

TRADE MARKS ORDINANCE (Cap. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300196650

MARK : The logo consists of the number '720' in a stylized, bold, black font, followed by the word 'armour' in a smaller, lowercase, sans-serif font. Below the text, there is a thin horizontal line.

CLASS : 18

APPLICANT : CHIH-MING, CHEN

OPPONENT : MEDIA FOUNDATION LTD.

STATEMENT OF REASONS FOR DECISION

1. On 15 April 2004, Chih-Ming, CHEN (the “applicant”) filed an application for registration (the “subject application”) of the mark above (the “subject mark”) in Class 18 for “backpacks, bags for campers, bags for climbers, bags (garment-) for travel, beach bags, handbags, haversacks, pocket wallets, purse, school bags, shopping bags, travelling bags, valises, wallets (pocket-)” (the “applied for goods”), under the Trade Marks Ordinance, Cap. 559 (the “Ordinance”).

2. Particulars of the subject application were published on 4 June 2004. Media Foundation Ltd. (the “opponent”) filed a notice of opposition to the application on 3 September 2004.

3. A date for hearing the opposition was set to take place before me on 12 March 2008. However, neither the opponent nor the applicant has filed any Form T12 (notice of attendance at hearing) within the prescribed period for doing so. They are therefore treated as not intending to appear at the hearing under Rule 74(5) of the Trade Marks Rules Cap 559 sub leg (the “Rules”). In the event, by virtue of Rule 75(b) of the Rules, the Registrar may decide the matter without a hearing.

4. This decision under the Ordinance is therefore made only on the pleadings and evidence filed by the parties under the Rules. The pleadings and evidence are the opponent's notice of opposition under rule 16, the applicant's counter-statement under rule 17 and the opponent's evidence under rule 18. The applicant did not file evidence in the proceedings.

The opponent and the grounds of opposition

5. The opponent, Media Foundation Ltd., is a limited liability company organized and existing under the laws of Hong Kong.

6. The opponent alleges that it has been licensed by a Mr. Spencer Reg Barton to use trade marks "720" and "720 Armour" in Hong Kong in respect of, inter alia, travelling bags. It alleges that the subject mark is confusingly similar to these marks and the applied for goods are identical or closely similar to its goods. It opposes registration of the subject mark under sections 11(1), 11(4), 11(5), 12(3), 12(4) and 12(5) of the Ordinance. It seeks costs against the applicant.

The applicant and counter-statement

7. The applicant is a person whose address is stated to be No. 19, Alley 4, Lane 234, Sec 5, Her Wei Road, Tainan City, Taiwan, Province of China.

8. The applicant filed a counter-statement on 3 February 2005, denying all claims in the grounds of opposition. He specifically avers that the licensor of the opponent, Mr. Spencer Reg Barton, has no right to use and license the use of trade marks "720" and "720 Armour" which, he admits, are confusingly similar to the subject mark.

9. The applicant further avers that he is the proprietor of the subject mark which was first adopted by him in his home country in Taiwan in 2001 and has been continuously and extensively used ever since.

Opponent's evidence

10. The opponent's evidence is the only evidence in the proceedings. This comprises a statutory declaration made by Mr. Spencer Reg Barton.

11. Mr. Barton states that he is a director of the opponent and has been duly authorized by the opponent to make the statutory declaration.

12. Mr. Barton claims that he is the rightful owner of the trade mark "720" and has licensed the opponent to use the trade mark in Hong Kong in respect of, inter alia, travelling bags. It is alleged that trade mark "720" was designed on 13 September 2000 for Mr. Barton by Mr. Dennis Hill upon Mr. Barton's commission. A copy of a letter dated 16 March 2004 signed by Mr. Hill is exhibited to Mr. Barton's statutory declaration as "SB-3". Mr. Barton further claims that even the applicant has acknowledged in the website of his company that the trade mark originated from him. A copy printout from the website is exhibited to Mr. Barton's statutory declaration as "SB-4".

Decision

13. Various grounds of opposition had been pleaded by the opponent, namely, sections 11(1), 11(4), 11(5), 12(3), 12(4) and 12(5) of the Ordinance. As each of the aforesaid sections contains at least two subsections, there are potentially a large number of grounds that I have to deal with. I have to say that a lot of them appear to me to be not well-founded, in the sense that they are either unsustainable given the

terms of the relevant provisions of the Ordinance, or there have been no reasons discernible at all for their inclusion in the opposition. In what follows, I shall adopt a categorical and broad-brush approach to any grounds of opposition that I consider not well-founded, giving room to deal with the ones that appear to have more solid base.

