

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

**APPLICATION FOR DECLARATION OF INVALIDITY OF TRADE MARK  
REGISTRATION NO. 300356625**

**MARK :**



**CLASS :** 12

**APPLICANT :** MATSUSHITA DENKI SANGYO KABUSHIKI  
KAISHA (MATSUSHITA ELECTRIC INDUSTRIAL  
CO., LTD.)

**TRADE MARK** DONG JIANLI  
**REGISTERED**  
**PROPRIETOR :**

**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 22 October 2005, Matsushita Denki Sangyo Kabushiki Kaisha (Matsushita Electric Industrial Co., Ltd.) (the “applicant”) applied under the grounds mentioned in section 53 of the Trade Marks Ordinance, Cap. 559 (the “Ordinance”) for a declaration of invalidity of registration of the trade mark “日禾松下 RIHESONGXIA” represented below:



of registration no. 300356625 (the “suit mark”), registered under the name of Dong Jianli (the “registered proprietor”). The suit mark is registered in respect of “vehicles; apparatus for locomotion by land, air or water; all included in Class 12”

(the “registered goods”). The date of registration for the suit mark, as deemed under section 48 of the Ordinance, is 19 January 2005.

2. A date for hearing the application for invalidation had been set to take place before me on 12 May 2010. However, neither the applicant nor the registered proprietor had 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.

3. On 11 May 2010, the agent of the applicant, Messrs. Wilkinson & Grist, filed with the Registrar written submissions to state the applicant’s case, together with copies of case authorities the applicant relies on. The written submissions and case authorities were copied to the registered proprietor, who did not file any written submissions.

4. This decision under the Ordinance is therefore made only on the pleadings and evidence filed by the parties under the Rules, and the written submissions filed by the applicant. The pleadings and evidence are the applicant’s grounds of invalidation under Rule 46, the registered proprietor’s counter-statement under Rules 41 and 47, and the applicant’s evidence under Rules 42 and 47. The registered proprietor did not file any evidence in the proceedings.

### **Grounds for invalidation**

5. The applicant contends that the suit mark should not have been registered and its registration should be declared invalid under section 53(3) and/or 53(5) of the Ordinance by virtue of the following grounds:

- (a) use and registration of the suit mark would inevitably cause confusion and give rise to the mistaken belief that the goods bearing the suit mark emanates from the applicant, and would without due cause take unfair advantage of, or be detrimental to, the distinctive character or repute of the applicant’s marks, the registration of the suit mark was in contravention of sections 12(3) and 12(4);

- (b) the application for registration was calculated to deceive and cause confusion and made in bad faith, the registration of the suit mark was in contravention of sections 11(4)(b) and 11(5)(b);
- (c) the use of the suit mark in Hong Kong would constitute the tort of passing off, the registration of the suit mark was in contravention of sections 11(5)(a) and/or 12(5) ; and
- (d) by virtue of the above, the suit mark is not capable of distinguishing the goods of the registered proprietor from the goods of the applicant, the registration of the suit mark was in contravention of sections 11(1)(a) and 3(1).

6. The applicant also seeks an award of costs.

### **The applicant's signs or marks**

7. The applicant, a Japanese corporation founded in 1918, claims to have grown into a world renown group for the design, manufacture and marketing of a wide range of goods, among them, electrical, electronic and other home appliances, audio equipment, telecommunications equipment, automotive equipment, household equipment, healthcare products, electronic devices, electric motors “together with associated services”<sup>1</sup>, under or by reference to the following trade marks:- “松下”, “PANASONIC” and/or “NATIONAL”.

8. The applicant also pleads that its international business has been carried through a network of subsidiaries and associated/affiliated companies, the majority of which have as the distinctive part of their respective company names the word “PANASONIC”, and for those in Chinese speaking countries, the Chinese characters “松下”.

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<sup>1</sup> Repeated the relevant part of paragraph 2 of the Statement of Grounds as well as paragraph 5 of the statutory declaration of Yoshinobu Noda verbatim.

## **Counter-statement**

9. The registered proprietor filed a counter-statement on 6 January 2006, denying all the grounds for invalidation alleged by the applicant on the sole reason that the suit mark is completely different from any of the applicant's marks.

10. In the counter-statement, it is averred that the registered proprietor has invested much money in promoting the publicity of the suit mark and has used it on "all of the products".

## **The applicant and its evidence**

11. The applicant's evidence comprises a statutory declaration of Yoshinobu Noda made on 29 March 2007 as evidence in support of the application under Rules 42 and 47.

12. Mr. Noda is the Director of the Trademark and Design Center, Intellectual Property Rights Operation Company of the applicant. He has been associated with the applicant for 15 years and has occupied the stated position since 2006. Matters referred to in his statutory declaration are within his own personal knowledge or gleaned from documents and records of the applicant to which he has access.

13. According to Mr. Noda, the applicant has continued offering high-quality, high-performance products and services throughout the world since it was founded in March 1918, and has since grown into a world renown group for the design, manufacture and marketing of a wide range of over 15,000 kinds of products, including electrical, electronic and other home appliances, audio equipment, telecommunications equipment, automotive equipment, household equipment, healthcare products, electronic devices, electric motors "together with associated services"<sup>2</sup> under or by reference to, inter alia, the trade marks "NATIONAL", "PANASONIC", "松下" and/or "樂聲".

14. Mr. Noda further states that the applicant's international business has been carried on by the applicant through a network of subsidiaries and associated/affiliated companies, the majority of which have as the distinctive part of their respective

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<sup>2</sup> See note 1 above.

company names the words “NATIONAL” or “PANASONIC”, and for those in Chinese speaking countries, the Chinese characters “松下”.

