

TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION NO. : 300610910

MARK : LION CAPITAL

APPLICANT : Lion Capital LLP

CLASS : 36

STATEMENT OF REASONS FOR DECISION

Background

1. This is an application by Lion Capital LLP (“the Applicant”) made on 30 March 2006 to register the following mark (“the subject mark”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”):

LION CAPITAL

2. The services for which registration is sought under class 36 are as follows:

“Insurance; financial affairs; monetary affairs; financial services; real estate affairs; corporate finance; private equity; investment services; capital, fund and trust investment services; investment management services; mutual fund, collective investment scheme and hedge fund services; unit trust services; financial and investment planning and research; advisory, consultancy and information services relating to all the aforesaid services.”

3. Objection was raised against the subject application under section 12(3) of the Ordinance on the basis of the following registered trade mark (the “cited mark”):

Cited Mark

Trade mark : **LION FORTUNE**
Registration no. : 2003B01787
Class no. : 36

The date of registration of the cited mark is 30 July 2001. It is registered in respect of the following services:

“insurance; financial services; monetary transaction services; banking services; real estate affairs; investment of capital, financial matter consulting, quotation on the stock exchange, stocks and bonds brokerage, issuance of traveler's checks and letters of credit, cheque writing, bill payment services; issuance of credit cards, investment fund; financial analysis, financial estimations (bank, insurance, real estate), tax estimations, financing services, bank loan, financial management and information, financial transactions, raising of capital, fund management and investment, bank saving services, actuarial services, factoring, credit agencies, realty appraisal, real estate management, credit and debit cards services, exchange transactions, safe deposit, cheque verification, electronic fund transfer; all included in Class 36.”

4. The objection under section 12(3) has been maintained at the examination stage. On 26 March 2007, the Applicant requested a hearing on the registrability of the subject mark.
5. On 6 July 2007, the Applicant filed a statutory declaration of Mr Graham Michael Robinson (the “statutory declaration”) relating to investigation conducted for the purpose of ascertaining the status of use or non-use of the cited mark. I will return to this statutory declaration below.
6. A hearing on the registrability of the subject mark took place before me on 11 July 2007, at which Mr Andrew Chan of Messrs So Keung Yip & Sin appeared on behalf of the Applicant. I reserved my decision at the end of the hearing.
7. The Applicant did not file any evidence of honest concurrent use of the subject mark and the cited mark under section 13 of the Ordinance. I therefore only have the *prima facie* case to consider.

The Ordinance

8. The relative grounds for refusal of an application for registration are set out in section 12 of the Ordinance. Section 12(3) provides that:

“A trade mark shall not be registered if–

(a) the trade mark is similar to an earlier trade mark;

(b) the goods or services for which the application for registration is made are identical or similar to those for which the earlier trade mark is protected; and

(c) the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”

9. Section 7(1) of the Ordinance 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.”

10. An “earlier trade mark” is defined in section 5, 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 the application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any.”

Decision

11. The issue before me is whether the subject application for registration should be refused under section 12(3) based on the cited mark.

12. The cited mark has a date of application for registration earlier than that of the subject mark. Therefore, it is an “earlier trade mark” with respect to the subject mark for the purpose of section 5 of the Ordinance.

13. Section 12(3) precludes a mark from registration if the use of it is likely to cause confusion on the part of the public, as a result of its being similar to an earlier trade mark and that it is sought to be registered in respect of goods or services the same as or similar to those registered under the earlier trade mark.
14. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994¹, which implements Article 4(1)(b) of the European Trade Marks Directive². In determining the question under section 12(3) I take into account the guidance provided by the European Court of Justice (ECJ) in *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 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.*);

¹ 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 with 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."

² 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."

- (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 assessed by reference to the overall impressions 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) (*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 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*).
15. Having regard to the above legal principles, I must therefore consider whether there are similarities in marks and services which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those differing elements, taking into account the degree of similarity in the services and the category of services in question. I must compare the marks in issue having

regard to the distinctive character of each and assuming normal and fair use of the marks across the full range of the services within their respective specifications.

Comparison of services

16. The subject application is applied to be registered in respect of “*Insurance; financial affairs; monetary affairs; financial services; real estate affairs; corporate finance; private equity; investment services; capital, fund and trust investment services; investment management services; mutual fund, collective investment scheme and hedge fund services; unit trust services; financial and investment planning and research; advisory, consultancy and information services relating to all the aforesaid services*”. The applied for services are therefore identical or similar to those for which the cited mark is protected, and the Applicant has not argued otherwise.

