

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300569304

MARKS:

A



B



CLASS: 43

APPLICANT: Lui Yu Man

OPPONENT: Eat Together Food & Beverage Group Company Limited

STATEMENT OF REASONS FOR DECISION

Background

1. On 23 January 2006, the applicant filed an application for registration (“the subject application”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) for the registration of the following marks in series:-.

A



B



(“the suit marks”).

The applicant claims the colours black and white as elements of mark “A” in the series, and the colours red, green, yellow, white, black, amber and blue as elements of mark “B” in the series

2. Registration is sought in respect of the services of restaurants, cafes, canteens, food and drink catering and factories, snack-bars, self-service restaurants, all included in Class 43.

3. Particulars of the subject application were published on 27 April 2007, and the opponent filed a notice of opposition to the subject application on 17 July 2007.

4. The opposition hearing took place before me on 20 September 2011. Mr Charles Hung, counsel, instructed by Messrs Cheung Wong & Associates represented the applicant. Mr. Philips Wong, counsel, instructed by Messrs. ONC Lawyers represented the opponent.

Grounds of opposition

5. The grounds on which the Opponent opposes registration of the suit marks as stated in the notice of opposition are under sections 11(1)(b), 11(4)(b), 11(5)(b), 12(3) and 12(5) of the Ordinance. For the purpose of this hearing, Mr Wong indicated that the opponent will rely on section 12(3) of the Ordinance as the ground of opposition.

Counter-statement

6. The applicant filed a counter-statement on 20 August 2007 in response to the opponent’s notice of opposition.

Evidence

7. Under Rule 18 of the Trade Marks Rules (Cap.559, sub. leg.)(“Rule/s”), the opponent filed a statutory declaration from Lui Yee Chuen, the sole director and

shareholder of the opponent, together with exhibits, which was declared on 28 December 2007 (“Lui’s statutory declaration”) and a statutory declaration from Ho Yam Fai, an investigator of Black & White Investigation, together with exhibits, which was declared on 23 January 2008 (“Ho’s statutory declaration”). Pursuant to Rule 19, the applicant, Lui Yu Man, filed a statutory declaration, together with exhibits, which was declared on 29 May 2008 (“the applicant’s statutory declaration”).

Relevant date

8. The relevant date for considering the opposition is 23 January 2006, the date of the subject application for registration.





Opposition under section 12(3) of the Ordinance

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

“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.”

10. The opponent relies on the following registered marks as earlier trade marks for the opposition under section 12(3) :

Trade Mark	Registration No.	Date of Registration	Class	Services
 <p>A</p>  <p>B</p> <p>The applicant claims the colours red, pink, yellow, orange, brown, gold and black as elements of mark "B" in the series.</p>	300108729	10.11.2003	43	cafes; cafeterias; canteens, restaurants; self-service restaurants; snack-bars; all included in Class 43.
 <p>"A"</p>  <p>"B"</p> <p>The applicant claims the colours yellow, red, white and blue as elements of mark "A" in the series.</p>	300489015	3.9.2005	43	bar services; cafes; cafeterias; canteens; food and drink catering; restaurants; self-service restaurants; snack-bars; all included in Class 43

11. At the hearing, Mr Hung for the applicant conceded that the ground of opposition under section 12(3) of the Ordinance is made out by the opponent. However, the applicant will rely on section 13 of the Ordinance and ask the registrar to accept the application for registration under both limbs of honest concurrent use and special circumstances.

12. Section 13 of the Ordinance provides as follows :

- “(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; or
 - (b) that by reason of other special circumstances it is proper for the trade mark to be registered.
- (2) The registration of a trade mark under or by virtue of subsection (1) shall be subject to such limitations and conditions as the Registrar or the court thinks fit to impose.
- (3) Nothing in this section prevents the Registrar from refusing to register a trade mark on any of the grounds mentioned in section 11 (absolute grounds for refusal of registration).”

Section 13(1)(a) : honest concurrent use

13. It is not in dispute that under section 13 of the Ordinance, a mark would not be prevented from registration under section 12 if there has been an honest concurrent use of the suit marks and the earlier trade marks. Mr Wong for the opponent referred me to the judgment in the case of *Re CSS Jewellery Co. Ltd.* [2010]2 HKLRD 890 at 901 and rightly submitted that section 13(1)(a) of the Ordinance requires a two-stage determination. The relevant passage is reproduced below :-

- “35. In other words, on final analysis, s.13(1)(a) 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” (s.12(3)(c)). (Such acceptance of the application for registration is, of course, subject to any opposition proceedings : see ss. 42-47 of the Ordinance.)

