

**TRADE MARKS ORDINANCE (CAP. 559)**

**OPPOSITION TO TRADE MARK APPLICATION NO. 300289486**



**CLASS :** 14

**APPLICANT :** IWATCH TIMEPIECE LIMITED

**OPPONENT :** INTERTIME (FAR EAST) HOLDINGS LIMITED

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 21 September 2004 (“Application Date”), IWATCH TIMEPIECE LIMITED (“Applicant”) filed an application (“subject application”) under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for registration of the following mark (“Subject Mark”):



Registration is sought in respect of the following goods in Class 14 (“Subject Goods”):

“precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.”

2. Particulars of the subject application were published on 21 October 2004. INTERTIME (FAR EAST) HOLDINGS LIMITED (“Opponent”) filed a notice of opposition dated 19 January 2005 (“Notice of Opposition”) to the subject application on 20 January 2005 and, with leave of the Registrar, filed

under cover of a letter dated 24 September 2007 an amended notice of opposition (“Amended Notice of Opposition”).

3. The Applicant filed a counter-statement on 19 March 2005 and, with leave of the Registrar, filed on 10 May 2007 an amended counter-statement (“Amended Counter-Statement”) in response to the Notice of Opposition. The Applicant did not further amend its counter-statement after the filing of the Amended Notice of Opposition.
4. The Opponent and the Applicant filed evidence in turn. The substantive opposition hearing took place before me on 27 & 28 October 2010. Mr. Philips B.F. Wong, Counsel, instructed by ONC Lawyers appeared for the Applicant. Mr. Raymond Chung of Chung Fong & Co. appeared for the Opponent.

#### **Ground of opposition**

5. In this opposition, the Opponent relies on the following mark :

**iw@ch**

Trade Mark No. 2000B07998 (“Opponent’s Mark”) registered as of 1 September 1999 in respect of “watches” in Class 14 (“Opponent’s Goods”).

6. The sole ground of opposition relied on by the Opponent is that under section 12(3) of the Ordinance. The Opponent considers the Subject Mark to be manifestly similar to the Opponent’s Mark.
7. In its Amended Counter-Statement, the Applicant disputed the alleged similarity between the Subject Mark and the Opponent’s Mark. The Applicant stated that it had opened at least six shops/counters in Hong Kong since the year 2000, and had spent more than HK\$1million in advertising in Hong Kong. The Applicant stated that if the Opponent had ever used the Opponent’s Mark in Hong Kong (which the Applicant denied), the Applicant would rely on the ground of honest concurrent use of the Subject Mark in support of the subject application.

8. The Opponent took issue with the Applicant's claim of honest concurrent use.

### **The Opponent's evidence**

9. The Opponent's evidence consists of:
- (a) an affirmation of Rajesh Vashi Khemlani affirmed on 14 September 2005 ("Khemlani's 1<sup>st</sup> Affirmation");
  - (b) a second affirmation of Rajesh Vashi Khemlani affirmed on 9 March 2007 ("Khemlani's 2<sup>nd</sup> Affirmation"); and
  - (c) a third affirmation of Rajesh Vashi Khemlani affirmed on 20 September 2007 ("Khemlani's 3<sup>rd</sup> Affirmation").
10. Mr. Rajesh Vashi Khemlani is the Managing Director of the Opponent. According to the Certificate of Incorporation on Change of Name of the Opponent, the Opponent was incorporated under the name of Intertime (Far East) Holdings Limited on 7 May 1999. According to paragraph 7 of Khemlani's 2<sup>nd</sup> Affirmation, the Opponent's Mark was conceived and created by Mr. Khemlani in the early part of 1999. The Opponent's Mark was registered in Hong Kong on 1 September 1999, and in Switzerland, Japan and as a Community Trade Mark in Europe in 2000<sup>1</sup>. The Opponent claimed to have used the Opponent's Mark on its merchandises and accessories since registration of the mark in Hong Kong (i.e. 1999) and overseas (i.e. 2000)<sup>2</sup>. The Opponent further explained in Khemlani's 2<sup>nd</sup> Affirmation that the Opponent is an asset holding company which does not have any business transaction other than holding assets, and that Intertime (Far East) Limited ("IFEL") is an "affiliate" to the Opponent, carries out all business of the "Opponent's group" (not defined) and is responsible for all buying and selling activities of the "Opponent's group"<sup>3</sup>. According to the various directors' report and audited accounts of IFEL covering, *inter alia*, the period from 2 September 1998 to 31 March 2005<sup>4</sup>, the principal activities of IFEL during that period were "exportation of electronic products, components, accessories to various cities and towns in Middle East, Europe, U.S.A. and South America." It is observed that those activities mainly involve "exportation",