15. It is claimed that the mark “NATIONAL” was chosen by the applicant’s founder, Mr. Konosuke Matsushita, in 1925 as a trade mark of the applicant. The mark was first employed for the promotion and marketing of square battery-powered bicycle lamps, and is now used on home appliances sold and promoted in the Japanese market.

16. “PANASONIC” is claimed to be a unique trade mark coined by the applicant in 1955 to promote the applicant’s audio speakers; and since 2003 it has been used as the trade mark for all of the applicant’s consumer and other electronic products sold and promoted around the world, and for audio, visual, information and communication devices in Japan.

17. As regards the marks “松下” and “樂聲”, Mr. Noda alleges that they have been adopted as the Chinese versions of both the “NATIONAL” and “PANASONIC” trade marks since 1953 for use on the applicant’s goods and services in Chinese speaking societies like mainland China, Hong Kong and Taiwan.

18. Mr. Noda claims that due to their continuous and extensive use on or in relation to the applicant’s goods and services, all of the “NATIONAL”, “PANASONIC”, “松下” and “樂聲” trade marks have become very well-known worldwide. Goods bearing these marks are very popular and substantial sales have been achieved over the years. There are various sales and promotional figures given in Mr. Noda’s statutory declaration, I shall discuss them later in this decision.

19. There are various exhibits attached to Mr. Noda’s statutory declaration. They are listed and described below, some with remarks of my observations:-

- YN-1 – a list of the applicant’s subsidiaries and associated/affiliated companies which have the word “NATIONAL” or “PANASONIC” and/or the Chinese characters “松下” as part of their respective company names. It is noted that there are six such companies set up in Hong Kong, the earliest in 1982 and the latest in 2003, five of them have both English as well as Chinese names containing “PANASONIC” and the Chinese characters “松下”

respectively.

- YN-2 – copies of printout<sup>3</sup> of the website “panasonic.net” run by the applicant for promoting itself and its goods and services of interest.
- YN-3 – copies of the applicant’s Annual Report 2005 and Sustainability Report 2005.
- YN-4 – copies of booklets for the applicant’s World Advertising Meetings for years 1999 and 2000. I note that in the reports of both years, the section on Hong Kong displays promotional material that contain only the marks “PANASONIC”, “NATIONAL” and/or “樂聲牌”, whereas under the section on mainland China, “松下” or “松下电器” (in simplified Chinese characters) is often seen appearing alongside (usually underneath) the marks “PANASONIC” or “NATIONAL”.
- YN-5 – copies of leaflets showing that the applicant was the official sponsor of the XIX Olympic Winter Games in 2002 and the Olympic Games in 2004. “PANASONIC” is seen to be the mark representing the applicant.
- YN-6 – copies in bulk of numerous trade mark registration certificates and application records obtained by the applicant in a number of Asian countries in relation to the marks “NATIONAL”, “PANASONIC”, “松下” and “松下电器”.  
(Part I to Part IX)
- YN-7 – a list showing the defensive registrations obtained by the applicant for the marks “NATIONAL” and “PANASONIC” in Japan together with copies of the relevant registration certificates.
- YN-8<sup>4</sup> – copies of printout of all registrations and applications

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<sup>3</sup> The printout is dated 18/8/2006, which is after the relevant date for consideration, viz., the date when the subject registration was applied for. Nonetheless, as this exhibit concerns information about the history of use of the applicant’s marks, which relates back well before the relevant date, it is still relevant to the proceedings.

<sup>4</sup> The actual contents of exhibits “YN-8” and “YN-9”, in so far as what were filed with the Registry are concerned, do not match their respective descriptions in the body of the statutory declaration of Mr. Noda. It is obvious that contents of the two exhibits have intermingled due to human error. The descriptions in this decision follow the sequence of what Mr. Noda alleges to be the case in his

owned by the applicant in respect of its “NATIONAL”, “PANASONIC”, “松下” and “樂聲” trade marks in Hong Kong.

- YN-9<sup>5</sup> – a list showing all “Focused Attention Trade Marks (June 2000)” in mainland China. It can be seen from the list that “PANASONIC” and “松下 National” were the recognised applicant’s marks on the list.
- YN-10 – copies of newspaper advertisements and articles together with some product catalogues. Mr. Noda alleges that these show advertisement and promotion of the applicant’s goods and services under the names or marks “NATIONAL”, “PANASONIC”, “松下” and “樂聲” in Hong Kong. But what I actually found is that the marks “PANASONIC” and “樂聲牌” were used alongside each other, and occasionally each on its own, in all these newspaper advertisements and articles which appear to be published in Hong Kong over the years from 1999 to 2006. No trace of the mark “松下” being ever used is found among the materials in this exhibit.
- YN-11 – copies of product leaflets, company brochures, newspaper advertisements and other promotional material showing, as Mr. Noda alleges, advertising and promotion of the applicant’s marks “NATIONAL”, “PANASONIC” and “松下” in mainland China. What I note is that the Chinese mark that actually appeared is “松下电器” (as opposed to “松下” as Mr. Noda alleges), seen alongside (usually underneath) the mark “PANASONIC” and/or the mark “Technics” in the audio-visual equipment advertisements and alongside (usually underneath) the mark “NATIONAL” in catalogues of home electrical appliances, though “松下电器” also appear on its own in some promotional material. This exhibit also contains records of information about television advertisements, but it is unclear which mark or marks of the applicant’s appear in those TV advertisements. The marks “NATIONAL”, “PANASONIC” and “松下电

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statutory declaration.

<sup>5</sup> See note 4 above.

器” can also be seen appearing in the advertisement display boards inside underground railway stations or on the roadside in mainland cities such as Dailin, Xiamen, Hangzhou, Shanghai.

