

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300280728

MARK: TOUCHWOOD

CLASS: 2

APPLICANT: BERGER INTERNATIONAL LIMITED

OPPONENT: LEONHARD KURZ STIFTUNG & CO. KG (formerly
known as LEONHARD KURZ GMBH & CO. KG)

STATEMENT OF REASONS FOR DECISION

Background

1. On 6 September 2004, Berger International Limited (“Applicant”) filed an application under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for the registration of the following mark (“suit mark”) –

TOUCHWOOD

Registration is sought in respect of the following goods in Class 2 –

“paints, gloss, primers, varnishes, lacquers, enamels in the nature of paint, japans, distempers, rust preservatives, wood preservatives, wood stains, anti-fouling and anti-corrosive compositions, paints and varnish driers, oil, putties, stoppers and fillers and thinners; colorants; colouring matters, dyestuffs, mordants; raw natural resins”

The Applicant has not made any claim of priority in respect of the subject application.

2. Particulars of the subject application were published on 30 September 2005. On 29 December 2005, a notice of opposition was filed by Leonhard Kurz GmbH & Co. KG (“Opponent”) against the subject application together with a statement of the grounds of opposition (“Grounds of Opposition”). In response to the notice of opposition filed, the Applicant filed a counter-statement on 28 March 2006.

Trade Mark No.	Trade Mark	Class	Specification
199600667	TOUCHWOOD	2	Stamping foils, hot press stamping foils; all included in Class 2

7. In the First Voelk Declaration, the Opponent has referred to Mark A, Mark B, Mark C and Mark D collectively as the “Opponent’s Marks”. However, I cannot find any instances of use of Mark C and Mark D in the actual samples submitted by the Opponent. There is use of a mark “Touchclear” or “TouchClear” in some of the brochures exhibited to the First Voelk Declaration but those marks are not actually Mark D. Mark B are often used in the titles and headings of the brochures but it is clear from the materials submitted by the Opponent that its principal mark is Mark A and the Opponent’s case is strongest if based on Mark A. I shall therefore only consider the case in relation to Mark B, if the opposition based on Mark A is unsuccessful.

Section 12(5)(a)

8. Section 12(5)(a) of the Ordinance reads 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...”

9. On the circumstances under which a passing off action can be established, I refer to the following passage from the decision of the House of Lords in **Reckitt & Colman Products Ltd v Borden Inc** [1990] RPC 341, which has been adopted by the Hong Kong Court of Final Appeal in the case of **Ping An Securities Limited v 中國平安保險(集團)股份有限公司** (FACV No. 26 of 2008) –

“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 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."

10. The protection afforded by the common law action of passing off is not dependent on the registration of the mark. Thus, an objection under section 12(5)(a) of the Ordinance can be based upon the Opponent's ownership of registered as well as unregistered marks. Mark A is a registered mark. I shall first examine whether the three elements that constitute passing off, as stipulated in the **Reckitt** case, can be made out by the Opponent in respect of Mark A.

Goodwill

11. To constitute passing off, the Opponent has first to establish that its products have acquired a goodwill or reputation in the market and are known by some distinguishing feature. In the First Voelk Declaration, the Opponent gave a brief account of its history which can be traced back to the late 1800's in Germany, when it was first formed as a company to manufacture gold leaf. Apart from an earlier invention, Peter Voelk also averred to the development of magnetic and hologram foils and thermal transfer tapes in the last two decades. According to the First Voelk Declaration, the hot stamping foils of the Opponent are used on an array of products, including but not limited to packaging, greeting cards, electronic devices, household

appliances, cosmetics, textiles, furniture, automotive parts, security documents, cheques, credit cards, ID cards and passports; and the Opponent also distributes stamping tools and machines.

12. In relation to the trade marks used, it was indicated in the First Voelk Declaration that the Opponent offers stamping foils, hot press stamping foils, laminating foils, stamping tools and machines (“the Opponent’s Goods”) under or by reference to the Opponent’s Marks. Use of the Opponent’s Marks commenced in or around 1980 and particulars of the applications and registration for the Opponent’s Marks around the world were provided in the First Voelk Declaration.

