

- A **GOLDSTONE**
B GOLDSTONE

(“the suit marks”)

5. The specification of goods in respect of which registration is sought is as follows:

Class 12 : Tyres for trucks and all kinds of vehicles

The Opponent’s marks

6. The opponent is the owner of the following registered trade marks:



Trade mark no. 1985/2106 in class 12, registered in respect of “motorcycles, bicycles and their parts; rubber tyres”; date of application and registration 14 July 1983.



Trade mark no. 300143072 in class 12, registered in respect of “shock absorbers, tyres; wheels for vehicles; inner tubes, rims and covers for vehicle wheels; inner tubes for vehicle tyres; parts and fittings for all the aforesaid goods, bicycles”; date of application and registration 14 January 2004.

Applicant, Opponent and evidence

7. The applicant has filed a counter-statement in response to the Opponent's notice of opposition but has not filed evidence in the proceedings. In the counter-statement, the Applicant states, *inter alia*, that its mark is not deceptively or confusingly to the opponent's trade mark "BRIDGESTONE" as they are of different spelling and pronunciation. In the current market, there are many other trade marks registered with suffix "STONE" in respect of the same goods. No confusion has been caused amongst them. Moreover, since the mark "BRIDGESTONE" has been registered for many years and is well known in Hong Kong and worldwide, the general public will definitely not be confused or misled it with the mark "GOLDSTONE".
8. The Opponent's evidence comprises a statutory declaration made by Yue Wen Jiin, Deputy Managing Director of one Tong Seng Co. Ltd which is the distributor of the opponent's tyres in Hong Kong declared on 15 June 2005, together with exhibits ("Yue's statutory declaration") and another statutory declaration by Yasuhiro Takeda, General Manager of the Intellectual Property Department of the opponent declared on 12 September 2005, together with exhibits ("Takeda's statutory declaration")

Relevant date

9. The relevant date for considering the opposition is 13 May 2004, the date of the subject application for registration.
10. Although a number of grounds were pleaded in the grounds of opposition, Mr Yee indicated at the hearing that, for the purpose of the present opposition hearing, the opponent only relies on sections 11(1)(b), 11(4)(b), 11(5)(a), 11(5)(b), 12(3) and 12(5) of the Ordinance.

Opposition under section 12(3) of the Ordinance

11. Section 12(3) of the Ordinance provides as follows:

“(3) 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.”
12. Under section 7(1) of the Ordinance, 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.
13. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the U.K. Trade Marks Act 1994, which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1988 of the Council of the European Communities (“the Council Directive”). In interpreting Article 4(1)(b) of the Council Directive, the European Court of Justice (“ECJ”) has formulated the “global appreciation” test, the principles of which can be found in the ECJ decisions of *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 BV* [1999] E.T.M.R. 690 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 561.
14. According to these cases:
- (i) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
 - (ii) the matter must be judged through the eyes of the average consumer of the goods or services in question; *Sabel BV v Puma AG*, paragraph 23, who is deemed to be reasonably well informed and reasonably circumspect and observant – but who 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*, paragraph 26;

- (iii) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*, paragraph 23;
 - (iv) 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*, paragraph 23;
 - (v) 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*, paragraph 17;
 - (vi) 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*, paragraph 24;
 - (vii) 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*, paragraph 26;
 - (viii) 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 CV v Adidas AG*, paragraph 41;
 - (ix) 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*, paragraph 29.
15. I consider that the principles laid down by the ECJ, followed by the U.K. courts and the U.K. Trade Marks Registry, provide useful guidance to determine objection under section 12(3).

Earlier trade marks

16. In the present case, the Opponent's trade marks nos. 1985/2106 and 300143072, both having a date of application for registration earlier than that of the suit marks, are "earlier trade marks" in relation to the suit marks within the definition of section 5(1)(a) of the Ordinance. According to the section, "earlier trade mark", in relation to another trade mark, means "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".

Counsel's submissions

17. On the similarity between the suit marks and the opponent's marks, Mr Yee, counsel for the opponent, submitted that the suit marks consist of a word "GOLDSTONE" in two styles. Both of them are in block letters. One is in plain form whilst the other is stylized in that the word "GOLDSTONE" in black is overlaid by another word "GOLDSTONE" in white and the two words are in different fonts. Mr Yee pointed out that both the suit marks and the opponent's marks are disyllabic words ending with the suffix "stone". Both are proper nouns with no natural meaning in itself.
18. Mr Yee contended that the suit marks consisting of the prefix "GOLD" has a laudatory meaning of high quality or excellence. The general public may be confused and misled into thinking that the applicant's tyre products bearing the suit mark are the superior class or high-tier products of the opponent.
19. Mr Yee submitted that as supported by the incontrovertible evidence of the opponent, the opponent's reputation in the tyre market can hardly be disputed. In fact, in the counter-statement, the applicant accepts that the opponent's mark "BRIDGESTONE" is well known in Hong Kong and worldwide.
20. Mr Yee then brought me through the evidence of use filed by the opponent. According to paragraph 2 and "YT-1" of Takeda's statutory declaration, the opponent was established in Japan in 1931. The opponent's tyre manufacturing business began in 1934 and over the years, the opponent diversified its product range into various other products including, but not