- YN-12 – copy printout of the suit mark registration record maintained at the Hong Kong Trade Marks Registry.
- YN-13 – copy printout of a company search report showing that the registered proprietor is a director of a Hong Kong company named “JAPAN PANASONIC ELECTRIC VEHICLE LIMITED 日本松下電動車株式會社有限公司”. I note the registered proprietor is merely a director of JPEVL but the full list of the other directors of the company is not provided.<sup>6</sup> Nor is there any information about the shareholders of JPEVL or the number of them.
- YN-14 – copies of Writ of Summons taken out by the applicant against the said company “JAPAN PANASONIC ELECTRIC VEHICLE LIMITED 日本松下電動車株式會社有限公司” as defendant and Judgment obtained against the defendant. I take note of the fact that this is not an action taken against the registered proprietor.

20. I shall discuss in more details the above evidence, and refer to the other parts of Mr. Noda’s statutory declaration, where they are relevant to the issues under discussion, in the latter part of this decision.

21. On the other hand, the registered proprietor did not file any evidence in the proceedings.

### **Appraisal of the applicant’s evidence of use**

22. As the applicant is relying on the grounds under sections 12(3), 12(4) and 12(5) of the Ordinance for seeking a declaration of invalidity, where the applicant’s use of its mark(s) or sign(s), in so far as they constitute any earlier mark(s) or rights,

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<sup>6</sup> For a company registered in Hong Kong, there must be more than one director. See section 153(1) of the Companies Ordinance, Cap. 32.

must be assessed for the purposes of enhanced distinctive character, or reputation and goodwill, it would be convenient here to first have an appraisal of the evidence of the applicant's use of its mark(s) or sign(s).

23. The relevant date at which the applicant's use must be assessed for the purposes of enhanced distinctive character, reputation and goodwill is 19 January 2005 (the "Filing Date"), the date when registration of the suit mark was applied for.

24. I have already summarised the use of the applicant's marks as alleged by Mr. Noda in his statutory declaration and as revealed in the various exhibits to the statutory declaration, under paragraphs 11 to 19 above. I have also set out some of my observations on the information revealed by the exhibits.

25. Furthermore, Mr. Noda in his statutory declaration set out the years 2002 to 2005 figures for both sales and advertising in Hong Kong of the applicant's goods, which as defined by the applicant cover a raft of products from electrical, electronic and other home appliances to automotive equipment and electric motors. The figures were given in yen, which if converted into the local currency, even allowing for exchange fluctuations, could mean billions of Hong Kong dollars for the sales and tens of millions of Hong Kong dollars for the advertising each year. This, supported with the unchallenged evidence of newspaper advertisements and articles exhibited at "YN-10", printout of the website "panasonic.net" introducing the applicant and its goods and services at "YN-2", and the information revealed in the applicant's Annual Report 2005 and Sustainability Report 2005 exhibited at "YN-3", points to long and substantial presence of the applicant at least in the electrical and electronic appliances market, audio-visual equipment market and telecommunications market in Hong Kong.

26. I also note the picture painted by Mr. Noda of the markets in mainland China, and the information revealed by the material exhibited at "YN-4" and "YN-11". It is claimed that the applicant began its investment in China in 1978 and has expanded its investment and scope of business day by day over the past 20 years. Though no sales and advertising figures were given, I am satisfied from the evidence that a prosperous market has been developed for the applicant's electrical and electronic appliances, audio-visual and telecommunications products in mainland China.

27. In the light of the above, whilst it seems to be a foregone conclusion that the success of the applicant's products implies that the applicant's mark or marks by which allegedly the public came to identify the applicant's products would be widely recognised, one has to be wary of the broad claim by Mr. Noda that the following applicant's marks, namely, "NATIONAL", "PANASONIC", "松下" and "樂聲", due to their continuous and extensive use on or in relation to the applicant's goods and services over the years, have become very well-known worldwide<sup>7</sup>. Comparing what Mr. Noda tried to portray in words with what I really observe of the material exhibited (see remarks set against individual exhibits at paragraph 19 above), there is obvious discrepancy in regard to which mark(s) had actually been involved in the advertising and promotion of the applicant's goods and services at a specific place. For the purposes of the present proceedings, therefore, what really matters is, of the four marks in question, which one(s) had truly contributed to the reputation and goodwill of the goods and services at issue through its use in the Hong Kong market.

28. Without repeating myself but just summarizing my analysis of the evidence filed by the applicant, there is overwhelming evidence to say that "PANASONIC" — which the applicant stated in its website<sup>8</sup> to be the brand name created in 1955, having first been used as a brand for audio speakers, and since 2003 been used as the global brand name for all consumers and other electronic products around the globe as well as audio, visual, information and communication devices in Japan — has been used as the corporate brand representing the applicant company, and has undeniably acquired through it a substantial reputation and goodwill in its products and services sold and promoted in Hong Kong and in mainland China since 2003.

29. When it comes to the other three marks, there are no clear-cut positions. "NATIONAL", which the applicant described in its website as the "Region-Specific Brand for Japan", was said to have first been employed for square battery-powered bicycle lamps in 1927 and been used for home appliances in the Japanese market. But no further detail was revealed as to whether the mark had been used in Hong Kong and on what goods or services.

30. As regards the marks "樂聲" and "松下", it is alleged that they have been adopted as the Chinese versions of "NATIONAL" and "PANASONIC" since 1953 for use on the applicant's goods and services in Chinese speaking societies like mainland China, Hong Kong and Taiwan. But Mr. Noda does not go further into which

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<sup>7</sup> As alleged under paragraph 17 of Mr. Noda's statutory declaration.

<sup>8</sup> Printout (dated 18/8/2006) of the website "panasonic.net" contained in exhibit "YN-2".

