been maintained at the examination stage, the applicant requested a hearing, which took a place before me on 8 August 2006 and 25 September 2006. I reserved my decision at the conclusion of the hearing.
4. By a letter dated 22 February 2007, I conveyed to the Applicant my decision to waive the objection under section 12(3) of the Ordinance on a *prima facie* basis for the application in relation to the goods now listed in Annex I to this decision, and to waive the objection on the basis of honest concurrent use in respect of the goods and services now set out in Annex II to this decision. Registration of the subject mark in relation to “parts and fittings for telecommunications, data communications, and electronic communications installations, apparatus, instruments and circuits” was not allowed.
5. By a letter and a Form T12 dated 28 February 2007, the Applicant requested for a statement of reasons for my decision of 22 February 2007. These are given below.

Decision

6. Section 12(3) of the Ordinance 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.”

7. Section 7(1) of the Ordinance provides that –

“For greater certainty, in determining for the purposes of this Ordinance whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar or the court may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.”

8. An “earlier trade mark” is defined in section 5, the relevant part of which states :

- “(1) In this Ordinance, "earlier trade mark", in relation to another trade mark, means–
 - (a) a registered trade mark which has a date of the application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any.”

9. As both cited marks have a date of application for registration earlier than that of the subject mark, they are “earlier trade marks” in relation to the subject mark.

10. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994¹, which implements Article 4(1)(b) of the European Trade Marks Directive². In determining the question under section 12(3) I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C.117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77. and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] E.T.M.R.723. According to these cases :

¹ Section 5(2) of the UK Trade Marks Act 1994 provides as follows –

- “(2) A trade mark shall not be registered if because -
 - (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
 - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

² Article 4(1)(b) of the European Trade Marks Directive 89/104/EEC of 21 December 1988 provides -
“(1) A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

-
 - (b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors (*Sabel BV v Puma AG*);
 - (b) the matter must be judged through the eyes of the average consumer of the goods or services in question (*Sabel BV v Puma AG*), who is deemed to be reasonably well informed and reasonably observant and circumspect – but who rarely has the chance to make direct comparison between different marks and instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*);
 - (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*);
 - (d) the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*);
 - (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*);
 - (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either *per se* or because of the use that has been made of it (*Sabel BV v Puma AG*);
 - (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Article 4(1)(b) (*Sabel BV v Puma AG*);
 - (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense (*Marca Mode v Adidas*);
 - (i) but if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).
11. Section 12(3) essentially prohibits the registration of a trade mark which would be likely to cause confusion 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. I must therefore consider whether there are similarities between the subject mark and the cited marks and the goods and services covered which would combine to create a likelihood of confusion. According to section 7(1) of the Ordinance, in assessing the likelihood of confusion, the Registrar may take into account all factors relevant in the circumstances.

Comparison of marks

12. In comparing the marks concerned, I must have a global appreciation of the visual, aural or conceptual similarity of the marks in question, based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. I must have regard to the perception of the marks in the mind of the average consumer of the goods and services in question.
13. The goods and services in issue are mainly telecommunications, data and electronic communications installations, apparatus, instruments and circuits; parts and fittings for these goods; and telecommunications services. The average consumers of these goods include members of the public as well as people in the trade, who are deemed to be reasonably well informed and reasonably observant and circumspect.
14. The subject mark consists of the letters “BT” in plain font. Each of the cited marks is formed by a repetition of the letters “bt” at right angles to form a square. I do not accept the Applicant’s submission that the repeated element in the cited marks looks equally like “79” as “bt”. On first impression, the average consumer would perceive it as “bt” rather than “79”. Visually, I have not overlooked the fact that there is some difference between the subject mark and the cited marks, in that there are four groups of the letters “bt” in the cited marks and they are arranged to form a square, whereas the letters “BT” in the subject mark appear in plain font and are not repeated. I bear in mind that a mark consisting only of two letters is not amongst the most distinctive of marks and the way the repeated “bt” elements in the cited marks are arranged to form a square somewhat adds to the overall distinctiveness of the cited marks. However, as the repeated element “bt” is apparent in the cited marks, each of them would be recognized and remembered by the letters “bt”. The overall arrangement of the “bt” elements in the cited marks would not alter the fact that the average consumer would perceive the element “bt” as the dominant element indicating the

