

TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION NO. : 300477865

MARK : 


APPLICANT : OCEANIC BEVERAGES CO., INC.

CLASS : 32

STATEMENT OF REASONS FOR DECISION

Background

1. On 16 August 2005, Oceanic Beverages Co., Inc. (“the applicant”) filed an

application for the registration of  (“the subject mark”) pursuant to the provisions of the Trade Marks Ordinance (Cap.559) (“the Ordinance”). The application is in respect of “beer, fruit juice, aerated water, cola, non-alcoholic sherbets, preparations for the beverages, soda water, waters (beverages), mineral water (beverages), aerated water making materials, mineral water making materials; all included in Class 32”.

2. At the examination stage, an objection was raised against the application under section 11(1)(b) of the Ordinance on the ground that the subject mark is devoid of any distinctive character. To overcome the objection raised, the applicant submitted a statutory declaration as evidence to show that the subject mark has acquired a distinctive character through the use that has been made of it, but the evidence was considered inadequate. The objection was therefore maintained by the Registrar.

3. The applicant requested a hearing on the registrability of the subject mark. The hearing was held before me on 20 May 2008. Ms. Vinci Li of China.hk

Intellectual Property Services Co., Ltd appeared on behalf of the applicant. I reserved my decision at the conclusion of the hearing.

Grounds of refusal under section 11

4. The absolute grounds for refusal of an application for registration of a trade mark are set out in section 11 of the Ordinance. Subsections (1) and (2) are relevant here and they read as follows:

“(1) Subject to subsection (2), the following shall not be registered –

- (a) signs which do not satisfy the requirements of section 3(1) (meaning of “trade mark”);
- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services; and
- (d) trade marks which consist exclusively of signs which have become customary in the current language or in the honest and established practices of the trade.

(2) A trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

Decision

5. Before examining the statutory declaration submitted as evidence to establish that the subject mark has acquired distinctiveness through the use that has been made of it, I will first deal with the registrability of the subject mark on a *prima facie* basis.

Inherent registrability

6. The applicable test for considering whether a mark has any distinctive character has been considered in many UK cases. In the case of *British Sugar Plc v*

James Robertson and Sons Ltd [1996] RPC 281, Jacob J (at 306) set out the test as follows -

“What does devoid of distinctive character mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?”

7. The following discussion on the assessment of distinctiveness in the *Nestle SA's Trade Mark Application (Have a Break)* [2004] FSR 2 (at paragraph 23) is also often relied on –

“The distinctiveness to be considered is that which identifies a product as originating from a particular undertaking. Such distinctiveness is to be considered by reference to goods of the class for which registration is sought and consumers of those goods. In relation to the consumers of those goods the court is required to consider the presumed expectations of reasonably well informed, and circumspect consumers.”

8. The assessment is to be carried out in respect of the subject mark, with reference to the goods or services of the class for which registration is sought, as well as the consumers of those goods or services, who are reasonably well informed and circumspect. The goods applied for are consumer products that people buy regularly in supermarkets and food stores. The relevant consumers of the goods applied for are therefore members of the general public.
9. The subject mark is formed by the combination of the device of an apple, the Chinese characters “蘋果西打” and a square background. The Chinese characters cut across the centre of the apple device in a slightly tilted manner with the characters arranged from upper right to lower left. The applicant claims the colours yellow, red and dark blue as elements of the subject mark.
10. There is no dispute that “蘋果” means apple. As regards the term “蘋果西打”, as pointed out to the applicant at the examination stage, the characters “蘋果西打” refer to apple cider which is a term commonly used by traders in relation to juice, drinks and other beverages. Examples from the Internet on

how the characters “蘋果西打” would be understood by the general public were drawn to the attention of the applicant. Details of these Internet references are set out in the Annex. Apart from the characters, there is also a prominent device of an apple. Since the device merely reinforces the idea that the goods applied for contain apple as an ingredient or flavour, it is also indistinctive.

11. Assessment of the registrability has to be carried out in respect of the mark as a whole. I cannot therefore look only to the message conveyed by each individual element of the subject mark. I have to be mindful of the overall impression of the subject mark with all its elements combined and represented in the particular colour combination as claimed. The apple device is red in colour, the natural colour of an apple. The Chinese characters and the stem and the leaf of the apple device are represented in dark blue. Set against the background of a yellow square frame, the characters stand out clearly. The message conveyed by the Chinese characters and reinforced by the apple device is not however in the least affected by the way the elements of the subject mark are arranged and coloured. There is nothing in terms of fancifulness or stylization which will render the subject mark distinctive as a whole.
12. Thus, upon seeing the subject mark being applied on goods like beer, fruit juice and other beverages covered by the specification, the relevant consumers merely regard the subject mark as an indistinctive sign which indicates that the goods applied for are or contain apple cider. Without first having been educated that the subject mark serves to indicate trade source, the relevant consumers will not know that it is meant for distinguishing the goods of the applicant from those of other traders.
13. Ms. Li tried to convince me otherwise. She indicated that the term “西打” had no dictionary meaning, but was invented by the applicant a few decades ago. According to Ms. Li, the searches she had conducted on the Internet showed that the term was not commonly known to the public in Hong Kong. On that basis, she concluded that “西打” would not necessarily refer to “cider” in Hong Kong.
14. I do not see how the term “西打” was coined can assist the applicant. As noted in the cases referred to above, distinctiveness has to be considered by reference to goods of the class for which registration is sought and the consumers of such

goods. As “西打” is merely the Chinese transliteration of “cider”, when used together with “蘋果”, consumers in Hong Kong will immediately recognize that the term “蘋果西打” stands for apple cider. Since what is of concern here is the meaning conveyed by the term “蘋果西打” rather than the term “西打”, the aforesaid submissions of Ms. Li are of little help to the applicant.