Chinese mark(s) had been used in which Chinese speaking society.

31. What I find to be the case, as gleaned from advertisements or promotional material exhibited at YN-4 and YN-10, is this: “樂聲牌”, as opposed to the alleged mark “樂聲”, was seen used alongside (usually underneath) “PANASONIC” in nearly all advertising in Hong Kong, except that in the Hong Kong section of the applicant’s World Advertising Meetings for the year 2000, “NATIONAL” was seen alongside “樂聲牌” in advertisements for air-conditioners. The mark “松下” wasn’t anywhere to be found in the advertisements, at least not in those which are exhibited. I am aware of the claim, supported by exhibit “YN-1”, that the applicant has set up subsidiaries and associated/affiliated companies in Hong Kong which have as the distinctive part of their respective company names the Chinese characters “松下”. But the only relevant material I can see in that connection is that in a promotional article published by the local newspaper “Ming Pao” in November 2003<sup>9</sup>, “日本松下電器” was mentioned, in purported reference to the applicant or its subsidiaries and associated/affiliated companies in Hong Kong, in a sentence giving information that “Panasonic樂聲牌” has been adopted as the Hong Kong market brand for the applicant’s home appliances and digital products since October 2003. There is simply no evidence before me suggesting that “松下” is a mark used by the applicant in relation to its products sold and advertised in Hong Kong.

32. It’s another scene for the market in mainland China. From advertisements or promotional material exhibited at “YN-4” and “YN-11”, “PANASONIC” and “NATIONAL” have both been used – with “PANASONIC” seemingly in the main used on home appliances and “NATIONAL” on audio-visual products and other electrical and electronic equipment – and sometimes the two were used together side by side. A Chinese mark was often used alongside them or occasionally on its own; it is not exactly the alleged mark “松下”, but rather it is “松下電器” as the four characters always appear together as a whole, usually just appear underneath “PANASONIC” and/or “NATIONAL”. No traces of the mark “樂聲” or “樂聲牌” was ever found among these materials.

33. Looking at the evidence in the round and taking into account the above observations, whilst I find that “PANASONIC” is undoubtedly a mark that is entitled to claim an enhanced degree of distinctive character for the purposes of section 12(3) of the Ordinance in electrical and electronic appliances, audio-visual and communications products sold and advertised in Hong Kong, and likewise a

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<sup>9</sup> This article was exhibited at YN-10.

substantial reputation and goodwill for the purposes of section 12(5)(a) of the Ordinance, I also find that the mark “NATIONAL” had long been known for air-conditioners in the Hong Kong market. I note in passing that “PANASONIC” and “NATIONAL” should also be well known for a wide spectrum of the applicant’s products in the mainland market. As regards the Chinese mark “樂聲”, given the long and consistent pattern of its joint use with “PANASONIC” and/or “NATIONAL” in most of the advertising and promotion in Hong Kong, it had become inextricably intertwined with the English marks in building up the reputation of the applicant’s home appliances, audio-visual and communications products; I find that “樂聲牌” used in the Hong Kong market have also developed a substantial reputation and goodwill in Hong Kong, and likewise should be entitled to claim an enhanced degree of distinctive character. As regards the mark “松下”, I do not find there is evidence supporting the claim that it has a reputation or goodwill in Hong Kong, though I also note in passing that “松下电器” seems to share the reputation and goodwill of “PANASONIC” and/or “NATIONAL” in the mainland market.

## **Decision**

34. The applicant contends, in the Statement of Grounds filed together with the application for invalidation, that the suit mark should not have been registered and its registration should be declared invalid under section 53(3) and/or 53(5) of the Ordinance by virtue of the grounds under sections 3(1), 11(1)(a), 11(4)(b), 11(5)(a), 11(5)(b), 12(3), 12(4) and 12(5) of the Ordinance. Some of the grounds I have difficulty seeing that they are based on tenable basis. I shall first deal with those that could be readily disposed of.

### **Sections 3(1) and 11(1)(a) of the Ordinance**

35. 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.

36. It is apparent from the applicant's pleadings and evidence that the basis of its application for invalidation is not that the suit mark is by its nature incapable of distinguishing the goods or services of one undertaking from those of other undertakings, nor that it cannot be represented graphically. Rather the applicant's contention is that the registered proprietor does not have the right to the mark as he should have. Neither of sections 3(1) and 11(1)(a) is a proper avenue for such a contention, hence these grounds must necessarily fail.

### **Section 11(5)(a) of the Ordinance**

37. 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. The basis for this ground, as pleaded, is that use of the suit mark by the applicant would constitute the tort of passing off and hence is prohibited under the section.

38. However, I note that section 11(5)(a) is intended to apply where the prohibition by law arises from the mark itself. As noted by Kerly's Law of Trade Marks and Trade Names ("Kerly"), 14th Edition, paragraph 8-212, in discussing section 3(4) of the UK Trade Marks Act 1994 (which is similar to our section 11(5)(a) of the Ordinance) -

"This is an absolute ground for refusal and, as indicated above, is concerned with the trade mark itself. An objection that use of the mark would cause passing off arises under s.5(4)(a) of the 1994 Act [which is similar to our section 12(5)(a) of the Ordinance] and not under this subsection."

39. This is also consistent with the heading of section 11 of the Ordinance which is entitled "Absolute grounds for refusal of registration" and is to be contrasted with section 12 of the Ordinance which deals with the "relative" rights of the applicant and other parties. Consequently, the applicant cannot succeed in this section based upon an allegation of passing off. The right place to consider this issue, as pointed out by Kerly, should be section 12(5)(a), which expressly specifies prohibition by virtue of the law of passing off as a basis for refusing registration. In fact the applicant has already pleaded section 12(5) as a ground of invalidation, which in the context of its allegation invokes only section 12(5)(a).

