

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

**APPLICATION NO. : 300605844AB**

**MARK : TITANIUM**

**APPLICANT : COLUMBIA SPORTSWEAR COMPANY**

**CLASS : 25**


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**STATEMENT OF REASONS FOR DECISION**

*Background*

1. On 23 March 2006, Columbia Sportswear Company (“the Applicant”) filed an application for the registration of “**TITANIUM**” (“the subject mark”) pursuant to the provisions of the Trade Marks Ordinance (Cap.559) (“the Ordinance”). The application was in respect of “clothing, footwear, headgear” in Class 25 and other goods in Class 18. The application was subsequently divided into two, one in respect of the goods in Class 25 and the other in respect of the goods in Class 18. The subject application concerns only the goods in Class 25.
2. At the examination stage, an objection was raised against this application under section 12(3) of the Ordinance on the basis of the following registered trade mark (the “cited mark”) :

Cited Mark

Trade mark : 

Registration no. : 200211683

Date of registration : 09 May 2000

The cited mark is registered in Class 25 in respect of “clothing, fur (clothing), footwear, headgear”.

3. The Applicant filed two statutory declarations at the examination stage to show that there had been honest concurrent use of the subject mark. Despite the filing of such evidence, the objection under section 12(3) was maintained.
4. The Applicant requested a hearing on the registrability of the subject mark. The hearing was held before me on 6 March and 29 April 2008. Ms. Maria Smith of Messrs. Baker & McKenzie appeared on behalf of the Applicant. I reserved my decision at the conclusion of the hearing. In addition to the evidence filed during the examination stage, the Applicant filed a further statutory declaration before the hearing on 29 April 2008 in support of its claim that there had been an honest concurrent use of the subject mark.

### ***Provisions of the Ordinance***

5. The relative grounds for refusal of an application for registration of a trade mark are set out in section 12 of the Ordinance. Subsections (3) 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.”*

6. The term “earlier trade mark”, as referred to in section 12(3), is defined in section 5 of the Ordinance, the relevant part of which states :

*“(1) In this Ordinance, “earlier trade mark”, in relation to another trade mark, means –*

- (a) a registered trade mark which has a date of application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any.”*

As the cited mark has a date of application for registration earlier than that of the subject mark, it is an “earlier trade mark” in relation to the subject mark.

7. On the interpretation of paragraph (c) of section 12(3), section 7(1) of the Ordinance is relevant. It provides that –

*“For greater certainty, in determining for the purposes of this Ordinance whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar or the court may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.”*

8. The provisions on honest concurrent use can be found in section 13 of the Ordinance and they read :

*“(1) Nothing in section 12 (relative grounds of 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.”*

### ***Decision***

9. In all, three statutory declarations have been submitted as evidence to establish that there has been an honest concurrent use of the subject mark. At the hearing, Ms. Smith only addressed me on the evaluation of the evidence submitted. Although I do not have to deal with any submissions on the ground of objection under section 12(3) of the Ordinance, I will first set forth the relevant legal principles on this ground of objection as they are and their application to the present case.
10. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK

Trade Marks Act 1994<sup>1</sup>, which implements Article 4(1)(b) of the European Trade Marks Directive<sup>2</sup>. A number of decisions of the European Court of Justice have shed light on the application of the aforesaid Article 4(1)(b) and they provide appropriate guidance in considering the ground of objection to registration under section 12(3) of the Ordinance. These cases are *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] E.T.M.R. 723. According to these cases :

- (a) the likelihood of confusion must be appreciated globally, taking into account of all relevant factors (*Sabel BV v Puma AG*);
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question (*Sabel BV v Puma AG*), who is deemed to be reasonably well informed and reasonably observant and circumspect – but who rarely has the chance to make direct comparison between different marks and instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*);
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*);
- (d) the visual, aural and conceptual similarities of the marks must be

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<sup>1</sup> Section 5(2) of the UK Trade Marks Act 1994 provides as follows –

- “(2) A trade mark shall not be registered if because –
- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
  - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical or similar to those for which the earlier trade mark is protected,
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

<sup>2</sup> Article 4(1)(b) of the European Trade Marks Directive 89/104/EEC of 21 December 1988 provides –