Comparison of marks

17. The subject mark consists of the words “LION CAPITAL” in plain block capitals.
18. The cited mark consists of the words “LION FORTUNE” also in plain block capitals.
19. At the hearing, the Applicant submits that although both the subject mark and the cited mark include the word “LION”, in comparing marks, they should be considered by reference to their overall impressions, bearing in mind, in particular, their distinctive and dominant components. The Applicant contends that the marks should not be regarded as similar simply because they contain the identical word “LION”.
20. Given that customers normally perceive a mark as a whole and do not proceed to analyze it in various details (*Sabel BV v Puma AG*, paragraph 23), I agree with the Applicant that in comparing the marks concerned, I must have a global appreciation of the visual, aural and conceptual similarity of the marks in question, based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. Assessment of the similarity between two marks means more than taking just one component of a composite

trade mark and comparing it with another mark. Rather, the comparison must be made by each of the marks in question as a whole (*Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* [2006] E.T.M.R. 13 at paragraph 29). In this regard, I remind myself that the fact that one component of the marks at issue is identical does not lead to the conclusion that the marks are similar unless it constitutes the dominant element in the overall impression created by each of those marks, such that all the other components are insignificant (*Gfk v Office for Harmonization in the Internal Market* (Case T-135/04) [2006] E.T.M.R. 58 at paragraph 59). I must also have regard to the perception of the marks in the mind of the average consumer of the services in question.

21. The services at issue are mainly insurance, financial, investment and related services. The average consumer is therefore the public at large who has an interest in or a need for these services. Due to the cost of the potential purchase, the average consumer is likely to pay a reasonably high degree of care and attention when selecting the services in question.
22. The cited mark consists of the words “LION FORTUNE”. According to the *Collins English Dictionary*, “lion” is the name of the large predatory feline mammal found in parts of Africa and India. It has no apparent meaning or bearing in relation to the services for which the cited mark is registered and is, in my view, highly fanciful and distinctive of those services. The word “fortune”, according to the online *Compact Oxford English Dictionary*, has the meaning of “a large amount of money or assets”. When used in relation to the services for which the cited mark is registered, the word is likely to convey to consumers the message that the services would create large amount of money or assets for customers. The word “fortune” is therefore descriptive and indistinctive of those services. As is clear from *Jose Alejandro SL v OHIM, Anheuser-Busch Inc Intervening* Case T-129/01 [2004] E.T.M.R. 15, as a general rule, descriptive elements will not generally form the focus of consumer attention with the consequence that such elements will not usually be considered to be distinctive and dominant within the context of the overall impression conveyed by the mark. In my opinion, the word “LION” stands out as it is distinctive and appears at the beginning of the cited mark. It is followed by the word “fortune” which is considered to be descriptive and indistinctive in relation to the services. Having considered the cited mark as a whole and taking account of the principle of imperfect recollection, I consider that the overall impression created by the cited

- mark is dominated by the word “LION”. Accordingly, I find that it is the word “LION” that will, for the average consumer, constitute the distinctive and dominant component of the cited mark.
23. Regarding the subject mark, it also contains the word “LION”. It is similarly considered distinctive in relation to the applied for services. The word “LION” is followed by the word “capital” which in general financial terms means “financial assets or the financial value of assets, such as cash” and in general, refers to “financial resources available for use”. (<http://www.investopedia.com/terms/c/capital.asp>). Given its relevance to the field of finance, I consider that the word “capital” has no distinctive character in respect of the applied for services and is therefore insignificant in the overall impression produced by the subject mark. As with the cited mark, I consider that the consumer’s main impression and recollection of the subject mark is likely to be the word “LION”, which is distinctive in relation to the services applied for and appears at the beginning of the mark. Thus, I find that the word “LION” also constitutes the dominant and distinctive component of the subject mark.
24. Turning back to the comparison of the two marks, I must, as said, assess the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components.
25. In this instance, the subject mark and the cited mark coincide in their first words “LION”, which as pointed out above, is the distinctive and dominant component of both marks.
26. Visually, the marks have the same structure. Both are made up of two words, beginning with the identical word “LION” and ending with a seven-letter word. The marks are of the same length. Furthermore, they are presented in plain block capital letters. I have not overlooked that the second words in the marks (“CAPITAL” and “FORTUNE”) are clearly different visually and phonetically (in syllable count and pronunciation). However, I do not accept the Applicant’s submission that such difference renders the marks as wholes visually and aurally distinguishable from each other. In my judgment, the subject mark and the cited mark are visually and phonetically similar to the extent that they both contain the distinctive word “LION”. In addition to this, the common element of the marks,