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<sup>1</sup> Khemlani's 1<sup>st</sup> Affirmation, para. 4; Khemlani's 2<sup>nd</sup> Affirmation, paras. 3-5.

<sup>2</sup> Khemlani's 1<sup>st</sup> Affirmation, para. 5.

<sup>3</sup> Khemlani's 2<sup>nd</sup> Affirmation, paras. 9-11.

<sup>4</sup> Exhibit "RK-15" to Khemlani's 2<sup>nd</sup> Affirmation.

and the goods involved are not restricted to “watches” (the goods covered by the registration of the Opponent’s Mark).

11. Set out in paragraph 12 of Khemlani’s 2<sup>nd</sup> Affirmation are sales turnover figures of the “Opponent’s group” for, *inter alia*, the period from 2 September 1998 to 31 March 2005. These figures are based on the audited accounts referred to in paragraph 10 above. It is observed that the figures cover a period starting from 2 September 1998, which is prior to the claimed time of creation and first use of the Opponent’s Mark. The Opponent claimed that iw@ch products accounted for approximately 25% of the sales turnover figures given. It is not clear how this estimate was arrived at and on what basis. Included in exhibits “RK-17” and “RK-18” are copies of four sales invoices issued by IFEL during the period from July 1999 to May 2004. Two of them were issued to a customer in Sweden, whilst the other two were issued to customers in the United States and the Netherland Antilles respectively. No invoice in respect of the sale of any product under the Opponent’s Mark to any customer in Hong Kong can be found in the Opponent’s evidence.
12. Set out in paragraph 13 of Khemlani’s 2<sup>nd</sup> Affirmation are advertising and exhibition expenses in respect of the “Opponent’s group products”. There is no breakdown of these figures to show which part thereof relates to promotion of goods under the Opponent’s Mark in Hong Kong. Exhibit “RK-8” includes extracts of catalogues of the Hong Kong Watch & Clock Fair in September 2000, 2001 and 2002. The name of IFEL appears as an exhibitor in each of those extracts, and the relevant brand names are stated to be “VOILA” and “IW@CH”. Although the figures given at paragraph 13 of Khemlani’s 2<sup>nd</sup> Affirmation are stated to be amounts of “*advertising fee and exhibition expenses through different channels such as newspapers, magazines, brochures, etc.*”, save for the fair brochures referred to above, no advertisement of the Opponent’s Goods in Hong Kong under the Opponent’s Mark in any newspaper or magazine can be found in any of the exhibits to the three affirmations of Mr. Khemlani.
13. Mr. Khemlani also stated that the Applicant by itself or by companies under its control had previously applied at the Trade Marks Registry in Hong Kong for registration of the mark “iwatch” since January 2001 but without success


due to similarity to the Opponent's Mark<sup>5</sup>. Exhibit "RK-10" to Khemlani's 1<sup>st</sup> Affirmation is said to include copies of previous applications by the Applicant. On the other hand, I note that of the applications referred to in that exhibit, only the following pre-date the subject application, and one of them was made by an unrelated third party, Shun Li Hong Watch Manufactory Ltd. :

application no.	mark	filing date	applicant	goods	status
200100498		9 Jan 2001	CHUNG YIN CHAU TRADING AS MAY TAT WATCH MFG. CO.	<u>Class 14</u> watches and chronometric instruments; all included in Class 14.	application withdrawn
200103708		7 Mar 2001	SHUN LI HONG WATCH MANUFACTORY LTD.	<u>Class 14</u> watches; movements for clocks and watches; clocks.	application withdrawn
200120201		14 Dec 2001	MAY TAT WATCH MFG. CO. PTE. LTD.	<u>Class 14</u> watches and chronometric instruments; all included in Class 14.	application withdrawn