15. Ms. Li had also made submissions on the message conveyed by the entire term of “蘋果西打”. She pointed out that most of the hits with the Internet searches she had conducted of the term “蘋果西打” actually referred to the products of the applicant or the applicant. This, she claimed, supported the submission that the public in Hong Kong would unlikely associate “蘋果西打” with apple cider.
16. The results of the Internet searches done by Ms. Li were passed to me at the hearing. As they were not submitted by way of a statutory declaration or an affidavit, they do not have evidentiary value. In any event, the materials only show the hits of the searches done at the “YAHOO” and “GOOGLE” websites. Details of how the applicant or its products are referred to, if at all, at the individual sites listed have not been included in such materials. Simply relying on the segmented parts quoted in those hits, I cannot tell whether those hits do refer to the applicant or the applicant’s products or they refer to a beverage in general or other unrelated matters. The materials do not therefore support a claim that the term “蘋果西打” or the subject mark is distinctive.
17. In view of the overall impression that consumers of the goods applied for will have of the subject mark, the subject mark does not have the capability to distinguish the goods of the applicant from those of other traders. Consumers of such goods will not realize that the subject mark is intended to identify the goods as originating from a particular undertaking, without their being first educated of its trade mark significance. I therefore find the subject mark to be devoid of any distinctive character under section 11(1)(b) of the Ordinance in respect of the goods applied for.

Acquired distinctiveness

18. According to section 11(2) of the Ordinance, a mark would not be refused registration under section 11(1)(b) if it has in fact acquired distinctiveness as a

result of the use that has been made of it. The applicant has submitted a statutory declaration of Chiang Kuokei (“the Chiang Declaration”) in support of its claim that the subject mark has acquired a distinctive character through use. I shall consider whether that is in fact the case.

19. A statement of the relevant principle on acquired distinctiveness can be found in the case of *Windsurfing Chiemsee Produktions-und Vertriebs GmbH v Boots-und Segelzubehor Walter Huber and Franz Attenberger* [1999] E.T.M.R. 585. The case is concerned with Article 3(3) of the First Council Directive 89/104/EEC which is broadly similar to section 11(2) of the Ordinance. The Court of Justice of the European Communities said in that case, at paragraph 54 –

“...a trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings.”

20. Thus, to establish the acquisition of distinctiveness, the applicant has to show that the subject mark has, because of the use made of it, come to identify the goods provided as originating from the applicant. Such use has to be carried out prior to the date of filing of this application, that is, 16 August 2005.
21. According to the Chiang Declaration, the applicant has been engaged in the manufacturing, trading, wholesaling and retailing of soft drinks, juices, mineral water and other beverages since its incorporation in 1965. Its first registration of a trade mark in Taiwan was effected in 1965. Since then it has extended its business to other territories and secured registration of various marks containing “蘋果西打” in Taiwan and other places. Materials about the business of the applicant in Taiwan can be found in Exhibit A. In addition, the applicant has provided in Exhibit C a decision of the Taiwan Supreme Administrative Court where a number of the trade marks registered by the applicant in Taiwan were considered to be well-known marks.
22. As colour copies of the marks registered by the applicant in Taiwan have not been provided, I cannot tell whether the subject mark was one of the marks considered to be well-known in the aforesaid decision of the Taiwan court.

Even if it is considered as a well-known mark in Taiwan, as the court referred specifically to the registration of the marks in the 1960s and 1970s and the long years of use after their registration, that decision is based on the reputation of the marks in Taiwan. That cannot however be automatically translated as use of the subject mark in Hong Kong. Actual use of the subject mark in Hong Kong has to be demonstrated.

23. The applicant has explained in paragraph 5 of the Chiang Declaration that owing to internal personnel changes and the loss of records, the applicant is not in a position to provide sample sales invoices and export documentation other than those in Exhibit D. The papers in Exhibit D record four transactions, two in 1993 and two in 2005. The subject mark does not appear in any of the records of these transactions. In all of them, the English name of the products is noted as "APPLE SIDRA". In only one of the export document (dated 1 August 2005) have the characters "蘋果西打" been printed on it. There is one other export document (dated 16 September 1993) which has the characters "蘋果西打" written on it by hand.
24. The only items referred to in the Chiang Declaration which show actual use of the subject mark are the packaging materials in Exhibit E. Not all of the goods applied for are shown in the packaging materials. Only fruit juice, distilled water (beverages) and soda water are covered.
25. The above has summarized all the information provided by the applicant about the use of the subject mark in Hong Kong. Neither sales figures of goods bearing the subject mark nor the amounts of advertising expenses incurred have been provided. At the hearing, Ms. Li elaborated on the reason for the inability of the applicant to provide further supporting documents. She mentioned that S & C Trading Company, the local distributor of the applicant, did not keep very good records of invoices and information about the sales and promotional expenses and so the applicant had not been able to provide additional information.
26. I do not find the reasons proffered acceptable. Business entities in Hong Kong are required to keep accounting records for a period of seven years for inspection by tax authorities. Further, even if the local distributor is not in a position to