- i.e. the word “LION”, is located at the beginning of both marks and this is the part to which the consumer generally pays more attention. Thus, the difference in words (“CAPITAL” and “FORTUNE”) does not prevent the average consumer from considering the marks in issue to be visually and phonetically similar in that regard.
27. Conceptually, as analyzed above, the overall impression of the subject mark left in the mind of the average consumers lies in the word “LION”. This is the same as the distinctive overall impression projected by the cited mark. Thus, the subject mark and the cited mark share conceptual similarity.
28. There is the Applicant’s submission that the marks are conceptually dissimilar because the words “capital” and “fortune” carry other meanings which have no connection with “wealth”. According to the Applicant, the average consumers would regard the cited mark as emphasizing a person’s fate, luck and destiny whereas the subject mark would be regarded as emphasizing the wealth already owned by a person or organization. I do not agree. Trade marks do not operate in a vacuum. The distinctive character of a trade mark must be considered in the context of the goods or services to which they relate and by reference to the way it is perceived by the relevant consumer. The words “fortune” and “capital” can, of course, carry other meanings as well but those other meanings would not be to the fore in the context of the services at issue.
29. The Applicant further submits that since the word “fortune” is registered in classes 3, 5, 9, 14, 18, 25 and 42 of the Hong Kong register and “FORTUNE REIT” is registered in class 36 (Trade Marks Registration No. 30037548), the word “fortune” is distinctive of the services at issue and the average consumer’s main impression and recollection on the cited mark will be the word “LION” as well as the word “FORTUNE”. I do not agree with this submission. The fact that the word “fortune” is registered in other classes, or is contained in a mark registered in relation to class 36 services, does not necessarily imply that the word itself is distinctive in respect of the services at issue. As said, trade marks must be considered in the context of the goods or services concerned and by reference to the perception of the relevant consumers. It seems inevitable that in the context of the services for which the cited mark is registered that the word “fortune” will carry the descriptive and indistinctive meaning as identified in paragraph 22 above and is accordingly considered to be insignificant within the

overall impression created by the cited mark.

30. Having considered the similarities and differences between the subject mark and the cited mark, and taking into account the overall impression created by them, I consider that the subject mark and the cited mark are substantially similar.

Likelihood of confusion

31. Confusion in the context of section 12(3) of the Ordinance refers to confusion on the part of the public as to origin of the services in question. I have to assess the likelihood of confusion globally, taking into account all relevant factors, and judging the matter through the eyes of the average consumers of the services in question.
32. As stated in paragraph 21, the relevant consumer of both the applied for services and the services of the cited marks is the public at large, and I consider that the average consumer is likely to pay a reasonably high degree of care and attention when selecting the services in question.
33. However, having regard to the visual, aural and conceptual similarities and dissimilarities between the subject mark and the cited mark, the similarity in the services designated by the marks, bearing in mind the principles set out in paragraph 14 above and taking all relevant factors into account, I consider that when the subject mark is used in relation to the applied for services, the average consumer would be confused into believing that the respective services provided under the subject mark and the cited mark come from the same or economically linked undertakings. The subject mark which consists of the combination of words “LION CAPITAL” might well be supposed by the consumers as a mere variant of the cited mark “LION FORTUNE” or part of a family of marks. Therefore, an objection under section 12(3) is established.
34. I refer to the statutory declaration mentioned in paragraph 5 above. It included an investigation report indicating that there used to be an umbrella fund called “The Lion Fortune Fund” set up by the owner of the cited mark. Between 2000 and 2005, the owner of the cited mark completed a merger with another entity, and the Lion Fortune Fund was renamed. The report indicated that at the time of

the investigation, the merged entity had no funds bearing the “Lion Fortune” name. The Applicant relied on the report and submitted that the owner of cited mark had, presumably by the time of the filing of the statutory declaration in July 2007, ceased to use the cited mark for more than two years. The Applicant submits that the average consumers of the relevant financial or investment products should be well aware that the Lion Fortune name was replaced, and that they are unlikely to be confused by the use of the subject mark by the Applicant.

35. Section 52 of the Ordinance provides that the registration of a trade mark may be revoked on the ground that the trade mark has not been genuinely used in Hong Kong by the owner or with his consent in relation to the goods or services for which it is registered, for a continuous period of at least 3 years, and there are no valid reasons for non-use. There is, however, no application for revocation of the cited mark before me. Registration of a mark is prima facie evidence of its validity (section 80 of the Ordinance). Moreover, the report included in the statutory declaration merely shows that at the time of the investigation, the owner of the cited mark (or its successor in title) had no funds with the name “Lion Fortune”. There is no evidence as to whether the cited mark has been used in relation to the services covered by the registration of the cited mark. It also appears that there is nothing to prevent the owner of the cited mark (or its successor in title) from using the cited mark in relation to funds or other services covered by the registration of the cited mark, if it so wishes. The statutory declaration does not assist the Applicant in the subject application.

Conclusion

36. In this decision, I have carefully considered all the documents filed by the Applicant, together with all submissions that it has made. For the reasons given, the subject mark is precluded from registration by section 12(3) of the Ordinance. As a result, the subject application is refused under section 42(2)(b) of the Ordinance.

Jessica Law
For Registrar of Trade Marks
4 January 2008