### The Applicant's evidence

14. The Applicant's written evidence consists of :
- (a) a declaration of Chung Yin Chau declared on 12 September 2006 ("Chung's 1<sup>st</sup> Declaration:");
  - (b) a second declaration of Chung Yin Chau declared on 14 May 2007 ("Chung's 2<sup>nd</sup> Declaration");
  - (c) a declaration of Pang Wei Veng declared on 14 May 2007 ("Pang's 1<sup>st</sup> Declaration"); and
  - (d) a second declaration of Pang Wei Veng declared on 18 October 2007 (Pang's 2<sup>nd</sup> Declaration").
15. Madam Chung Yin Chau had at all material times been a director of the Applicant and (what she referred to as) the Applicant's "related entities including its predecessors". Madam Chung stated that her husband, Mr.

<sup>5</sup> Khemlani's 1<sup>st</sup> Affirmation, para. 7.

Pang Wei Veng, and others established May Tat Watch Mfg. Co. Pte. Ltd. (“May Tat Singapore”) in Singapore in June 1992 and that Madam Chung had at all material times been a manager of May Tat Singapore. She stated that the mark “iwatch” was independently created by Mr. Pang in about early 1992, and the device (presumably, “”) was later added to give the Subject Mark<sup>6</sup>. Mr. Pang also confirmed that the Subject Mark was independently created by him in or about mid-1992<sup>7</sup>.

16. On 10 October 2000, Madam Chung and her brother, Mr. Chung Chi Pui, established the unincorporated firm “iwatch Timepiece” at Room 2094, 2/F., Sunshine City, Ma On Shan, New Territories. According to Madam Chung, iwatch Timepiece had since its establishment been used as the retail shop for advertising and selling watches bearing or by reference to the marks “iwatch” and “iwatch and device” in Hong Kong<sup>8</sup>.
17. On 18 January 2002, the Applicant was incorporated to replace the unincorporated iwatch Timepiece. All retail sales, advertising and promotion of watches bearing or by reference to the marks “iwatch” and “iwatch and device” were taken care of by the Applicant in Hong Kong since then<sup>9</sup>. Exhibit “CYC-6” to Chung’s 1<sup>st</sup> Declaration includes, *inter alia*, invoices issued by the Applicant bearing the Subject Mark in respect of watch products. The earliest of those invoices bears a date in August 2003<sup>10</sup>.
18. Exhibit “CYC-7” includes copies of some advertisements of the Applicant’s watch products under the Subject Mark in various Hong Kong newspapers and magazines<sup>11</sup>. The earliest of those advertisements was in August 2002. According to an advertisement bearing the Subject Mark in Sudden Weekly (忽然 1 週) in August 2002, the Applicant’s products were then available at the following shops or counters in department stores or shopping arcades :
  - (a) G/F., Wing On Department Main Store, Sheung Wan;
  - (b) Shop 55, 4/F., Kornhill Plaza (South), Hong Kong;

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<sup>6</sup> There is some uncertainty as to exactly when the device was added to “iwatch”.

<sup>7</sup> Pang’s 1<sup>st</sup> Declaration, para. 3.

<sup>8</sup> Chung’s 1<sup>st</sup> Declaration, para. 4.

<sup>9</sup> Chung’s 1<sup>st</sup> Declaration, para. 5.

<sup>10</sup> Page 19 of exhibit “CYC-6”.

<sup>11</sup> These include Oriental Daily (東方日報), Sudden Weekly (忽然 1 週), Apple Daily, 太陽報, Next Magazine.