limited to automotive parts, industrial rubber goods, chemical products, marine components, building materials, sporting goods, clothing, clothing accessories, footwear, headgear, traveling gear and motor sport business. Among the opponent's goods are "motorcycles; bicycles and their parts; tyres; tyres for heavy equipment such as off-road mining vehicles and aircraft; inner tubes, rims, covers for aircraft wheels; inner tubes for aircraft tyres, shock absorbers; wheels for vehicles; inner tubes for vehicle tyres; parts and fittings for the aforesaid in class 12" ("the opponent's goods"); all such goods being used under or by reference to the opponent's marks "BRIDGESTONE" and "BRIDGESTONE & DEVICE".

21. Mr Yee submitted that the opponent is the world's largest and number one tyre maker, supplying tyres and tubes to most major car and truck manufacturers. The global market share of the opponent's tyre business was 19.1% and 18.4% in the years 2002 and 2003 respectively (paragraph 4 of Takeda's statutory declaration). The opponent's tyre market share in Asia is estimated to be 40-50% (paragraph 6 of Takeda's statutory declaration).
22. The opponent's goods bearing the opponent's trade marks have been sold in Hong Kong since 1955. Since 1995, the opponent has entrusted Tong Seng Co., Ltd (同成有限公司) to distribute the opponent's tyres in Hong Kong (paragraph 10 of Takeda's statutory declaration, paragraph 4 and "Exhibit B" of Yue's statutory declaration). A breakdown of the approximate annual sales of the opponent's goods bearing the opponent's marks in Hong Kong during the period from 1998 to 2004 is given in paragraph 15 of Takeda's statutory declaration amounting to about HK\$1.2 million in 2004. Mr Yee submitted that the opponent's tyres products are popular in Hong Kong as evidenced by its sales figures for the years 1998 to 2004. Hence, the opponent's marks are distinctive of the products of the opponent and the opponent's marks have become the household names for tyres products in Hong Kong.
23. The opponent has expended considerable sum on advertising its tyres products bearing the opponent's marks in Hong Kong. The advertising or promotional expenditure of the opponent's goods bearing the opponent's marks expended in Hong Kong from 1999 to 2004 are set out in paragraph 16 of Takeda's statutory declaration amounting to about HK\$2.4 million in 2004. Exemplary invoices of advertising costs and samples of advertisements of pre-application dates are exhibited in "YT-8" to Takeda's statutory declaration and "Exhibit D"

to Yue's statutory declaration respectively.

24. Mr Yee contended that the opponent's reputation in the tyre market can best be illustrated in the opponent's participation in Formula One League. Since 1997, the opponent has launched its "BRIDGESTONE" brand into the ultimate motor sport discipline in Formula One League, establishing the opponent's worldwide recognized reputation for innovation, endurance and excellence in its tyre products. The opponent's contribution to the historic 2004 victory by Ferrari and Michael Schumacher marked the 7th consecutive year that the opponent's tyres carried the Formula One champion (paragraph 3 and "YT-1" of Takeda's statutory declaration).
25. Mr Yee submitted that in applying the global appreciation test, the more distinctive the earlier mark, the greater would be the likelihood of confusion. A likelihood of confusion arises where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public. Applying the same to the present case, Mr Yee contended that the opponent's trade marks are earlier trade marks which are highly distinctive because of the long history of use and the reputation and goodwill attached to the opponent's marks.
26. Turning to the similarity of the goods, Mr Yee pointed out it should be noted that the goods covered by the suit marks are exactly the same as those covered by the opponent's marks. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services. The applicant's tyre products are likely to be sold through the same trade channels as those of the opponent.
27. In conclusion, Mr Yee submitted that the suit marks are so similar to the opponent's marks that the public would be confused with them and misled into the belief that the applicant's products bearing the suit marks are those of a different product line from the opponent and/or somehow connected with the opponent. Accordingly, registration of the suit mark should be refused under section 12(3) of the Ordinance.