Section 11(1) of the Ordinance

14. Section 11(1)(a) stipulates that *signs* which do not satisfy the requirements of section 3(1) (meaning of “trade mark”) shall not be registered. Section 3(1) defines a “trade mark” (商標) to mean any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically.

15. The provisions of section 11(1)(b) to (d) are applicable to “*trade marks*”, i.e. signs which satisfy the requirements of section 3(1). They in general prohibit the registration of trade marks which lack a distinctive character in the absence of appropriate use.

16. From the opponent’s pleadings and evidence, notwithstanding wordings seemingly adopted from section 11(1)(a) and (b) are used, it is apparent that the basis of its objection to the subject application is not that the subject mark is by its nature incapable of distinguishing the goods or services of one undertaking from those of other undertakings, nor that it lacks a distinctive character. Rather the opponent’s contention is that the applicant does not have the right to the mark as Mr. Barton, or the opponent, should have. Section 11(1) is obviously not the proper avenue for such a contention, hence opposition based on this section must necessarily fail.

Sections 11(4)(a) and 11(5)(a) of the Ordinance

17. Section 11(4)(a) provides that a trade mark shall not be registered if it is

contrary to accepted principles of morality. Section 11(5)(a) provides that a trade mark shall not be registered if, or to the extent that, its use is prohibited in Hong Kong under or by virtue of any law. I cannot discern any plausible argument from the opponent's pleadings and evidence to support these two grounds of opposition.

Section 11(4)(b) of the Ordinance

18. Section 11(4)(b) provides that a trade mark shall not be registered if it is likely to deceive the public.

19. I note it is the opponent's case that since the subject mark is confusingly similar to its (or Mr. Barton's) trade marks "720" and "720 Armour" and the applied for goods are identical or closely similar to the opponent's goods, use of the subject mark in relation to the applied for goods is likely to deceive or cause the public to be confused into thinking that the applicant's goods originate from or are associated with the opponent. However, it has been well established that section 11(4)(b) provides for circumstances where a mark is inherently deceptive when considered in the context of the goods applied for. It is not intended to provide an alternative avenue of attack on relative grounds as provided for in section 12 which deals with the "relative" rights of the applicant and other parties (see for example *QS by S. Oliver Trade Mark* [1999] R.P.C. 520 at 524; *Ruefach Marketing GmbH's Application v. Oppositions of Codemarsters Ltd.* [1999] E.T.M.R. 412 at 422-423). Consequently, I can see nothing inherent in the subject mark which would make it open to objection under the terms of section 11(4)(b).

Section 11(5)(b) of the Ordinance

20. Section 11(5)(b) of the Ordinance provides that a trade mark shall not be registered if the application for registration of the trade mark is made in bad faith. The term "bad faith" is not defined in the Ordinance.

21. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367 at 379, Lindsay J. said in relation to section 3(6) of the U.K. Trade Marks Act 1994 (equivalent to section 11(5)(b) of the Ordinance):

“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.”

22. In *Harrison v Teton Valley Trading Co (CHINAWHITE)* [2005] F.S.R. 10, where the Court of Appeal in the United Kingdom said (at paragraph 26):

“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.*” (emphasis added)

23. Further, in *Ajit Weekly Trade Mark* [2006] RPC 25, the Appointed Person said,

“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.”

24. Bad faith is thus a serious allegation that must be proved. An allegation of bad faith should not be lightly made unless it can be fully and properly pleaded and should not be upheld unless it is distinctively proved and this will rarely be possible by a process of inference (*ROYAL ENFIELD Trade Marks* [2002] R.P.C. 24 at para. 31).

25. Mr. Barton in his statutory declaration claims that he is the rightful owner of the trade mark “720” and has licensed the opponent to use the trade mark in Hong Kong in respect of, inter alia, travelling bags, and alleges that trade mark “720” was designed on 13 September 2000 for Mr. Barton by Mr. Dennis Hill upon Mr. Barton’s commission. Copy of a letter is exhibited to Mr. Barton’s statutory declaration as exhibit “SB-3”, which exhibits the logo below at the top:-



followed by a passage which reads: “I, Denis Hill solemnly swear that I produced the above logo for Spencer Barton on September 13, 2000 for the express use in printing Spencer’s logo for an icon for his “720 clothing” range.” The letter is allegedly dated 16 March 2004 and signed by Mr. Hill, as it appears so.

26. I do not find this copy letter in exhibit “SB-3” proves anything. Not only is the assertion in the above quoted passage not made under oath as it purports to be and hence of little evidential value, but also because its meaning is so obscure that I do not find it could support the contention that the mark “720” was designed by Mr. Dennis Hill for and on behalf of Mr. Barton.