- (c) G/F., Pioneer Centre, Mongkok;
- (d) Seiyu (Shatin) Department Store.

19. According to an advertisement bearing the Subject Mark in Oriental Daily (東方日報) in August 2004 (i.e. shortly before the Application Date), the Applicant's watch products were then available at the following shops or counters :

- (a) G/F., Wing On Department Main Store, Sheung Wan;
- (b) Shop B, G/F., 77-83 Percival Street, Causeway Bay;
- (c) Shop 22, G/F., 65 Argyle Street, Mongkok;
- (d) Shop G02A, G/F., One Grand Tower, 639 Nathan Road, Mongkok;
- (e) G/F., Pioneer Centre, Mongkok;
- (f) Shop 121, 1/F, Tin Chak Shopping Centre, Tin Shui Wai.

20. In response to the point made by the Opponent and referred to in paragraph 13 above, the Applicant denied that the applications formerly made by the Applicant (acting by itself or companies under its control) since 2001 for registration of the mark "iwatch" were unsuccessful because of similarity between that mark and the Opponent's Mark. According to a copy of a letter from the Trade Marks Registry dated 7 January 2002 in respect of application no. 200120201<sup>12</sup>, the mark "iwatch" was considered to be in conflict with the mark under application no. 200103708 applied for by Shun Li Hong Watch Manufactory Ltd., and was also considered neither inherently adapted to distinguish nor inherently capable of distinguishing the relevant applicant's goods from similar goods of others. It was stated in the letter that :

"The mark is a combination of the letter "i" and the word "watch". The letter "i" is indistinctive and is commonly used to denote "Internet". The "watch" is indistinctive of the goods applied for<sup>13</sup>. As a whole, "iwatch" is descriptive of the watches being incorporated with Internet or networking functions. It also suggests that the watches have cyber feel. ..."

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<sup>12</sup> Exhibit "CYC-18" to Chung's 1<sup>st</sup> Declaration.

<sup>13</sup> i.e. watches and chronometric instruments; all included in Class 14 (per the last item in the table at paragraph 13 above).

21. Madam Chung pointed out that the Trade Marks Registry had not mentioned the Opponent's Mark at all when dealing with trade mark application no. 200120201<sup>14</sup>.
22. Madam Chung stated that none of the Applicant, its related entities involved, Madam Chung herself, Mr. Pang and their families had been aware of the registration or existence of the Opponent's Mark in Hong Kong and/or overseas until the Opponent served the Notice of Opposition referring to the registration of the Opponent's Mark<sup>15</sup>. Mr. Pang also stated that he was not aware of the Opponent's Mark until the Applicant was served with the Notice of Opposition<sup>16</sup>. Madam Chung and Mr. Pang were cross-examined at length at the hearing on 27 October 2010 on the issue of honesty in relation to the Applicant's claim of honest concurrent use. I will return to that part of the Applicant's evidence later in this decision.

### **Opposition under section 12(3) of the Ordinance**

23. 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."*

24. Section 13 of the Ordinance provides, inter alia, 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; ..."*

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<sup>14</sup> Chung's 1<sup>st</sup> Declaration, para. 20.

<sup>15</sup> Chung's 1<sup>st</sup> Declaration, paras. 22-23.

<sup>16</sup> Pang's 1<sup>st</sup> Declaration, para. 8.

25. If I find that the Subject Mark shall not be registered because the opposition under section 12(3) of the Ordinance is made out, I need to go on to consider whether the Applicant has made out its case of honest concurrent use under section 13(1)(a). In other words, I only need to consider the issue of honest concurrent use if I find in favour of the Opponent in its opposition under section 12(3) of the Ordinance.
26. Section 12(3) of the Ordinance 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.
27. According to 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.
28. The basic principles regarding the assessment of similarity between signs and the likelihood of confusion between them are set out in the cases of *Sabel BV v Puma AG* [1998] RPC 199, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and 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.
  - (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.
  - (c) In order to assess the degree of similarity between the marks concerned one 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.