### **Section 11(4)(b) of the Ordinance**

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

41. The applicant's case is that the registration of the suit mark is calculated to deceive and cause confusion and would lead the public into the mistaken belief that the registered owner's goods are associated with the applicant's, and the application for registration of the suit mark was made in bad faith. 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 any 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 suit mark which would make it open to objection under the terms of section 11(4)(b).

42. As regards the bad faith claim, I note that the applicant has already pleaded section 11(5)(b) – which provides that a trade mark shall not be registered if the application for registration of the trade mark is made in bad faith – as a ground of invalidation. It is a proper avenue which I shall turn to. But before that, as I have already undertaken the task of assessing the applicant's use of its signs and marks (see paragraphs 22 to 33 above), it would be more convenient to consider next whether the applicant is entitled to succeed under sections 12(3), 12(4) and 12(5)(a) of the Ordinance.

### **The issue of similarity between the suit mark and the applicant's marks under sections 12(3), 12(4) and 12(5)(a) of the Ordinance**

43. Although sections 12(3), 12(4) and 12(5)(a) of the Ordinance are independent provisions operating differently from one another, there is a condition common to all of them that must be examined, viz., the existence of a certain degree of similarity between the marks at issue. Depending on the relevant provisions, any similarity between the marks would be further investigated to see if it is sufficient to

give rise to a likelihood of confusion on the part of the public concerned, as is the case under sections 12(3) and 12(5)(a) (insofar as it relates to the law of passing off); or establishes a link such that the relevant section of the public makes a connection between the two marks at issue even though it does not confuse them, as is the case under section 12(4).

44. The suit mark is made up of the Chinese characters “日禾松下” and the word “RIHESONGXIA” in capital letters. The Chinese characters and the word are in approximately equal size, with the Chinese characters immediately above the word. The Chinese characters and the letters making up the word are all presented in calligraphic style.

45. The applicant’s marks relevant to the present proceedings, by virtue whether of their earlier registration or alleged earlier use, are the following marks, namely, “NATIONAL”, “PANASONIC”, “松下” and “樂聲”. All of them are pure word marks.

46. However, of these four marks, I would immediately dispose of the marks “NATIONAL”, “PANASONIC” and “樂聲” from the present question, for there is nothing in these marks, irrespective of whether they have enhanced distinctive character through use or reputation or goodwill attached, that could be seriously relied upon to argue that they share any degree of similarity with the suit mark. The mark worth making a comparison with the suit mark for the purposes of finding any similarity between them under sections 12(3), 12(4) and 12(5)(a) is therefore only the mark “松下”.

*Distinctiveness of the applicant’s mark “松下”*

47. “松下” is the sole and dominant element of this applicant’s mark. There is no suggestion that “松下” constitutes an element descriptive of the goods or services for which the mark has been used or registered. Nor is there any specific meaning ascribed to it. I consider the mark has inherent distinctive character.

48. On the other hand, given my finding that there is no evidence of use of the applicant’s mark “松下” in the Hong Kong market, for the purpose of assessing similarity between the marks at issue, I do not consider that the distinctive character

of the mark “松下” has been enhanced because of the degree of recognition it possesses on the market.

*Distinctiveness of the suit mark*

49. There is also no suggestion that the suit mark contains an element descriptive of the goods or services for which it has been registered. The mark is made up of the Chinese characters “日禾松下” and the word “RIHESONGXIA”. The expression in Chinese characters and the word are in approximately equal size, with the Chinese characters immediately above the word. Although the Chinese characters and the letters making up the word are all presented in calligraphic style, I do not attach too much weight on the graphic representation as far as the distinctive character of the mark is concerned. I consider that the distinctive character lies mainly in the semantic contents of the Chinese characters and the word.

50. The Chinese characters “日禾松下”, being in the upper part of the suit mark, occupy a slightly more important position than the word “RIHESONGXIA”. No particular meaning or connotation has been suggested of “日禾松下”. As to the word “RIHESONGXIA”, the fact that it is not a word that can be found in any dictionary and is apparently a mere transliteration of “日禾松下” into the Latin alphabet – and for those who know Putonghua, “RIHESONGXIA” is indeed a combination of the phonetic alphabets for “日禾松下” pronounced in Putonghua – establishes the origin of that word and explains its presence in the mark. Its presence reinforces the perception that the Chinese characters are being put together to form a syntactical and conceptual unit of expression. It follows that the relevant consumer will remember the whole expression “日禾松下” in its entirety, on which he will to a very great extent focus his attention. This should make “日禾松下” the dominant element in the overall impression created by the suit mark.

51. Nonetheless, it does not mean that the other element in the mark, namely, “RIHESONGXIA”, is negligible. The word occupies an ancillary or secondary position in relation to “日禾松下”. The suit mark as a whole certainly has inherent distinctive character in respect of the items of “vehicles; apparatus for locomotion by land, air or water” in Class 12.

*Comparison of the applicant's mark “松下” with the suit mark*

52. It is settled case-law that the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, inter alia, *Sabel BV v Puma AG* [1998] R.P.C. 199, paragraph 23; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, paragraph 25; *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* [2006] E.T.M.R. 13, paragraph 28; *OHIM v Shaker di L Laudato & C Sas* (C-334/05 P) [2007] E.C.R. I-4529, paragraph 35; and *Case C-206/04 P Muhlen's GmbH & Co KG v OHIM* [2006] E.T.M.R. 57, paragraph 19).