36. In relation to stage (a), it is important to note that it is essentially a factual question. The focus of the inquiry is on three matters, namely, use, *concurrent* use, and *honesty* of the concurrent use. Moreover, the use must be of the Subject Mark *as a trade mark*. Thus, for instance, if the use of the Subject Mark is not as a trade mark, but simply as an element in a composite mark comprising other distinctive elements as well, the use of the Subject Mark will not be considered as a relevant use under s.13(1)(a). This is, again, common ground between Mr Liao and Mr John Yan SC (Mr William Liu with him) for the Registrar in this appeal.”

14. In relation to stage (a), the focus of inquiry is on three matters, namely, use, concurrent use, and honesty of the concurrent use. Mr Wong indicated at the hearing that the opponent does not dispute the honesty of the applicant.


15. Turning to the factual question of concurrent use, the opponent’s case is that there has been honest concurrent use of the suit marks and the earlier trade marks since October or November 2001 as submitted by Mr Hung. On the other hand, Mr Wong contended that in the present case, there is simply no use of the suit marks in series before the relevant date. The suit marks are not and cannot be treated as the same as the mark “大家食 Eat Together” *per se*. Each of the suit marks is a composite mark which consists of the Chinese characters “大家食 手攞麵”, the English words “Eat Together”, the year “1998” and a device of three straws of wheat and the oval-shaped device. All these elements are represented in the suit marks in a specific manner. The applicant himself also alleged in his statutory declaration filed in these proceedings that the suit marks in series are different marks from the mark he has allegedly used. Therefore, Mr Wong submitted that the reliance on the doctrine of honest concurrent use must fail.

16. In my view, a factual inquiry requires me to have a detailed look and analysis of the evidence filed. I find the following facts established by the evidence filed in these proceedings.

17. As evidenced by the business registration record produced in the exhibit marked "LYC-2" to Lui's statutory declaration, Lui Yee Chuen, the sole director and shareholder of the opponent, set up the first "大家食粉麵" at Shop B, Ground Floor, 165-167 Pei Ho Street, Shamshuipo on 28 July 1999 as an individual business. The applicant joined as a partner to the business on 15 September 2000. The trade logo "大家食 EAT TOGETHER" ("the trade logo") started to be displayed at the first restaurant around April 2000 (paragraph 22 of the applicant's statutory declaration and "LYM-12"). In or around October 2001, Lui Yee Chuen and the applicant as partners opened a second restaurant which operated under the name of "大家食 Eat Together" at Ground Floor, 55 Tam Kung Road, To Kwa Wan. In or around November 2002, due to differences in opinion, Lui Yee Chuen and the applicant decided to end their partnership. An oral agreement was reached between the parties in that the applicant would continue to run the first restaurant whereas Lui Yee Chuen would operate the second restaurant.


18. A starting point to look at the applicant's evidence of use is from November 2002 when he began to run the restaurant business on his own. According to paragraph 31 of the applicant's statutory declaration, at the time when Lui Yee Chuen and he decided to end their partnership, no agreement was made as to who has or has not the right to continue to use the trade logo "大家食 EAT TOGETHER". The applicant deposed that he continued to operate and expand his own restaurant business with the trade logo. The suit marks in series in the representation as applied for were never mentioned in the applicant's statutory declaration.

19. In June 2003, the applicant opened a new restaurant at Ground Floor, 57 Shantung Street, Mongkok (paragraph 33 of the applicant's statutory declaration). As shown by the photograph dated 19 April 2004 exhibited in "LYM-16" to the applicant's statutory declaration, the signage at the shop front of the restaurant

displayed the trade logo “大家食 EAT TOGETHER”. However, based on the evidence of the investigator engaged by the opponent in “HYF-4” to Ho’s statutory declaration, the signage at the shop front of the restaurant showed the trade logo “大家食 EAT TOGETHER” together with three other Chinese characters “新之食” at the material time of 5 June 2007. A copy of the promotion flyer advertising the opening of the Shantung Street restaurant together with the menu were produced in “LYM-17” to the applicant’s statutory declaration. Only the mark “” was featured in both the promotion flyer and the menu.