27. Mr. Barton further claims that “even the applicant has acknowledged in the website of his [*seems to refer to the applicant’s*] company that the trade mark originated from [*Mr. Barton*]”. A printout dated 19 October 2005 from the website <http://www.720armour.com.tw> is exhibited as “SB-4”. I can see in the printout a

mark resembling the subject mark at the top, and under a heading “HISTORY 720” there are some textual contents, written in Chinese, describing what I perceive to be a history of the products or services promoted by the website. Whilst it is clear that Mr. Spencer Barton is being mentioned in the text and ascribed to be the creator of “something”, it is entirely unclear as to what that “something” is – from the context that “something” could be, in my view, a particular kind of sport (Mr. Spencer Barton is alleged to be a pioneer in the sport of surfing), a service, a product (sport eyewear seems to be promoted in that website), or a trade name or trade mark. Again this evidence is too obscure to lend any support to Mr. Barton’s allegation.

28. Other than the above which I found not having been proved, there is nothing in the pleadings or in the evidence that could possibly allude to any dealings on the part of the applicant which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the field as the Applicant’s.

29. A case of bad faith has not been made out. The ground of opposition under section 11(5)(b) therefore fails.

Sections 12(3) and 12(4) of the Ordinance

30. Sections 12(3) and 12(4) of the Ordinance all require the existence of an earlier trade mark in relation to the subject mark. In this regard, section 5 of the Ordinance has the following provision :

“(1) In this Ordinance, “earlier trade mark” (在先商標), 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; or

(b) a trade mark which, at the date of the application for

registration of the other trade mark or, where appropriate, at the date of the priority claimed in respect of that application for registration, was entitled to protection under the Paris Convention as a well-known trade mark.

(2) *References in this Ordinance to an earlier trade mark shall be construed as including a trade mark in respect of which an application for registration has been made under this Ordinance and which, if registered, would constitute an earlier trade mark under or by virtue of subsection (1)(a), subject to its being so registered.*

(3) *A trade mark which is an earlier trade mark under or by virtue of subsection (1)(a) shall continue to be taken into account in determining the registrability of a later trade mark for a period of 1 year after the date on which its registration expires unless the Registrar is satisfied the trade mark has not been used in good faith in Hong Kong during the 2 years immediately preceding that date.”*

31. The opponent has mentioned trade marks “720” and “720 Armour” in the grounds of opposition, and trade mark “720” in the statutory declaration of Mr. Barton. But no information has been supplied as to whether these marks have been registered, or applications have been made for their registration, under the Ordinance, or that any of these marks may qualify as a well known trade mark. There is therefore no basis for me to find that they constitute earlier trade marks in relation to the subject mark, and no basis for an opposition under section 12(3) or 12(4) to proceed.

Section 12(5) of the Ordinance

32. Section 12(5) of the Ordinance provides, inter alia, as follows :

“... 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); or
- (b) by virtue of an earlier right other than those referred to in paragraph (a) or in subsections (1) to (4) (in particular, by virtue of the law of copyright or registered designs),

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.”

33. The pleadings and evidence of the opponent as summarized above could at most only support a cause of action under paragraph (a) but not the other paragraph of the subsection. I shall therefore only consider section 12(5)(a).

34. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of Hong Kong Vol 15(2)* at paragraph 225.001. The guidance takes account of speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731, and is as follows :

“The House of Lords has restated the necessary elements which a plaintiff has to establish in an action for passing off :

- (1) the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) the plaintiff has suffered or is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House of Lords. However, like the previous statement of the House of Lords, this latest statement should not be treated as akin to a statutory definition or as if the words used by the House of Lords constitute an exhaustive, literal definition of ‘passing off’, and in particular should not be used to exclude from the ambit of the tort recognized forms of the action for passing off which were not under consideration on the facts before the House of Lords.”

35. I have to first examine whether the opponent's goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature.

36. However, in the opponent’s evidence, other than Mr. Barton’s bare assertion that he has licensed the opponent to use the trade mark “720” in Hong Kong in respect of, inter alia, travelling bags, there is no actual evidence filed to prove that the opponent has ever through the use of the trade mark “720” in Hong Kong established a goodwill or reputation attached to travelling bags or similar goods.

37. In the circumstances, there is no prospect of a finding that the use of the subject mark would result in passing-off as at the relevant date and is liable to be prevented as at that date.

38. The ground of opposition under section 12(5)(a) must necessarily fail as well.

Conclusion

39. As all grounds of the opposition have failed, I award the applicant costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either the opponent or the applicant 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, unless otherwise agreed.

(Frederick Wong)
for Registrar of Trade Marks
2 May 2008