- (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.
- (e) The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details.
- (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.
- (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.
- (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*.
- (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.
- (j) But the risk that the public might believe that the respective goods come from the same or economically linked undertakings does constitute a likelihood of confusion within the meaning of the section.

29. The Opponent's Mark is a registered trade mark which has a date of application for registration which is earlier than that of the Subject Mark. According to section 5(1)(a) of the Ordinance<sup>17</sup>, the Opponent's Mark is an earlier trade mark in relation to the Subject Mark.

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<sup>17</sup> Section 5(1)(a) of the Ordinance provides that:

“(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; ...”

### *Relevant public*

30. The Subject Goods include watches and other horological and chronometric instruments, jewellery, precious stones, precious metals and their alloys and goods in precious metals or coated therewith. The relevant public is comprised of members of the general public in Hong Kong interested in these goods. Given that aesthetic appeal of the Subject Goods is likely to be a relevant consideration when making a purchase, visual perception of the trade marks on the goods would generally take place prior to purchase. The level of attention would depend on the value of the goods in question. Some jewellery, watches and goods made of precious metals may be expensive. In such a case, the level of attention of the potential purchasers may be higher.

### *Distinctiveness of the Opponent's Mark*

31. The Opponent's Mark consists of the letters "iw" and "ch" in lower case and the symbol "@" between them. Save for the first letter "i", each of the letters "w", "c" and "h" and the symbol "@" in the Opponent's Mark has rounded edges or parts. The size of the letter "a" within the symbol "@" is about the same as the size of each the letters "i", "w", "c" and "h". The word "iwach" has no meaning. The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details. Where the average consumer has the chance to give further thought to the Opponent's Mark, he may realize that the Opponent's Mark involves a clever use of the symbol "@" in place of the letters "at" in the word "watch". The combination of the letter "i" with the word "watch" is indistinctive in respect of watches, as it is descriptive of watches incorporated with Internet or networking functions. This is not disputed by the Opponent<sup>18</sup>. The distinctiveness of the Opponent's Mark lies in the symbol "@" at the centre of the mark and in the way the elements "iw", "@" and "ch" are presented in the mark. The Opponent's Mark as a whole is inherently distinctive.

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<sup>18</sup> In paragraph 22 of Khemlani's 2<sup>nd</sup> Affirmation, Mr. Khemlani on behalf of the Opponent stated that:

"Concerning the application no. 200100498 of a similar mark by the Applicant's associate, May Tat Watch Mfg. Co., one of the ground of refusal by the Trade Marks Registry is that the said proposed mark is a combination of the letter "i" and the word "watch" and as a whole is descriptive of watches being incorporated with Internet or networking functions and thus indistinctive. The refusal letter by the Trade Marks Registry is exhibited and marked as "CYC-18" of the Declaration of CYC. I verily believe that same ground of objection by the Trade Marks Registry will apply to the present case."

32. I have considered the Opponent's evidence of use of the Opponent's Mark at paragraphs 10 to 12 above. The extent to which the Opponent's Mark has been used in Hong Kong before the Application Date, insofar as it can be verified by any exhibit to the three affirmations listed in paragraph 9 above, is very limited. I have already found that the Opponent's Mark as a whole is inherently distinctive. I do not consider that the distinctiveness of the Opponent's Mark has been enhanced to any appreciable extent through use in Hong Kong in relation to the Opponent's Goods before the Application Date.

#### *Comparison of goods*

33. In assessing similarity of goods and services, all factors relating to the goods or services themselves must be taken into account (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (supra)). These include, *inter alia*, their nature, their end users<sup>19</sup> and their method of use and whether they are in competition with each other or are complementary. According to *British Sugar Plc v James Robertson & Sons Ltd.* [1996] RPC 281 at 296-297, the following factors are relevant:

- (i) The respective uses of the respective goods or services;
- (ii) The respective users of the respective goods or services;
- (iii) The respective 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;
- (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.<sup>20</sup>

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<sup>19</sup> It has been suggested that this is an incorrect translation and should read: "purpose of use" (*Sergio Rossi SpA v OHIM* (Case T-169/03), (then) Court of First Instance of the European Communities).