trade origin of the goods. The repetition of this element in the cited marks reinforces the identity of the cited marks as “bt” marks. The average consumer would not place much emphasis on whether the letters “bt” are in the upper case or the lower case. The subject mark therefore consists of the only textual element in each of the cited marks, i.e. the letters “bt”. Each of the cited marks consists only of the letters constituting the subject mark, but with those letters repeated to form a square. Although visually there is some difference between the subject mark and the cited marks, each of the subject mark and the cited marks would be remembered by the dominant and distinctive element “bt”. Phonetically, they would be referred to as “bt”. Conceptually, they would be remembered as “bt” marks.

15. Having considered the similarities and dissimilarities between the subject mark and each of the cited marks, and taking into account the overall impression created by each of the subject mark and the cited marks, I consider that there is substantial similarity between the subject mark and each of the cited marks.

Comparison of goods and services

16. Guidance on the approach to be adopted in comparing goods and services is given in *British Sugar v James Robertson and Sons Ltd* [1996] R.P.C. 281, in which Mr Justice Jacob (as he then was) considered, at page 296, the following factors to be relevant in determining whether or not there is similarity:

- (i) The respective uses of the respective goods or services;
- (ii) The respective users of the respective goods or services;
- (iii) The physical nature of the goods or acts of service;
- (iv) The respective trade channels through which the goods or services reach the market;
- (v) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
- (vi) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for

instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

17. It is also stated in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, at paragraph 23, that in assessing the similarity of the goods or services concerned, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users³ and their method of use and whether they are in competition with each other or are complementary.

18. I refer to paragraph 4 above. As the goods listed in Annex I are accepted on a *prima facie* basis, the goods and services in issue are as set out below. For convenience, I divide them into three groups:

Group 1 – the following goods in Class 9:

telecommunications, data communications, and electronic communications installations, apparatus, instruments and circuits.

Group 2 – the following goods in Class 9:

parts and fittings for the goods in Group 1.

Group 3 – the following goods in Class 38:

telecommunications services; telecommunication of information (including web pages), computer programs and any other data; electronic mail services, providing user access to the Internet; providing telecommunications connections to the Internet or databases; telecommunication gateway services; broadcast services.

19. The goods covered by the cited marks are set out in paragraph 2 above, and include, in particular, table-intercoms and table telephone devices. In interpreting the specification, the terms are to be given their ordinary and natural meaning (*Ofrex v Rapesco* [1963] R.P.C. 169).

20. The Group 1 goods include telecommunications and communications installations, apparatus, instruments and circuits.

³ It has been suggested at paragraph 56 of *Sergio Rossi SpA v OHIM* (Case T-169/03, Court of First Instance of the European Communities) that the term “end users” is an incorrect translation, and should be replaced by the term “intended purpose” instead. In any event, the users of the respective goods are among the factors referred to in *British Sugar v James Robertson and Sons Ltd*.