- “(1) A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:
- .....
- (b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

assessed by reference to the overall impression created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*);

- (e) 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.*);
  - (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either *per se* or because of the use that has been made of it (*Sabel BV v Puma AG*);
  - (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Article 4(1)(b) (of the European Trade Marks Directive 89/104/EEC, *supra*) (*Sabel BV v Puma AG*);
  - (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense (*Marca Mode CV v Adidas*);
  - (i) but if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*).
11. In determining whether registration of the subject mark is prohibited under section 12(3) of the Ordinance, I have to consider whether the subject mark would likely cause confusion on the part of the relevant consumers as a result of it being similar to the cited mark and because it is to be registered in respect of goods or services the same as or similar to those of the cited mark. In doing so, I must consider the similarities between the subject mark and the cited mark and the similarities in the goods or services which lead to a likelihood of confusion. In assessing the likelihood of confusion, I may, according to section 7(1) of the Ordinance, take into account all factors relevant in the circumstances.

### *Comparison of marks*

12. In applying the principles for comparing the marks concerned, I must have a global appreciation of the visual, aural and conceptual similarities of the marks in question, based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. I have to be mindful of the similarities as well as the dissimilarities between the marks and have regard to the perception of the marks in the mind of the average consumer of the goods in question.
13. The goods in question are for use by everyone and they are sold in all sorts of places, including department stores, boutiques and other types of stores. The relevant consumers of such goods are therefore members of the general public and they are considered to be reasonably well informed and reasonably observant and circumspect.
14. In terms of their visual appearance, both marks have the word “titanium”. In the subject mark, the word “TITANIUM” appears in block letters and is the only element. In the cited mark, the letter “T” is represented in a stylized manner with the horizontal line extending entirely to the left for a considerable length and then coiling back a bit less than half way to the right. The horizontal line also varies in width, gradually thickening as it extends to the left but thinning out when it starts to recoil to the right. The vertical stroke of the letter “T” is only about half the length of the horizontal stroke from where it intersects with the vertical stroke to where it starts to coil back. Its width also varies, with its thickest part midway and the two ends slightly tapering. The other alphabets in the cited mark are represented in a particular font. In addition, four Chinese characters “泰坦妮雅” appears above the English alphabets of “titanium” on the right of the letter “T”.
15. Although the cited mark includes other elements in addition to the word “titanium”, the word “titanium” is the main prominent component. Despite its representation in a particular manner, the word “titanium” is clearly visible and the perception of the relevant consumers of the word is not in any way affected. The Chinese characters “泰坦妮雅” are the transliteration of the word “titanium”

and hence they only reinforce the impression cast by the word “titanium”. The relevant consumers will only regard both the subject mark and the cited mark as “titanium” marks.

16. The aural differences between the two marks stem from the addition of the Chinese characters “泰坦妮雅” in the cited mark. As the Chinese characters represent the transliteration of the word “titanium”, the aural differences will not aid the relevant consumers in distinguishing the two marks from one another.
17. As for the concepts conveyed by the two marks, I do not consider there to be any difference. The stylization of the word “titanium” in the earlier trade mark does not bring forth a different concept. As the presence of the Chinese characters “泰坦妮雅” in the cited mark will not alter the impression that it makes on the relevant consumers, the ideas the two marks convey are the same or virtually the same.
18. Given the above analysis of the visual, aural and conceptual differences between the two marks and having regard to the impression that consumers of the goods applied for will have of them and the imperfect recollection of such consumers, I find the subject mark to be similar to the cited mark.

#### *Comparison of goods*

19. The goods applied for are “clothing, footwear, headgear”. The cited mark is registered in respect of clothing, fur (clothing), footwear, headgear”. There can be no dispute that the goods applied for are identical to the goods covered by the registration of the cited mark. There has been no suggestion by the Applicant to the contrary.

#### *Likelihood of confusion*

20. Apart from the similarities between the marks and the similarities between the goods, there is still another requirement under section 12(3) of the Ordinance, namely, that the use of the mark applied for on the goods in question will likely cause confusion on the part of the public.