13. In Hong Kong, Voelk deposed to the first use of the Opponent’s Marks in or around January 1988 and the continuous extensive use of them by the Opponent, its subsidiaries or authorized agents or dealers. Sales figures of goods bearing the Opponent’s Marks in Hong Kong for the years 1988 to 2004 can be found in paragraph 8 of the First Voelk Declaration. Sales fluctuated over the years but the annual average is around a few millions Hong Kong dollars.

14. Voelk also averred to the expending of substantial sums of money in worldwide advertisement and promotion of the Opponent’s Marks in respect of the Opponent’s Goods and in registration and enforcement programmes, although a breakdown of the figures showing the proportion that relates to the Hong Kong market has not been provided. Samples of invoices showing sales made in Hong Kong as well as the marks of the Opponent in actual use have also been exhibited. The invoices range from 1999 to 2004 and they either have the word “TOUCHWOOD” shown in the product description or product codes which indicate, according to a separate sheet that explains what the codes mean, that the goods are “TOUCHWOOD” products.

15. The evidence on use as submitted by the Opponent is not disputed by the Applicant. Although the materials were said to relate to all the Opponent’s Marks, the marks actually used are Mark A and Mark B. Furthermore, in the samples showing actual use, Mark A is always used while Mark B is only sometimes used. The invoices in the exhibit to the First Voelk Declaration show use of Mark A only and not Mark B. I am therefore satisfied that the sales figures do relate to Mark A. Having regard to the long period of use and the sales figures as reported, I have no difficulty in finding that the Opponent has established goodwill in relation to stamping foils.

Misrepresentation

16. Buckley L.J. in the case of *H. P. Bulmer Ltd v J Bollinger SA (No. 3)* [1978] R.P.C. 79 (at page 99) had laid down some guiding principles that are relevant to the determination of whether the use of the suit mark by the Applicant will likely lead to the deception of the public. According to him, the representation required to found an action of passing off has to consist of conduct “*such as to mislead members of the public into a mistaken belief that the goods or services of the defendant or the defendant’s business are or is either (a) the goods or services or business of the plaintiff or (b) connected with the plaintiff’s business in some way which is likely to damage the plaintiff’s goodwill in that business*”.

17. The Applicant has not submitted evidence of any actual use of the suit mark in Hong Kong. Since section 12(5)(a) of the Ordinance refers to the use of the mark applied for being liable to be prevented by virtue of the law of passing off, the requirement can be satisfied where the fair and notional use of the suit mark would constitute passing off as at the date of application of the suit mark.

18. Both the suit mark and Mark A comprise merely one English word “TOUCHWOOD” with all the letters in the upper case. There are no other elements in either mark and there is no stylization of the word at all in both cases. I do not think there can be any serious argument that the two marks are not virtually identical.

19. The case put forward by the Applicant is that the goods of interest to the Applicant are different from the stamping foils sold by the Opponent. In paragraph 7 of the Lee Declaration, the stamping foils are described as a very specialized material and hot stamping as an industrial marking process known for the shiny gold or silver print it commonly produces on credit cards, cosmetics cases and the like. The process as explained by the Applicant is one involving the pressing of a heated metal die against a coloured foil and the product to be printed and since the foils used in the process are the goods made by the Opponent, the Applicant considers them to be distinctly different from those applied for by the Applicant..

20. The Opponent has itself provided great details of what its products are. There is an account of how the products of the Opponent work in paragraph 18 of the First Voelk Declaration, which is also mentioned in many of the brochures exhibited. According to that account, the stamping foils of the Opponent usually comprise a

plastic carrier film as a decorative layer arrangement, this arrangement itself comprising several lacquers and/or thin metallic layers. In use, the decorative layer arrangement is transferred from the carrier film (using heat and pressure) to the surface of the substrate, the carrier film being removed afterwards so that the final surface of the substrate is a surface that has basically the same properties as a lacquer surface which has been applied with conventional methods. It is therefore the Opponent's case that the foils of the Opponent are used for decorating the surface of substrates in a way which is very similar to decoration with regular lacquers and which can be used as replacement for lacquer, paints and the other products now covered by the application for registration of the suit mark.