21. “Telecommunication” means “communication over a distance by cable, telegraph, telephone or broadcasting” (*Compact Oxford English Dictionary*). Telecommunication apparatus and communication apparatus would therefore include table-intercoms and table telephone devices. The Group 1 goods and the table-intercoms and table telephone devices covered by the cited marks are of a similar nature, and are for use for communication purposes. The Group 1 goods cover a range of goods for communications, and the users of these goods would include users of table-intercoms and table telephone devices. Individual users as well as business enterprises would seek these goods.
22. The Applicant submitted that customers in Hong Kong will go to shops like Broadway and Fortress to buy telephone devices, whereas companies and building developers will go to companies like PCCW and Hutchison if they wish to install telephone systems in their companies or buildings. The Applicant submitted that the trade channels of the Applicant’s goods and the goods covered by the cited marks are different. On the other hand, the Group 1 goods include installations as well as simply apparatus for communications. The goods may therefore be provided as a complete package or installation, or individually as single pieces of apparatus or instruments. The trade channels of the Applicant’s Group 1 goods and those of the cited marks, particularly table-intercoms and table telephone devices, therefore overlap to a certain extent.
23. Having regard to all the relevant factors relating to the goods, I consider that the Group 1 goods are identical or similar to “table-intercoms and table telephone devices” covered by the cited marks.
24. The Group 2 goods include parts and fittings for the Group 1 goods.
25. A “part” means “a component that can be replaced in a machine, engine, etc.” (*Collins English Dictionary*). A “fitting” means “an accessory or part” (*Collins English Dictionary*).
26. The Group 3 services are mainly telecommunication services. These services may be provided by telephone. Providers of telecommunication services often make available to customers through the same trade channels communication apparatus and instruments, including telecom and telephone devices, and parts and fittings for these goods. These various products and services complement each other, and afford the customers comprehensive solutions to their

communication needs. Taking into account all the relevant factors relating to the goods and services, I consider that each of the Group 2 goods and the Group 3 services are similar to “table-intercoms and table telephone devices” covered by the cited marks.

Likelihood of confusion

27. Confusion in the context of section 12(3) of the Ordinance refers to confusion as to trade origin of the goods and services in question.
28. I have to assess the likelihood of confusion globally, taking into account all relevant factors, and judging the matter through the eyes of the average consumers of the goods and services in question.
29. The Applicant submitted that as electronic or telecommunication products and telecommunication services are relatively more durable and expensive than other common consumer goods which are purchased with less care, such as candies and soups that one buys off the shelves in supermarket, the goods and services applied for in the subject application, as well as the goods covered by the cited marks, are purchased with care, often after a selection process comparing the price, function and support services of several traders and services providers. The Applicant submitted that the nature of the goods and the services, and the purchase habits of consumers regarding those goods and services, reduce the likelihood of confusion.
30. Communication or telecommunication products cover a wide range of goods, some of which are more expensive than others. Some of them, at least, would be regarded as ordinary consumer goods. Telecommunication services have also become less and less expensive over the past decade or so. Parts and accessories of communication products would also include those that are common consumer items. I consider that the average consumer of the goods and services in Groups 1, 2 and 3 above are reasonably well informed and reasonably observant and circumspect, but otherwise not particularly attentive.
31. Having regard to the similarities and dissimilarities between the subject mark and each of the cited marks, and the degree of similarity between the goods and services involved, bearing in mind the principles set out in paragraph 10 above and taking into all relevant factors, I consider that on a prima facie basis, when

the subject mark is used in relation to the Group 1, Group 2 and Group 3 goods and services, the average consumers would be confused into believing that those goods and services provided under the subject mark and the goods provided under the cited marks come from the same undertaking or economically-linked undertakings.

32. In relation to each of the Group 1, Group 2 and Group 3 goods and services, therefore, the subject mark is objectionable under section 12(3) of the Ordinance on a prima facie basis.
33. I go on to consider whether registration of the subject mark could nonetheless be allowed by virtue of honest concurrent use or other special circumstances under section 13 of the Ordinance.

Honest concurrent use

34. Section 13(1)(a) provides that –

“(1) Nothing in section 12 (relative grounds for refusal of registration) prevents the registration of a trade mark where the Registrar or the court is satisfied –
(a) that there has been an honest concurrent use of the trade mark and the earlier trade mark or other earlier right”.

35. The main matters which should be taken into account when considering whether registration should be allowed on honest concurrent use are stated in *Pirie* (1933) 50 R.P.C. 147 at 159. These matters are :

- (1) the extent of use in time and quantity and the area of the trade;
- (2) the degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
- (3) the honesty of the concurrent use;
- (4) whether any instances of confusion have in fact been proved; and
- (5) the relative inconvenience which would be caused if the mark were registered.