<sup>20</sup> *Kerly's Law of Trade Marks and Trade Names* (14<sup>th</sup> Edition) paras. 9-059 to 9-060.

34. As stated in the judgment of Mr. Justice Jacob (as he then was) in *British Sugar Plc v James Robertson & Sons Ltd.* (supra), this is rather an elaboration on the old judicial test for *goods of the same description*<sup>21</sup> under the UK Trade Marks Act 1938 (and indeed, also under the repealed Trade Marks Ordinance (Cap. 43)).
35. The Subject Goods and the Opponent's Goods are set out below:

<b>Subject Goods</b>	<b>Opponent's Goods</b>
<u>Class 14</u> precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.	<u>Class 14</u> watches


36. The Applicant accepts that “watches” belong to the category of “horological and chronometric instruments”. In other words, the latter covers goods identical to watches.
37. In relation to the goods “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones”, the Applicant referred to the case of *Re Yuen Nuen Sun* [2000] 2 HKLRD 341 at 351-354. In that case, the hearing officer had to consider whether “jewellery, jade, diamond, ruby, sapphire and emerald” are goods of the same description as “horological instruments and parts thereof”. He considered that the closest convergence between the respective range of goods would be high end, luxury dress watches on the one hand and jewellery on the other. He then applied the recognized test promulgated by Romer J in *Jellinek* (1946) 63 RPC 59, which test was approved by the House of Lords in *DAIQUIRI RUM Trade Mark* [1969] RPC 600 at p.620. The hearing officer noted that although a considerable degree of craftsmanship is required in the design and modelling of both jewellery and those high-end watches which are encrusted with precious stones, the same could be said of many other works of artistry and craftsmanship such as portraiture, still life paintings and statues. None of those could be regarded as being of the same nature as either watches or jewellery. The composition of jewellery is also very different from horological instruments, whose primary use and function is for telling time.

<sup>21</sup> *per* Romer J. in *Jellinek's Application* (1946) 63 RPC 59 at p. 70, approved by the House of Lords in *DAIQUIRI RUM Trade Mark* [1969] RPC 600 at page 620.

The hearing officer also considered the trade channels through which the goods respectively are bought and sold. Having carefully balanced all those factors, the hearing officer concluded that dress watches and jewellery are not the same description of goods.

38. Turning to those of the Subject Goods other than horological and chronometric instruments in the present case, I consider that whilst the primary function of watches (i.e. the Opponent's Goods) is for telling time, jewellery, precious stones, precious metals and their alloys and goods in precious metals or coated therewith are not for telling time. The nature and purpose of these goods are very different from watches. Both types of goods have their respective trade channels, and even where they are available in the same retail shop, they are likely to be displayed at different counters. They could not be considered to be in competition with each other.
39. Taking into account all factors relating to the goods, I conclude that "precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones" are not similar to "watches".

#### *Comparison of marks*

40. The visual, aural and conceptual similarities of the marks in question must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. The average consumer normally perceives a mark as a whole.
41. The Subject Mark consists of a stylised device " " and the text element "iwatch". The device looks like a stylized "I" or a pillar. I shall call it the "I device". The vertical stroke at the centre of the "I device" is proportionately wider than the vertical stroke in a normal letter "I". This coupled with the two blank spaces to its left and right give the device a striking appearance. The text element "iwatch" is set against a dark background, with the letter "i" being in a much bolder font than the letters "watch". The average consumer would therefore view the text element as a combination of the letter "i" and the word "watch". The "I device" is placed above the text element "iwatch", and the two elements together are enclosed in a rectangular box. The text "iwatch" is descriptive of horological and

chronometric instruments and is indistinctive in respect thereof. The public would not generally consider a descriptive element forming part of a composite mark as the distinctive and dominant element of the overall impression created by that mark.