Similarity between the marks

28. In my judgment, as submitted by Mr Yee, the suit marks in series comprise one word mark “GOLDSTONE” in plain block capitals and another one in stylised form. To my mind, although one of the suit marks in series is represented in stylised scripts, the leading characteristic of the mark is undoubtedly the word “GOLDSTONE” which is more likely to be recalled rather than the stylised representation of the same. It retains its identity as a pure word mark.
29. Similarly, for the opponent’s earlier trade mark No. 1985/2106, it is a composite mark consisting of both a device and the word “BRIDGESTONE”. It is trite law that words are more readily recalled than devices. The identifying feature in the composite mark must be the word “BRIDGESTONE”. Again, the slightly stylized scripts would not alter the identity of the word “BRIDGESTONE”. As to the earlier trade mark No. 300143072, I have not overlooked that the first letter of the word “BRIDGESTONE” is presented with a degree of stylisation and resembles the device part in the earlier trade mark No. 1985/2106. I consider that it would nevertheless be recognised as a letter “B” when it is seen together with the remaining letters “RIDGESTONE” to form the word “BRIDGESTONE”. The mark will be recalled as a word mark consisting of the word “BRIDGESTONE”. In my view, without proceeding to analyse the various details of trade marks in daily life, the average consumer would normally perceive the suit marks in series as “GOLDSTONE” and the opponent’s earlier trade marks as “BRIDGESTONE” as a whole.
30. Both the words “BRIDGESTONE” and “GOLDSTONE” share the same suffix “STONE”. They are more or less of the same length. They are both words of two syllables. “STONE” is not the type of termination of words that would be slurred when pronounced. In fact, emphasis may be placed on the syllable “STONE” depending on the way you pronounce the words “BRIDGESTONE” and “GOLDSTONE”. Taking customers’ imperfect recollection into account, I conclude that visually and aurally, the respective marks are similar.
31. Conceptually, contrary to what was submitted by Mr Yee, I find an entry for the word “GOLDSTONE” in the Collins English Dictionary which states that it is another name for “aventurine”. When I turn to the entry of “aventurine” in the dictionary, it refers to “sunstone, a light-coloured translucent variety of orthoclase feldspar containing reddish-gold particles of iron compounds or a

variety of quartz containing red or greenish particles of iron oxide or mica : a gemstone”. It is not, however, in my view, a word that would be known to many people in Hong Kong. “BRIDGESTONE” is an invented word with no dictionary meaning. Without commonly known meaning, both are more likely to be recognized by their aural and visual features which I have found above are similar. Moreover, as the common suffix “STONE” shared by both words has no particular meaning or descriptive connotation when used in relation to tyres, it is considered to be distinctive. Therefore, both the suit marks and the opponent’s marks share the same distinctive component.

Goods

32. Turning to the similarity of the goods, I accept Mr Yee’s contention that the applicant’s goods and the opponent’s goods are identical as the applicant’s goods are covered by the specifications of goods of the registration of the opponent’s marks.

Likelihood of confusion

33. As decided in the ECJ cases referred to above, there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character *per se* or because of the use that has made of it.
34. In making the assessment of the distinctive character of an earlier registered mark, 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 how long-standing the 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 (see *Lloyd Schuhfabrik Meyer v Klijsen Handel*, paragraphs 22 and 23).
35. Regarding the inherent characteristics of the opponent’s marks, I consider that the invented word “BRIDGESTONE” does not contain an element descriptive

of the goods for which the opponent's marks are registered. Hence, the opponent's marks possess inherent distinctiveness. Regarding other factors that should be taken into account, I accept Mr Yee's analysis of the opponent's evidence of use and submissions above and find that the opponent's marks had, at the relevant date, acquired a significantly enhanced level of distinctiveness as a result of use. Therefore, there would be a greater likelihood of confusion between the respective marks.

36. I consider that the opponent has in fact used the opponent's marks "BRIDGESTONE" and "BRIDGESTONE & device" in relation to tyres in Hong Kong which are highly distinctive. If somebody subsequently comes along and takes a highly distinctive part of the opponent's marks and makes a substitution such as "GOLDSTONE" in the present case, there is a real likelihood that the public will wrongly believe that the respective goods come from the same or economically linked undertakings. There is also force in Mr Yee's argument that the general public may be confused and misled into thinking that the applicant's tyres products bearing the suit marks are the superior class or high-tier products of the opponent.
37. Having taken into account all relevant factors including the similarity between the marks, the overlap of the goods and the enhanced level of distinctiveness of the opponent's earlier trade marks as a result of use, I come to conclusion that the use of the suit marks in relation to the goods applied for would be likely to cause confusion.
38. It follows that the ground of opposition under section 12(3) is made out. The subject application for registration is therefore refused.
39. Since I have found in favour of the opponent on the section 12(3) ground, it is not necessary for me to consider the other grounds of opposition.

Costs

40. The opponent has sought costs. There is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that costs should follow the event. I accordingly order that the applicant pays the costs of these proceedings.

41. Subject to any representations as to amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, unless otherwise agreed between the parties.

(Ms Fanny Pang)

p. Registrar of Trade Marks

22 March 2007