21. In considering whether there is a likelihood of confusion, I have to apply the global appreciation test, taking into account all relevant factors. In assessing the likelihood, I need only to consider the normal and fair use of the two marks as they are. I also have to bear in mind that the goods applied for are common everyday items and hence the level of attention and care that the consumers will have in relation to the purchase of such goods is merely average. They do not analyse the various details of a trade mark and they only have an imperfect recollection of the marks they encounter.
22. With such considerations in mind and in view of the similarities between the two marks and the identity of the goods in question, I find that there is a real likelihood of confusion of the origin of the goods applied for if the subject mark is used on such goods. The subject mark is therefore precluded from registration under section 12(3) of the Ordinance.

*Honest concurrent use*

23. As provided in 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 mark and the earlier trade mark. There was discussion about the matters to be taken into account in considering whether a case of honest concurrent use has been established in the UK case of *Pirie* (1933) 50 RPC 147. Five points were mentioned in that case and they are:
  - (a) the extent of use in time and quantity and the area of the trade;
  - (b) the degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
  - (c) the honesty of the concurrent use;
  - (d) whether any instances of confusion have in fact been proved; and
  - (e) the relative inconvenience which would be caused if the marks were registered.

According to the case of *Electrix Ld's Application for Trade Mark* [1957] RPC 369, these factors are not exhaustive and all relevant circumstances ought to be considered. Further, what is a relevant circumstance depends on the facts in each case.

24. As noted in the 14<sup>th</sup> edition of *Kerly's Law of Trade Marks and Trade Names*, at paragraph 9-156, the discretion of the tribunal is unfettered and concurrent registration may be allowed even where the possibility of confusion is considerable and each case has to be determined on its own merits.<sup>3</sup> On this basis, I shall examine the evidence filed to see if a case of honest concurrent use has been made out.
25. The point of time for establishing honest concurrent use is the date of this application, that is, 23 March 2006. The Applicant has submitted three statutory declarations, with Barbara T. Carson, its Associate General Counsel/Director of Intellectual Property, as the deponent in all cases. They were made on 27 November 2006 ("First Declaration"), 3 October 2007 ("Second Declaration") and 14 March 2008 ("Third Declaration"). The First Declaration includes four exhibits and they are numbered as "BTC-1" to "BTC-4". The Second Declaration has three exhibits and they are numbered as "Exhibit A" to "Exhibit C". The Third Declaration has 6 exhibits and they are numbered as "Exhibit 1" to "Exhibit 6". To these I shall now turn.
26. The sale figures of the goods applied for and which bear the subject mark are set out in paragraph 6 of the First Declaration. Although the sales were only modest initially, the figures grew and exceeded HK\$30 million in both 2005 and 2006. Exhibit BTC-3 contains samples of sale invoices of goods bearing the subject mark for the period since 2001. With the aid of the Japanese catalogue in Exhibit BTC-4 and the explanatory chart in Exhibit-B, the items being recorded as sold under those invoices can be ascertained as clothing and footwear bearing the subject mark. The period covered is from 2001 to 2006.
27. Information about the advertising efforts of the Applicant in relation to the subject mark is not as easy to follow. The Applicant explained in paragraph 6 of the Second Declaration (reiterated in paragraph 11 of the Third Declaration) that there have not been separately identified expenditures for the subject mark in the past and the relevant figures have been combined in the general advertising budget of the Applicant. Further elaboration on the advertising carried out for

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<sup>3</sup> This passage was quoted with approval in the UK Court of Appeal in the case of "Budweiser" [2000] RPC 906 at 915

the subject mark is provided in the Third Declaration. According to paragraph 9 of the Third Declaration, catalogues showing the Applicant's range of the goods applied for and sold under the subject mark were made available to the dealers of the Applicant and through them to the relevant consumers. Further, advertisements were placed in newspapers and magazines circulated in Hong Kong. Copies of product catalogues can be found in Exhibit BTC-4 and Exhibit 3 and copy advertisements in magazines and newspapers are found in Exhibit BTC-2, Exhibit C and Exhibit 5.