42. The Opponent's Mark has been described in paragraph 31 above.
43. Visually, the "I device" in the Subject Mark is striking to the eye. In respect of "horological and chronometric instruments" in the Subject Goods, "iwatch" is indistinctive. In relation to those goods, therefore, the distinctive and dominant element in the Subject Mark is the "I device". In relation to the remainder of the Subject Goods, the text element "iwatch" has some distinctiveness. However, given the striking visual impression created by the "I device", the text element "iwatch" is not such as would dominate the overall visual impression created by the Subject Mark. In relation to those of the Subject Goods other than horological and chronometric instruments, the average consumer would have regard to the visual impact of both the "I" device and the text element "iwatch".
44. Visually, the symbol "@" at the centre of the Opponent's Mark catches the eye. The average consumer may not on first impression mentally convert the symbol "@" into the letters "at" and then combine them with the preceding letters "iw" and the letters "ch" that follow to give the combination "iwatch", which itself is not a dictionary word. Whilst the letter "i" in the text element "iwatch" of the Subject Mark is presented in a much bolder font than the word "watch" and therefore the average consumer would view the text element in the Subject Mark as a combination of "i" and "watch", the letter "i" in the Opponent's Mark is of the same size and font as the letters "w", "c" and "h" in the Opponent's Mark. On first impression, therefore, the average consumer would not separate the letter "i" in the Opponent's Mark from the rest of the mark, and would view the Opponent's Mark as a whole. When used in relation to watches, the average consumer may, on further thoughts, realize that the symbol "@" is cleverly used to replace the letters "at" in the word "watch". The "I device" which is so visually striking in the Subject Mark is absent in the Opponent's Mark. The symbol "@" which is striking to the eye and occupies a central position in the Opponent's Mark is also absent in the Subject Mark. Looking at each of the Subject Mark and the Opponent's Mark as a whole, I consider that the overall visual impression

created by the Subject Mark is very different from that created by the Opponent's Mark.

45. Aurally, both the Subject Mark and the Opponent's Mark would be referred to as "a I W D t f" or "eye-wortch". On the other hand, the degree of phonetic similarity between two marks is of less importance in the case of goods like those in the present case which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods.
46. Conceptually, the text element "iwatch" in the Subject Mark, when used in relation to "horological and chronometric instruments" would convey the meaning of a watch with "Internet" or networking functions. For the Opponent's Mark, "iwach" has no meaning. Where the consumer, on further thoughts, converts the symbol "@" into the letters "at" and combine them with the other letters in the mark to give "iwatch", the degree of conceptual similarity between the Subject Mark and the Opponent's Mark would be higher than if the Opponent's Mark is perceived, on first impression, as "iwach".
47. In relation to horological and chronometric instruments, the combination "iwatch" is indistinctive. In relation to those goods, having regard to the degree of visual, aural and conceptual similarities and differences between the Subject Mark and the Opponent's Mark, I find that the overall impression created by the Opponent's Mark is very different from that created by the Subject Mark. I do not find them to be similar.
48. In relation to those of the Subject Goods other than horological and chronometric instruments, the combination "iwatch" has some distinctiveness. In relation to those goods, having regard to the degree of visual, aural and conceptual similarities and differences between the Subject Mark and the Opponent's Mark, I find that the overall impression created by the Opponent's Mark is similar to that created by the Subject Mark only to a slight degree.

*Likelihood of confusion*

49. In the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight.

It is appropriate to examine the objective conditions under which the marks may be present on the market. The visual perception of the marks in the present case would generally take place prior to purchase, and accordingly, the visual aspect would play a greater role in the global assessment of the likelihood of confusion.