20. In or around April 2005, the applicant relocated the first restaurant to 84 Fuk Wing Street, Shamshuipo (paragraph 34 of the applicant’s statutory declaration). As shown in the business registration record in “LYM-18”, the name of business corporation was changed to “大家食集團有限公司 EAT TO NEW LIMITED” whereas the business name was still “大家食粉麵 EAT TOGETHER”. The signage at the shop front of this relocated restaurant depicted the trade logo “大家食 EAT TOGETHER” together with the three Chinese characters “新之食” (“LYM-19”) in the following manner in place of the trade logo :-







21. In the heading of the promotion flyer advertising the new restaurant after relocation (“LYM-20”), one can see the mark . Further, the restaurant was in fact referred to as “新之食” in the flyer in the following way :-

“環境優雅的 **《新之食》**，將帶給你食落開胃、舒適的感覺。”

“**《新之食》** 創新之美食，相信會給您多一份認識，多一份靈感！建議您前往一試，多謝光臨，祝君好運！”

The heading of the menu in “LYM-20” was “**新之食** 大家食集團”。One can see that the mark “新之食” was in fact highlighted in bold and larger font with “大家食集團” in smaller font.

22. Another new restaurant was opened by the applicant at Ground Floor, 1G-1H Wing Sing Lane, Yaumatei on or around 3 December 2005. Again, a photograph of the signage of the restaurant shop front taken in January 2006 (“LYM-22”) featured the mark “”. In the headings of both the promotion flyer and menu for that new restaurant (“LYM-23”), the mark “” was shown. In the flyer, the restaurant was somehow referred to as “《新之食》” 具創新之美食，相信會給您多一份驚喜，添一份信心！大家不妨前往一試。”

23. Prior to the relevant date on or around 24 December 2005, the applicant opened another restaurant at Ground Floor, 79 Sai Yee Street, Mongkok (paragraph 36 of the applicant’s statutory declaration). Similarly, the marks “” and “” appeared on the signage at the shop front of the restaurant and the restaurant menu respectively (“LYM-25” and “LYM-26”).

24. In my judgment, on the evidence of use filed by the applicant himself, it is clear that the suit marks in series had never been used by the applicant prior to the application date. The actual marks that were predominantly in use as gathered from the evidence are as follows :



(used on the signage at the shop front)



(used on the promotion flyer and menu)



(used on menu)

25. Mr Hung for the applicant contended that the use of the actual marks

should be accepted as use of the suit marks in series because the Chinese characters “大家食” and English words “Eat Together” are the most prominent features in the applied for marks. In my view, in case of honest concurrent use, the evidence must show the mark has been used as applied for or that the used mark is so similar to the mark applied for as to be essentially the same mark. The differences between the mark applied for and the actual mark in use must be negligible that will not affect the likelihood of confusion with the earlier trade mark. As submitted by Mr Wong, apart from the Chinese characters and the English words “大家食 Eat TogetheR”, the suit marks in series contain the numerals 1998 and the device parts including three straws of wheat and the oval-shaped device. Although “大家食 Eat TogetheR” are the prominent elements in the composite mark, the other elements of the mark cannot be ignored. The other elements certainly possess certain degree of distinctiveness.

26. To my mind, it is apparent that none of the actual marks in use by the applicant can be considered essentially the same mark as that applied for in the present case. The reason for raising an objection under section 12(3) of the Ordinance is to prevent the causing of confusion to the relevant consumers of the services in question because of the identity or similarity of one mark with another. Therefore, to establish honest concurrent use, use of a mark that is different from the mark applied for in such a way that will effectively remove the likelihood of confusion will in no way assist the applicant under section 13. In the present case, the addition of the distinctive Chinese characters “新之食” constitutes use of the actual marks in a way that will effectively remove the likelihood of confusion.

27. The answer to the first-stage determination is negative as there has been no honest concurrent use of the suit marks in series and the earlier trade marks. It follows that the applicant’s reliance on the ground of honest concurrent use for registration must fail.