36. The Applicant has filed the following (collectively, the “Statutory Declarations”) :

- (i) declaration of Miles Beckingham of 12 December 2005 (the “Beckingham Declaration”); and
 - (ii) declaration of Lo Mang Chong Rebecca of 20 September 2006 (the “Lo Declaration”).
37. Having considered the Statutory Declarations, as well as the similarities and the dissimilarities between the subject mark and the cited marks and between the goods covered by the cited marks and the Group 1 and Group 3 goods and services, the objection under section 12(3) to the registration of the subject mark in relation to the Group 1 and Group 3 goods and services is waived on the basis of honest concurrent use.
38. The remaining issue is therefore whether honest concurrent use of the subject mark in relation to the Group 2 goods is established.
39. The relevant date is 2 April 2004, the filing date of the subsection application. No fixed rule can be laid down as to the minimum period of honest concurrent use necessary, although the Registrar looks for a reasonable period of use, usually about five years prior to the application date. Such use must be use in Hong Kong, and must be for the purpose of distinguishing the Applicant’s Group 2 goods from goods of other undertakings.
40. According to the Beckingham Declaration, the Applicant first used the subject mark in Hong Kong in 1991. It is, however, necessary to examine in greater detail in respect of which goods and services the subject mark is used. Whilst the Statutory Declarations show use of the subject mark in relation to Group 1 goods and the Group 3 services, they do not show use of the subject mark in relation to the Group 2 goods. The Group 2 goods are parts and fittings for the Group 1 telecommunications, data communications and electronic communications installations, apparatus, instruments and circuits. The Statutory Declarations show that the Applicant’s main line of business is the provision of telecommunication services, and equipment and installations for telecommunications and communication purposes. There is hardly any evidence of the Applicant trading in parts and fittings for communications installations and apparatus. Use for this purpose must be use as a badge of origin distinguishing the Applicant’s parts and fittings for the Group 1 goods from parts and fittings supplied by other undertakings. The mere fact that the Applicant has to maintain its networks in order to provide telecommunication services to its customers, and

may need to use parts and fittings in maintaining its network, does not mean that it trades in parts and fittings, or uses the subject mark as a badge of origin in relation to such parts and fittings. The evidence does not include any invoice for providing parts and fittings to the Applicant's customers in Hong Kong. No advertising or promotional materials have been supplied showing any trade by the Applicant in such parts and fittings in Hong Kong.

41. I have already found that there is substantial similarity between the subject mark and each of the cited marks (paragraph 15 above). Although I have no reason to doubt the honesty of the Applicant in adopting the subject mark, I find that on the evidence before me, there is hardly any use by the Applicant of the subject mark as a trade mark in relation to the Group 2 goods in Hong Kong. That being so, I fail to see that refusal of registration of the subject mark in relation to those goods would cause any significant inconvenience to the Applicant.
42. Having considered the evidence filed as a whole, and bearing in mind the matters referred to in paragraph 35, I am not satisfied that the Applicant has established a case of honest concurrent use in relation to the Group 2 goods.

Special circumstances

43. Section 13(1)(b) provides that –


“(1) Nothing in section 12 (relative grounds for refusal of registration) prevents the registration of a trade mark where the Registrar or the court is satisfied –


...

- (b) that by reason of other special circumstances it is proper for the trade mark to be registered.”

44. The Applicant pointed out that it owns many registrations of marks comprised of the letters “BT” together with other words or devices. It claimed that the Hong Kong public is long used to seeing the unstylised word mark “BT” in connection with the Applicant.
45. Perception of the subject mark could only be assessed by reference to the mark as applied for and the evidence of use filed in support. As stated above, on the evidence filed, there is hardly any use by the Applicant of the mark “BT” as a trade mark in relation to the Group 2 goods.