28. One thing worth remarking about the sale figures and advertisements relates to the way the subject mark is used as demonstrated by the materials submitted. There have been indeed examples of independent use of the subject mark, but in the majority of the materials exhibited, the subject mark was used in conjunction with the house mark "Columbia". Ms. Smith, in her written submissions, referred to the cases of *Levi Strauss & Co, v Shah* [1985] RPC 371, *Reckitt & Colman Products Limited v Borden Inc.* [1990] RPC 341, *BP Amoco Plc v John Kelly Limited* [2002] FSR 5 and *Societe des Produits Nestle SA v Mars UK Ltd* [2006] FSR2 in support of her argument that the use of the subject mark in conjunction with other marks of the Applicant should also be considered relevant for showing honest concurrent use. From the materials filed, I am satisfied that the subject mark, albeit used in conjunction with the house mark, has been used for the purpose of indicating the origin of the Applicant's goods.
29. On the honesty of the concurrent use, the Applicant has explained in paragraph 12 of the Third Declaration that it was not aware of the cited mark when it launched use of the subject mark in Hong Kong in September 2001 and remained unaware of it until the citation was raised against the present application. The Applicant has also averred in the Third Declaration that it was not aware of any confusion arising out of the use of the subject mark and the cited mark.
30. On the basis of the evidence filed and taking into account all relevant circumstances of the case, I am prepared to find that there has been honest concurrent use of the subject mark in respect of clothing and footwear. However, in respect of headgear, the evidence falls short.
31. Although the three statutory declarations purport to cover all the goods in the

specification of this application, all the materials in the exhibits relate to clothing and footwear only. None of the invoices or advertising materials produced shows use of the subject mark on headgear at all. When questioned about this at the hearing, Ms. Smith suggested that some of the jackets shown had hoods which were detachable and she asked me to consider those as use of the subject mark on headgear. I do not think it can be seriously argued that the customers of the jackets bought them for the hoods, nor can such sales be considered as anything other than the sales of the jackets only.

32. Bold as it may be, I do not find Ms. Smith's attempt to salvage the case in respect of headgear to be successful. To allow an applicant to register a mark which would likely give rise to confusion when used together in the market with an identical or similar mark of another party, very clear evidence has to be filed in support. I would also refer to the remark made by Ms. Smith at the hearing that the Applicant was not in a position to produce any pre-application materials on headgear since they had just started to promote the use of the subject mark on headgear. I therefore find that the Applicant has failed to establish honest concurrent use of the subject mark in respect of headgear.

*Other special circumstances*

33. Although not pleaded by the Applicant at all, there is an alternative ground for allowing registration of a mark despite a valid objection under section 12 of the Ordinance. Pursuant to section 13(1)(b) of the Ordinance, if by reason of other special circumstances it is proper for a trade mark to be registered, the objection under section 12 can be overcome.
34. Although not judicially defined, indication of what amounts to "other special circumstances" can be gleaned from the cases where registration had been allowed on this basis. In the case of *Holt* [1957] RPC 289, the fact that the applicant in the case had used their mark for 15 years prior to the opponents was considered as "special circumstances" because it was a fact peculiar to the applicant in relation to the subject matter of the application. The *Holt* case was relied on in the Hong Kong case of *Re Miss Elaine Inc.* [2003] 1 HKC 666.
35. With the materials before me, there is no basis for me to find that any special

circumstances exist to justify the registration of the subject mark in respect of headgear. There is no information about the use of the cited mark by its owner on headgear. None of the invoices and advertisements submitted by the Applicant shows use of the subject mark on headgear. There is also the remark noted in paragraph 32 above that the Applicant has only started to promote the use of the subject mark on headgear. I cannot therefore allow registration of the subject mark in respect of headgear on ground of other special circumstances.

***Conclusion***

36. 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 and the authorities referred to. For the reasons stated above, I find that, in respect of headgear, the subject mark is precluded from registration under section 12(3) of the Ordinance. The application is accordingly refused under section 42(4)(b) of the Ordinance in respect of headgear.
  
37. As I find that there has been honest concurrent use of the subject mark in respect of “clothing and footwear”, the application for registration in respect of such goods can proceed to publication provided that the Applicant files, on or before 3 October 2008, a Form T5A to restrict the specification to such goods. If the Applicant fails to do so on or before 3 October 2008, it will be deemed to have abandoned the application.

Caroline Chow  
for Registrar of Trade Marks  
3 September 2008