50. I have already found that the overall visual impression created by the Opponent's Mark is very different from that created by the Subject Mark.
51. In relation to "horological and chronometric instruments" covered by the Subject Mark, I have already found that these cover goods identical to the Opponent's Goods (namely "watches") (paragraph 36 above). I also note that the Opponent's Mark is inherently distinctive. On the other hand, I find that the overall impression created by the Opponent's Mark is very different from that created by the Subject Mark. Taking into account the combined effect of all of the above considerations, I consider that when the Subject Mark is used in relation to horological and chronometric instruments, the average consumer would unlikely be confused into thinking that those goods and the Opponent's Goods offered under the Opponent's Mark come from the same or economically-linked undertakings.
52. In relation to "precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones", I have already found that the overall impression created by the Opponent's Mark is similar to that created by the Subject Mark only to a slight degree. The Opponent's Mark is inherently distinctive. On the other hand, I have found that "precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones" are not similar to the Opponent's Goods (namely, "watches") (paragraph 39 above). Taking into account the combined effect of all of the above considerations, I consider that when the Subject Mark is used in relation to "precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones", the average consumer would unlikely be confused into thinking that those goods and the Opponent's Goods offered under the Opponent's Mark come from the same or economically-linked undertakings.
53. The opposition under section 12(3) of the Ordinance therefore fails.

## Honesty and honest concurrent use

54. As I have found that the sole ground of opposition under section 12(3) of Ordinance is not made out, it is not strictly necessary for me to go on to consider the issue of honest concurrent use under section 13(1)(a) of the Ordinance. On the other hand, Madam Chung Yin Chau and Mr. Pang Wei Veng were cross-examined at length at the hearing of 27 October 2010 on the issue of honesty in relation to the Applicant's claim of honest concurrent use. I would therefore say a few words in this regard.
55. According to *Re CSS Jewellery Co. Ltd.* [2010] 2 HKLRD 890 at 901, honest concurrent use under section 13(1)(a) of the Ordinance entails a two-stage determination:
- (a) Whether there has been an honest concurrent use of the subject mark and the earlier trade mark;
  - (b) If the answer is in the affirmative, whether after considering all relevant circumstances, including public interest, the Registrar's discretion should be exercised to accept the application for registration of the mark, despite the fact that the use of the mark in relation to the goods or services in question "is likely to cause confusion on the part of the public" (section 12(3)(c)).
56. In relation to stage (a), the focus of the inquiry is on three matters, namely, use, *concurrent* use, and *honesty* of the concurrent use.
57. The Opponent's case is that the Applicant was not honest in any use of the Subject Mark, since the Applicant had copied from the Opponent's Mark. This is denied by the Applicant. It is the Applicant's case that the Subject Mark was independently created by Mr. Pang Wei Veng, and that neither he nor Madam Chung (or indeed the Applicant or any of its related entities) were aware of the existence of the Opponent's Mark until the Opponent served the Notice of Opposition on the Applicant.
58. Mr. Wong for the Applicant submitted, *inter alia*, that<sup>22</sup> :

"The mark "iwatch" is considered to be descriptive by the Registrar (*Exhibit*

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<sup>22</sup> Applicant's Skeleton Submissions, para. 38(b).

*CYC-18*), and the same has been accepted by the Opponent (*KHEMLANI 2ND, Para.22*). It is thus of no surprise that different entities might have come up with the concept of the same mark independently. In fact, a third party (Shun Li Hong Watch Manufactory Ltd.) also came up with the same mark (*Exhibit CYC-18*).”

I consider that there is force in this argument.

59. I have listened carefully to the cross-examination of Madam Chung and Mr. Pang at the hearing on 27 October 2010. I have observed their reaction in cross-examination, and have gone back to the recording of the hearing. Had it been necessary for me to decide on the point, I would accept Madam Chung and Mr. Pang’s evidence that neither of them were aware of the Opponent’s Mark until the Applicant was served with the Notice of Opposition.
60. As I have already found that the ground of opposition under section 12(3) of the Ordinance is not made out, it is not necessary for me to consider further the Applicant’s claim of honest concurrent use.

### **Conclusion**

61. For the reasons stated above, I find that the only ground of opposition, which is under section 12(3) of the Ordinance, is not made out.
62. As the opposition has failed, I award the Applicant 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.

(Finnie Quek)  
for Registrar of Trade Marks  
19 April 2011