46. The Applicant also relied on the fact that it is the registered owner of the following marks (collectively, the “BT & device marks”) :

“(a)  (Trade Mark No. 199405863) registered as of 11 March 1992 in respect of telecommunications and various other services in Class 38; and

(b)  (Trade Mark No. 199500722) registered as of 2 January 1991 in respect of various goods in Class 9.

47. Each of the BT & device marks was registered subject to the following disclaimer :

‘Registration of this Trade Mark shall give no right to the exclusive use of the letters “BT”.’

(the “Disclaimer”).

48. Due to the Disclaimer, on the principles stated in *TORREMAR Trade Mark* [2003] R.P.C. 4 and *PACO / PACO LIFE IN COLOUR Trade Marks* [2000] R.P.C. 451, no objection under section 12 was raised against the cited marks by virtue of the BT & device marks when the cited marks were applied for in 2003. Registration of the cited marks is not subject to any disclaimer. The subject application was objected to under section 12(3) by virtue of the cited marks.

49. The Applicant submitted that the Registrar should, in fairness to the Applicant, suspend the progress of the subject application until the Applicant has a chance to apply under section 57(7) of the Ordinance to have the Disclaimer in respect of the BT & device marks lifted, and then reconsider the section 12(3) objection to the subject application.

50. Alternatively, the Applicant submitted that the Registrar should treat the unfortunate existence of the Disclaimer which is no longer meaningful under the Ordinance as special circumstances justifying the lifting of the section 12(3) objection against the subject application.

51. In the event, the hearing for the registrability of the subject mark was adjourned to give the Applicant an opportunity to apply for rectification of the registration of the BT & device marks under section 57(7). For the reasons given in my decision of 22 February 2007, the application to remove the Disclaimer in respect of the BT & device marks failed.
52. I therefore do not regard the existence of the BT & device marks with the Disclaimer and the “unfairness” claimed by the Applicant a special circumstance justifying registration of the subject mark in relation to the Group 2 goods notwithstanding the section 12(3) objection.

Conclusion

53. In this decision, I have considered all documents filed by the Applicant together with all oral and written submissions made in respect of the subject application. For the reasons given, registration for the subject mark in relation to the Group 2 goods is precluded by section 12(3) of the Ordinance by virtue of the cited marks. The subject application is accordingly refused under section 42(4)(b) of the Ordinance to the extent that it relates to the Group 2 goods.
54. The subject application may proceed to publication provided that the Applicant files, on or before 22 June 2007, a Form T3 to divide the subject application into two divisional applications covering the Group 1 goods and the Group 3 services respectively. If the Applicant fails to do so on or before 22 June 2007, it shall be deemed to have abandoned this application.

(Finnie Quek)
for Registrar of Trade Marks
17 April 2007

Class 9

apparatus for recording, transmission, reception, processing or reproduction of sound, images and/or data; electronic apparatus and instruments, all for processing, logging, storing, transmission, reception, display and/or printout of data; computers; electronic apparatus and instruments, all for transmitting, displaying, receiving, storing and searching electronic information; microprocessors; discs, tapes, cards and wires, all being electronic, magnetic, electro-magnetic, optical and/or electro-optical data carriers; computer hardware and firmware; electronic publications provided on-line from databases or the Internet; computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet; computer software to enable searching of data; encoded programs for computers and for data processing and telecommunications apparatus; remote access on-line information apparatus and instruments, all being electronic; audio-visual apparatus and instruments; encoded cards; smart cards; electrical and electronic apparatus, instruments, circuits and components for use with computers, data processing apparatus and/or with communications networks; parts and fittings for all the aforesaid goods; electronic financial transaction and electronic trading apparatus and instruments.

Annex II

Class 9

telecommunications, data communications, and electronic communications installations, apparatus, instruments and circuits.

Class 38

telecommunications services; telecommunication of information (including web pages), computer programs and any other data; electronic mail services; providing user access to the Internet; providing telecommunications connections to the Internet or databases; telecommunication gateway services; broadcast services.