53. It must be observed in the above connection, however, that the existence of a similarity between two marks does not presuppose that their common component forms the dominant element within the overall impression created by the mark in question. According to established case-law, in order to assess the similarity of two marks, it is necessary to consider each of the marks as a whole, although that does not rule out the possibility that the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (see *OHIM v Shaker, supra.*, paragraphs 41 and 42; the judgment of 20 September 2007 in *Case C-193/06 P Nestlé v OHIM*, paragraphs 42 and 43; and *Case C-498/07 P Aceites del Sur-Coosur v Koipe* [2009] ECR I-0000, paragraph 62). In that connection, it is sufficient for the common component not to be negligible.

54. In visual terms, allowing for imperfect memory and the fact that the average customer would not be comparing the marks side by side, I do not take into account the specific graphic or stylistic elements in the calligraphic representations of the Chinese characters “日禾松下” and the word “RIHESONGXIA” in the suit mark. Although I consider that “RIHESONGXIA” occupies an ancillary or secondary position in relation to “日禾松下” in the suit mark, as discussed above in respect of the settled case laws, it is not appropriate to take into consideration only one

component of a complex trade mark, say “日禾松下” in the present case, and compare it with another mark. The word “RIHESONGXIA” is not something that is negligible — as explained above, its presence and its reinforcing effect on the expression “日禾松下” should also have impact on the overall impression created by the suit mark.

55. Although both marks have the two Chinese characters “松下” in them, “松下” is no doubt the sole and dominant element of the applicant’s mark, whereas in the suit mark it is only part and parcel of the expression “日禾松下”. As analyzed above, the relevant public is likely to read and perceive the expression “日禾松下” in its entirety, they would therefore not attach any particular importance to the two characters “松下”. Hence the expression “日禾松下”, together with the reinforcing word “RIHESONGXIA”, creates a very different overall visual impression to that of the applicant’s mark. I consider the two marks are not visually similar.

56. Phonetically speaking, it is clear that the applicant’s mark would be referred to as “松下”. The suit mark will be referred to by means of either the Chinese characters “日禾松下”, or, for those who do not read Chinese at all, by means of the word “RIHESONGXIA”. In either event, the sounds produced by the first two characters “日禾” or the first two syllables of “RIHESONGXIA” in the suit mark would be clearly distinct, and is sufficient to counteract any phonetic similarity brought about by the two characters “松下”, or the last two syllables of “RIHESONGXIA” for that matter. I do not regard the marks to be phonetically similar.

57. Conceptually, “松下” in the suit mark does not have an independent existence apart from the expression “日禾松下”. No specific or clear meaning could be ascribed to either the expression “日禾松下” or the word “RIHESONGXIA”, and the combination of these two creating a mark which is very different from the applicant’s mark which has only the sole element “松下”. There is no conceptual similarity between the marks.

58. It is apparent from the foregoing to conclude that I find the marks at issue are not similar. With that, as far as the applicant’s mark “松下” is concerned, I would turn to examine the other factors of sections 12(3), 12(4) and 12(5)(a) of the Ordinance.

### Section 12(3) of the Ordinance

59. Section 12(3) of the Ordinance requires the existence of an earlier trade mark in relation to the subject mark. In this regard, section 5(1)(a) of the Ordinance provides that “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.

60. From the Statement of Grounds and Mr. Noda’s statutory declaration, as far as the applicant’s mark “松下” is concerned, the registration that can meet the criteria of “earlier trade mark” as defined under section 5(1)(a) is the mark registered in Class 11 under registration number 200206575, and the mark registered in Classes 2, 7, 9, 11, 12 and 16 under registration number 300122976. The goods under the latter registration in respect of Class 12 are “motors, electric, for land vehicles”. I consider that part of the applicant’s registrations is the closest to that of the suit mark and would take it for the purposes of a comparison of goods under section 12(3).

61. According to settled case-law, in order to assess the similarity between goods or services, all the relevant features of the relationship between them should be taken into account. Those features include, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary. Other factors may also be taken into account such as the distribution channels of the goods concerned (see for example *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* See also Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR II-2579, paragraph 37 and the case-law cited).

62. The registered goods of the suit mark are “vehicles; apparatus for locomotion by land, air or water; all included in Class 12”.

63. I do not think “apparatus for locomotion by land” naturally means the same things as “motors, electric, for land vehicles”. “Apparatus for locomotion by land” means the technical equipment or machinery needed for making the movement on land, and this definition should include the very thing of a land vehicle or apparatus that actually moves, whereas “motors, electric, for land vehicles” only mean the devices that make the land vehicle move or work.

64. Nonetheless, it is possible to argue that “motors, electric, for land vehicles” are by their nature connected with “vehicles; apparatus for locomotion by land”, and they are complementary to each other. No evidence or information whatsoever has been presented to me to give hint as to whether the motors or electric parts may be sold by the same undertaking that manufactures the final product (the vehicle or apparatus for locomotion), or the public may expect the motors or electric parts to be produced by the “original” manufacturer of the vehicle or apparatus for locomotion. Notwithstanding the lack of information, I am prepared to proceed on the assumption that the registered goods of the suit mark “motors, electric, for land vehicles” are similar to “vehicles; apparatus for locomotion by land” of the applicant’s mark.

65. I have already compared the marks and come to the finding that overall they are not similar. According to the case law, 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.

66. Also according to settled case law, the risk that the public might believe that the goods or services in question come from the same undertaking or from economically-linked undertakings constitutes a likelihood of confusion; the likelihood of confusion must be assessed globally, in accordance with the perception that the relevant public has of the signs and goods or services in question, and taking account of all the factors relevant to the case, in particular the interdependence of the similarity of the signs and that of the goods or services designated.