21. The Opponent especially takes issue with the suggestion of the Applicant that the foils of the Opponent are distinctly different from the paints of the Applicant. In the Second Voelk Declaration, the Opponent indicated that the difference lies only in the manner of application of the products – instead of being applied by conventional methods like direct painting or spraying on the surface in question, the goods of the Opponent are applied on a substrate by using the hot press stamping method. The Opponent stresses that its goods are frequently used to replace lacquers and paints and they are frequently referred to as “dry lacquer”.

22. To further illustrate the point, Mr. Yee has highlighted various descriptions of its products in the brochures found in “Exhibit E” to the First Voelk Declaration. These include:-

(a) the “TOUCHWOOD FOCUS” brochure¹, where there is a statement that “TOUCHWOOD, when used as a primer, can very significantly shorten the duration of the many steps involved in the wet lacquering process ...”;

(b) the “TOUCHWOOD Transferfinish for the Wood Industry”² brochure, where it is stated that “... in the TOUCHWOOD stamping process only the decorative finish with its protective lacquer layers, decorative pattern and heat sensitive adhesive is transferred on to the substrate by heat and pressure”;

(c) the “TOUCHWOOD Dry Transfer Finish”³ brochure, where it is stated that “TOUCHWOOD is a dry transfer finish with thin layers of protective

¹ With a copyright notice indicating 2005 as the year of publication.

² With a copyright notice indicating 1997 as the year of publication.

³ With a copyright notice indicating 1999 as the year of publication.

top lacquer, decorative and adhesive coats all super-imposed onto a polyester carrier”.

23. Mr. Yee has also drawn my attention to a few other advertising materials with descriptions of the nature and properties of the Opponent’s Goods but I do not consider it necessary to list them all out. I also note that some of the materials mentioned in paragraph 22 above post-date (judging from the date of the copyright notices printed on them) the filing of the application for registration of the suit mark. I have nonetheless made reference to them because the position, as presented by all the supporting materials exhibited to the First Voelk Declaration (be they from the 1990s era or from more recent times), is a consistent one.

24. The evidence filed by the Opponent does show that the stamping foils of the Opponent have all along been known for their lacquer-like decorative quality. The goods applied for are paints, vanishes, lacquers and other like products. Although paints can be used on a lot of surfaces like walls, furniture and furnishing, it is notable, from paragraph 5 of the Lee Declaration, that the Applicant adopted the suit mark particularly for paints developed for polishing and protecting wooden articles used in the furniture industry. Hence, the goods of interest to the Applicant are all for treating the surfaces of furniture and furnishings. The stamping foils of the Opponent serve the same purpose. It is also clear from the promotional literature of the Opponent that the Opponent has been marketing its foils as a replacement of the more conventional paints and lacquers. The foils of the Opponent are therefore in direct competition with the goods of interest to the Applicant.

25. Although the products of the Applicant and those of the Opponent work differently, they serve the same intended purpose – to decorate and protect furniture and fittings. If the Applicant is to apply such a virtually identical mark on its products, there is a real likelihood that the relevant consumers will be deceived into believing that they come from the Opponent. The second element for constituting passing off has therefore been made out by the Opponent.

Damages

26. As there has been no actual use of the suit mark, the Opponent needs only show that it is likely to suffer damage by reason of the erroneous belief engendered by the misrepresentation that the source of the goods of the Applicant is the same as the source of those offered by the Opponent. Mr. Yee did not specifically address me on

this point but submitted that a case of passing off should be considered as having been made out by the Opponent. With this case, the likelihood of damages resulting from the misrepresentation is apparent. With the products of the parties in direct competition with each other, the erroneous belief is likely to result in loss of business to the Opponent.

27. Having established all three elements for constituting passing off in respect of Mark A, the application for registration of the suit mark is therefore successfully opposed on the ground of opposition under section 12(5)(a) of the Ordinance.

28. As I have found that the ground of opposition under section 12(5)(a) to have been made out in respect of Mark A, there is no further need for me to consider the case in relation to Mark B. For the same token, there is no need for me to consider the opposition based on any of the grounds of opposition under section 11(5)(b), 12(3) or 12(4) of the Ordinance.

Costs

29. As the opposition is successful, I award the Opponent costs. Subject to any representations, as to the amount of costs or calling for special treatment, made by either party 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.

Caroline Chow
for Registrar of Trade Marks
21 June 2011