provide the relevant information, the applicant itself should have kept records about the sales it has made to the distributor. A finding that a mark has acquired distinctiveness has to be based on evidence of use of the mark to such an extent that the relevant consumers would become educated of its trade mark function. In the absence of information showing the extent of sales or penetration of the market, there is no basis for me to make the finding now sought by the applicant.

27. Ms. Li asked if an extension of time could be granted to the applicant for the preparation of a supplemental statutory declaration to be deposed by someone from S & C Trading Company with the hope that they could by then come up with the sales figures of the applicant's goods in Hong Kong. I questioned Ms. Li on why this option of unearthing further documents was not explored earlier when her firm was notified of the comments about the lack of sales turnover information as early as December 2007. Ms. Li informed me that the applicant had been trying to do so but had not been successful yet in view of the poor record-keeping practice of S & C Trading Company. Thus, there can be no assurance that additional information would definitely be forthcoming should an extension of time be allowed to the applicant. That being the case, I refused to grant further extension of time to the applicant.
28. Ms. Li indicated that the applicant would be prepared to restrict the specification to "fruit juice, distilled water (beverages) and soda water" should the Registrar be prepared to accept the application in respect of those goods. This proposal was probably induced by the comments of the Registrar, as noted in the letter of the Registry dated 18 December 2007, that the goods bearing the subject mark as verified from the Chiang Declaration were "fruit juice, distilled water (beverages) and soda water" only and not all the goods applied for. Such comments however have to be viewed in light of the other comments that the Registrar had upon review of the Chiang Declaration submitted. As the applicant has not provided information about the extent of sales in Hong Kong of any of the goods applied for, including fruit juice, distilled water (beverages) and soda water, the evidence submitted does not show that the subject mark has acquired a distinctive character in respect of such goods as well.
29. The Chiang Declaration has provided information about the registration of the

subject mark and other marks in other places like Taiwan, USA, China and Nigeria. Details of these foreign registrations are set out in Exhibit B. Trade mark rights are territorial in nature and granted in each jurisdiction independently of each other. As the reasons for the acceptance of the marks in those places are not known to me, I do not consider these registrations to be of assistance to this application.

30. Having considered all the evidence filed, I am not satisfied that the subject mark has, as at the date of the filing of this application, come to identify “beer, fruit juice, aerated water, cola, non-alcoholic sherbets, preparations for the beverages, soda water, waters (beverages), mineral water (beverages), aerated water making materials, mineral water making materials; all included in Class 32” as originating from a particular undertaking. The applicant therefore has failed to establish that the subject mark has acquired a distinctive character through the use that has been made of it.

Conclusion

31. I have considered all the documents filed by the applicant, including the evidence filed and all written and oral submissions made in respect of the application. For the reasons stated above, I find that, in respect of the goods applied for, the subject mark is, contrary to section 11(1)(b) of the Ordinance, devoid of any distinctive character. The application is accordingly refused under section 42(4)(b) of the Ordinance.

Caroline Chow
for Registrar of Trade Marks
1 August 2008

Annex

1. <http://www.google.com.hk/search?hl=en&q=%22%E8%98%8B%E6%9E%9C%E8%A5%BF%E6%89%93%22%2B%22cider%22-%22oceanic%22&btnG=Search&meta>
“冬天溜完冰後帶著小女兒喝咖啡小女兒喜歡熱的**蘋果西打**(Apple Cider) 蘋果西打也伴隨 著一根肉桂條讓你自己攪拌肉桂入味小女兒總把肉桂條遞給了老爸她不喜歡肉桂的味道而 ...”
2. http://city.udn.com/v1/blog/article/article.jsp?uid=QContinuum&f_ART_ID=69484
“紅黃綠各色蘋果和**蘋果西打**(Apple Cider) 也是季節性的特產。這個蘋果西打和台灣的蘋果西打不同喔，這是蘋果萃練出來的果汁，冷熱飲皆可。”
3. <http://www.sinica.edu.tw/as/weekly/86/632/hwang.txt>
“英國人一向喝的是發酵過且含有酒精的**蘋果西打**(apple cider)或是梨子發酵汁(peary)，而美國人喝的是蘋果的榨汁。”
4. <http://www.voh.com.tw/abc20051123.htm>
“Apple cider is the drink of the day...**蘋果西打**為應景飲料”
5. http://www.kleinerfisch.com/Bao/2004/12/blog-post_110371053151377511.html
“現在要講的是西班牙一種好好喝的「**蘋果西打**」。”