67. In the present case, the visual, phonetic and conceptual examination of the marks shows that the overall impression created by the suit mark is very different to that created by the applicant’s mark. The lack of similarity between the marks at issue thus stems from the visual, phonetic and conceptual differences noted above. Even though I assumed the compared goods to be similar, this is mainly based on their nature being complementary to each other. In the context of the global assessment of the likelihood of confusion, it must also be taken into account that, in view of the nature of the goods concerned and in particular their price and their highly technological character, the degree of attention of the relevant public at the time of purchase is particularly high. The high degree of attention paid to the marks, coupled with the lack of similarity at all the visual, phonetic and conceptual levels, means that it is not likely the relevant public would believe that the goods in question come from the same undertaking or, as the case may be, from economically-linked undertakings.

68. In passing, I just wish to mention that in the recent decision of ECJ in *Calvin Klein Trademark Trust v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-254/09 P, the court expressly pointed out that where there is no similarity between the earlier mark and the mark applied for, the reputation of or the goodwill attaching to the earlier mark and the fact that the goods or services concerned are identical or similar are not sufficient for it to be found that there is a likelihood of confusion between the marks at issue<sup>10</sup>.

69. I trust the sum of the above is sufficient for me to hold that the ground for invalidation based on section 12(3) must fail. Nevertheless, I am aware that an argument might be made, though not actually made here in the exact form as it is discussed below, based on the oft-quoted paragraphs 30 and 31 of the ECJ judgment in *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C120/04) [2005] E.C.R. I-8551 ECJ (2nd Chamber), [2006] ETMR 13, and I wish to say a few words on it here. The ECJ in that case held that, beyond the usual case where the average consumer perceives a mark as a whole, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element. In such a case, the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue come, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

70. The case law does not occur to me to have become settled as to when should “an independent distinctive role” come into play, what prompt it to be taken into consideration, what it exactly means, or how it is to be assessed. In the case of *Becker v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*<sup>11</sup> [2010] E.T.M.R. 53, the earlier word mark BECKER was relied upon to oppose application for registration of the mark BARBARA BECKER. It was argued

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<sup>10</sup> At paragraph 53 of the judgment. The court cited, to that effect, Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 54; Case C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraphs 50 and 51; and the judgment of 11 December 2008 in Case C-57/08 P *Gateway v OHIM*, paragraphs 55 and 56.

<sup>11</sup> This case, at the time of writing the present decision, has been considered by the ECJ on 24 June 2010 as Case C-51/09 P. The ECJ set aside the judgment of the Court of First Instance of the European Communities (now ‘the General Court’) in Case T-212/07 *Harman International Industries v OHIM – Becker (Barbara Becker)* [2008] ECR II-3431, by which that court annulled the decision of the First Board of Appeal of OHIM of 7 March 2007 (Case R 502/2006-1) which had annulled the Opposition Division’s decision upholding the opposition brought by Harman International Industries Inc. (‘Harman’) against registration of the Community word mark Barbara Becker.

that the component “Becker”, even if it was not the dominant component of the composite mark, would be perceived as a surname, which is commonly used to describe a person, and would retain an independent distinctive role in that mark. That argument was accepted by the General Court of the European Communities (formerly the “Court of First Instance”) but rejected by the ECJ which set aside the General Court’s decision. Whilst I do not intend to go into the details of the arguments and factual circumstances there, I note in particular the following paragraphs of the ECJ decision:-

“38           Furthermore, it must be held that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case.

39           Moreover, as the Advocate General pointed out in essence, in point 59 of his Opinion, the grounds relied on by the General Court in order to conclude that the marks at issue are conceptually similar, if they were held to be consistent with Article 8(1)(b) of Regulation No 40/94, would result in acknowledging that any surname which constitutes an earlier mark could be effectively relied on to oppose registration of a mark composed of a first name and that surname, even though, for example, the surname was common or the addition of the first name would have an effect, from a conceptual point of view, on the perception by the relevant public of the composite mark.

40           It follows from all the foregoing that the General Court erred in law in basing its assessment of the conceptual similarity of the marks on general considerations taken from the case-law without analysing all the relevant factors specific to the case, in disregard of the requirement of an overall assessment of the likelihood of confusion, taking account of all factors relevant to the circumstances of the case, and based on the overall impression produced by the marks at issue.”

71.           In essence, in a composite mark, a surname, or a company name for that matter, does not retain an independent distinctive role in every case solely because it will be perceived as a surname or a company name. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case.

72.           Back to the present case, I have made an analysis of the various elements in the applicant’s mark “松下” as well as the suit mark, and come to the view that the

relevant consumer will above all remember the whole expression “日禾松下” in its entirety, hence “松下” does not have an independent existence in the suit mark. Since the factor of how “松下” is perceived in Hong Kong would obviously influence the perception of the suit mark by the relevant public in Hong Kong, given the findings aforesaid I do not hold that “松下” retains an independent distinctive role in the suit mark.

73. In sum, I hold that the ground for invalidation under section 12(3) fails.

### **Section 12(4) of the Ordinance**

74. Section 12(4) of the Ordinance, like section 12(3), requires the existence of an earlier trade mark which is identical or similar to the mark in question. Moreover, section 12(4) requires that the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark.

75. As in the case of section 12(3), I identify the applicant’s mark “松下”, registered in Class 11 under registration number 200206575 and in Classes 2, 7, 9, 11, 12 and 16 under registration number 300122976 to be the possible earlier trade mark. But that mark has also to be a well known trade mark.

76. Section 4 of the Ordinance provides that a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark shall be construed as references to a trade mark which is well known in Hong Kong, and further provides that in determining whether a trade mark is well known in Hong Kong, the Registrar or the court shall have regard to Schedule 2 to the Ordinance.