Section 13(1)(b) : special circumstances

28. Mr Hung submitted that, relying on the case of *Holt & Co.’s Application* [1957] RPC 289, special circumstances include any circumstance peculiar to the

applicant in relation to the subject matter of the application, and so includes use by an applicant of his mark before the conflicting mark was registered or used. Mr Hung argued that the present case is peculiar and unique in a sense that the trade logo “大家食 Eat Together” was also invented by the applicant apart from Lui Yee Chuen. When the applicant ended the partnership with Lui Yee Chuen, there was no agreement between the parties as to who has the right to continue to use the trade logo. The applicant took up the ownership of the first restaurant at Pei Ho Street and continued to use the trade logo in the expansion of his other restaurants. The use was well before the registration of the opponent’s earlier marks that were registered on 10 November 2003 and 3 September 2005 respectively.

29. In reply, it was the contention of Mr Wong that the special circumstances provision has limited application in the absence of evidence of use of the trade mark in question and “special circumstances” were only something to consider along with use when weighing the case for registration save in exceptional cases (*Shanahan’s Australian Laws of Trade Marks and Passing Off*, 4th Edition 2008, paragraph 40.2505). There is no evidence that the suit marks in series have been used at all by the applicant, either before or after the application date. Neither is there any evidence that the refusal of registration of the suit marks will cause any hardship to the applicant. None of the restaurants of the applicant were or are operated under the suit marks. In fact, the applicant has been using “新之食 EAT TO NEW” or “新之食 大家食” as the trade mark of his restaurants in recent years. The submissions made by Mr Hung are misconceived because the applicant is not seeking to register the mark “大家食 Eat Together” *per se*.

30. Regarding the dissolution of partnership point, Mr Wong referred me to the case of *Saxon Trade Mark* [2003] FSR 39. In paragraph 24 of the judgment, Mr Justice Laddie stated that :-

“It seems tolerably clear that, absent the special circumstances in that case, the goodwill and name of the partnership would have been an asset of the partnership which, on dissolution, would have had to have been sold so that its value could be realised for distribution among the former partners. None would have owned the goodwill or name.”

Mr Wong submitted that in the absence of agreement, the goodwill and ownership of trade mark or name should be vested in the partnership upon dissolution.

31. On the whole, I see the force of Mr Wong's arguments. To supplement, I do not consider that the facts of *Holt & Co.* as referred to me by Mr Hung are comparable to those of the subject application. In *Holt & Co.*, the applicant had 15 years' prior user of its mark before the opponents started to use theirs. By way of contrast, in the subject application, the applicant has not shown any use of the suit marks before the use and registration of the earlier trade marks by the opponent.

32. As to the issue of first user of "大家食 Eat Together", I find from the evidence that the first use of the mark "大家食 Eat Together" was made by the partnership rather than by the applicant on his own. It is clear from the *Saxon* case that the name and goodwill attached to the partnership were assets not of the individual partners but of the partnership. This proposition is echoed in the following passage at paragraph 15-065 of *Kerly's Law of Trade Marks and Trade Names*, the 14th Edition :-

"Former members of a partnership are generally not entitled to a share in the goodwill thereof on dissolution of the partnership or on their departure. Goodwill generated by a partnership is a partnership asset. On dissolution the partners may require it to be sold and divide the proceeds, as with any other asset, but are not each entitled to a "share" of the goodwill unless the partnership deed provides otherwise."

It follows that the applicant cannot be considered to have a "share" in any goodwill generated by any use of the trade logo "大家食 Eat Together" by the partnership of the applicant and Lui Yee Chuen. In any event, the applicant is not applying for registration of the trade logo "大家食 Eat Together" *simpliciter*. In addition, contrary to the submission of Mr Hung, the applicant had not used the trade logo in the expansion of his other restaurants. As shown by the analysis of evidence in paragraphs 19 to 24 above, the applicant had in the main used the marks reproduced in paragraph 24 above in the expansion of his other restaurants.

33. For the reasons given above, I do not consider that on the facts of this case there are any relevant “special circumstances” by reason of which it is proper for the suit marks to be registered.

34. As I have found the suit marks in series to be objectionable under section 12(3) based on the applicant’s concession, and the applicant has not made out a case for registration under section 13, I have no discretion to accept the subject application.

Costs

35. The opponent has sought costs and there is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that the successful party is entitled to its costs. I accordingly order the applicant pays the costs of these proceedings.

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

Original signed

(Ms Fanny Pang)
p. Registrar of Trade Marks
7 October 2011