77. Given that I have examined all the evidence of use of the applicant’s marks filed in these proceedings and cannot find any evidence supporting the claim that the mark “松下” has a reputation or goodwill in Hong Kong, there is no basis for me to hold that the mark is well known in Hong Kong.

78. I must therefore also hold that the application for invalidation insofar as it is based on section 12(4) of the Ordinance fails.

## Section 12(5)(a)

79. Section 12(5)(a) concerns the protection of “an unregistered trade mark or other sign used in the course of trade or business” by virtue of the law of passing off vis-à-vis the mark in question.

80. 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<sup>12</sup> 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.”

81. The element of misrepresentation necessarily means that the relevant members of the public will mistakenly infer from the use of the mark in question which is the same or sufficiently similar to the name or marks of the plaintiff that the goods on which the mark in question is used or proposed to be used are from the same

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<sup>12</sup> This has also applied in local cases, e.g. *Ping An Securities Ltd v 中國平安保險 (集團) 股份有限公司*, FACV 26/2008 (12 May 2009).

source or are connected. From my analysis so far, the only mark of the applicant that is of relevance here is the mark “松下”. Again, without repeating myself, after examining all the evidence of use of the applicant’s marks filed in these proceedings, I am not satisfied that the applicant has established that by the Filing Date (i.e., the date when registration of the suit mark was applied for), it enjoys a goodwill or reputation attached to its products in the mind of the purchasing public by association with the mark “松下”. It follows that there is no relevant goodwill or reputation<sup>13</sup> of the mark “松下” as at the Filing Date which could be damaged by any misrepresentation (if any) on the part of the registered proprietor.

### **Section 11(5)(b)**

82. 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.

83. 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.”

84. In *Harrison v Teton Valley Trading Co (CHINAWHITE)* [2005] F.S.R. 10, 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*

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<sup>13</sup> For any argument of “spilled over” reputation, please see paragraph 89 below.

*decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.*” (Emphasis added)

85. 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.”

86. The position is best summarised more recently in the following passage in *Melly’s Trade Mark Application (Oppositions of Fianna Fail and Fine Gael)* [2008] E.T.M.R. 41, where the same Appointed Person who presided in *Ajit Weekly Trade Mark* said:

“**53** The mental element required for a finding of bad faith has been much discussed. The discussion has centred on the test for determining dishonesty in English law, that is to say the “combined test” as explained by the House of Lords in *Twinsectra Ltd v Yardley* and clarified by the Privy Council in *Barlow Clowes International Ltd (In Liquidation) v Eurotrust International Ltd*. In her decision in *Ajit Newspaper Advertising Marketing & Communications Inc’s Trade Mark* (No.2283796) Professor Annand considered whether the “combined test” makes it necessary to give effect to the applicant’s belief in the propriety of his own behaviour when deciding whether he applied for registration in bad faith. She said not, on the basis that his own perception of propriety could not provide a conclusive answer to the question whether he actually had applied for registration in bad faith. I agree with her analysis. It supports the view that the relevant determination must ultimately be made “on the basis of objective evidence” rather than upon the basis of evidence as to the beliefs and opinions of the applicant with regard to the propriety of his disputed application for registration. I note in this connection that in the *Harrison v Teton Valley Trading Co Ltd--CHINA WHITE* the Court of Appeal upheld the Hearing Officer’s finding of bad faith: (1) notwithstanding that the applicant for registration had deposed to the fact that he “recognised no bad faith in my decision to develop and market the drink CHINA WHITE” and was not cross-examined on the evidence he had given; and (2) notwithstanding that the Registrar’s Hearing Officer had accepted the applicant’s evidence and concluded that at the date of the disputed application for registration the applicant “saw nothing wrong in his own behaviour”.” (footnotes omitted)

87. In essence, bad faith is 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).

88. In the Statement of Grounds accompanying the present application for invalidation, the applicant, after pleading that the suit mark is similar to the applicant's trade mark/name “松下” by incorporating “松下” as an identifying element in the suit mark and its registration is in contravention of sections 12(3) and (4) of the Ordinance, says the following:

“Additionally, the registration is calculated to deceive and cause confusion and would lead the public into the mistaken belief that the [*registered proprietor's*] goods are associated with the goods and/or services provided by the applicant. The application for registration of the [*suit mark*] was made in bad faith.”

89. I have outlined the unchallenged evidence of the applicant at paragraphs 11 to 19 above. The gist of them, echoing the pleadings in the Statement of Grounds, is to support the applicant's main contention throughout the case that the suit mark and the applicant's mark “松下” are, by virtue of the common and well known element “松下”, confusingly similar. But as I have already analyzed and found above, the lack of similarity between the marks is not something that could generate any likelihood of confusion or enable the relevant section of the public to make a connection between the two marks. It's fair to point out that the relevant public I have taken into account in the analysis and findings refers to the average consumers in the Hong Kong market of the goods or services for which the applicant's mark “松下” had been used. That mark may have acquired a reputation or goodwill in places other than Hong Kong, but that could not have an impact on the present case unless there is concrete evidence to indicate that the reputation thereby acquired has “spilled over” into the Hong Kong market notwithstanding the absence of any use of the mark here. I would say that on the evidence filed, there is no such evidence<sup>14</sup>. It is simply not enough by reliance on an assumption that, because of certain circumstances, say, the mark is very well known in another place, the reputation must now subsist here.

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<sup>14</sup> See in particular paragraph 31 above.

90. Given such state of facts and findings, I do not see there is anything that could take the bad faith claim further.

91. A case of bad faith has not been made out. The ground of invalidation based on section 11(5)(b) therefore fails.

### **Conclusion**

92. As the applicant has not succeeded in any of the grounds of opposition, I award the registered proprietor costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either the applicant or the registered proprietor 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 November 2010