

TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION NO.: 300701234

MARK: MIDDLETON'S BLACK & MILD

CLASS: 34

APPLICANT: JMTM, INC.

STATEMENT OF REASONS FOR DECISION

Background

1. On 14 August 2006 ("the application date"), JMTM, Inc. ("the applicant") applied, pursuant to the provisions of the Trade Marks Ordinance (Cap. 559) ("the Ordinance"), to register the mark "MIDDLETON'S BLACK & MILD" ("the subject mark") in class 34.
2. Registration of the mark is sought in respect of "Cigars and pipe tobacco" ("the applied-for goods") in class 34.
3. At the examination stage, objection was taken under section 11(4)(b) of the Ordinance as the subject mark includes the term "MILD" which is likely to deceive the public by giving a false impression that the applied-for goods are less harmful than other tobacco products.
4. The applicant has filed written submissions dated 16 March 2007 and 13 August 2007 enclosing respectively an affidavit dated 9 January 2007 ("the affidavit") and a statutory declaration dated 31 July 2007 ("the statutory declaration"). The Registrar maintained the objection after considering the applicant's submissions and evidence. The applicant requested a registrability hearing in the letter dated 13 August 2007 but subsequently asked for a written decision by the Registrar instead. As the applicant failed to establish before the end of the prescribed period that the requirements for registration were met, the application for registration was refused

on 25 October 2007 pursuant to section 42(4)(b) of the Ordinance. On 22 November 2007, the applicant filed a request for a statement of reasons for the refusal of the subject mark.

Decision

5. The absolute grounds for refusal of an application for registration are contained in section 11 of the Ordinance. Section 11(4)(b) provides:

“(4) A trade mark shall not be registered if it is-

(a)

(b) likely to deceive the public.”

6. In assessing whether a mark is likely to deceive, the mark must be considered against the goods or services for which the applicant seeks registration and by reference to the general context of the relevant trade (*Kerly's Law of Trade Marks and Trade Names, 14th Edition (2005), paragraph 8-204*).

7. In this application, the applied-for goods are cigars and pipe tobacco in class 34. I consider that the consumers of these types of goods would include the general public.

8. The subject mark consists of the English words “MIDDLETON’S BLACK & MILD”, with all letters in upper case. According to the Merriam-Webster Online Dictionary (<http://www.merriam-webster.com/cgi-bin/dictionary?book=Dictionary&va=mild>), the word “MILD” means: -

“1 : gentle in nature or behavior;

2a(1) : moderate in action or effect

(2) : not sharp, spicy, or bitter,

2b : not being or involving what is extreme;

3 : not severe.”

The Collins English Dictionary (Millennium Edition) also indicates that the word “MILD” means “1. (of a taste, sensation, etc.) not powerful or strong; bland. 2. gentle or temperate in character, climate, behaviour, etc.”

9. When the subject mark is used in respect of the applied-for goods, the word “MILD” in the mark conveys the message that the cigar and pipe tobacco are “gentle in nature” and is therefore likely to give a false impression that the goods are less harmful than other tobacco products.
10. The applicant submitted that there is no evidence to support the allegation that the word “MILD”, when used in respect of the applied-for goods, is likely to deceive the public. The applicant argued that the word “MILD” may refer to mild taste, mild in strength, etc. but does not suggest in any way that the applied-for goods are less harmful to a person’s health. The applicant also submitted that the subject mark does not indicate, imply or infer the nature of the applied-for goods or create any expectation regarding the level of harm of the applied-for goods in the minds of the relevant consumers.
11. I cannot agree with the applicant that the word “MILD” is likely to deceive as aforesaid is not supported by any evidence. At the examination stage, the applicant has been referred to a number of websites including authoritative sources, such as the National Cancer Institute of U.S. National Institute of Health and the World Health Organization, which indicate that the term “MILD” is likely to create an erroneous impression about the products’ characteristics, health effects, hazards or emissions, including the false impression that the products are less harmful than other tobacco products.
12. The relevant extracts of the websites are as follows:-

<http://www.cancer.gov/cancertopics/factsheet/Tobacco/light-cigarettes>

“The Truth About “Light” Cigarettes: Questions and Answers.

Many smokers choose “low-tar,” “mild,” “light,” or “ultra-light” cigarettes because they think that these cigarettes may be less harmful to their health than “regular” or “full-flavor” cigarettes. Although smoke from light cigarettes may feel smoother and lighter on the throat and chest, light cigarettes are not healthier than regular cigarettes. The truth is that light cigarettes do not reduce the health risks of smoking. The only way to reduce a smoker’s risk, and the risk to others, is to stop smoking completely.”

<http://www.who.int/tobacco/communications/events/wntd/2006/rationale/en>

“The core strategy of the tobacco industry is not new. It is the new variant of the “light”, “mild” and “low tar” cigarette campaigns that were so effective in keeping customers, gaining new ones, and undermining tobacco control in the 20th century.

Nowadays, tobacco companies continue reassuring health concerned smokers by offering with their new products the illusion of safety. They continue to take their old and new customers to more insidious levels of deception by promoting and selling new products disguised under healthier names, fruity flavours or more attractive-looking packaging. In the meantime they continue their search for reduced-harm products...however, none have been thoroughly evaluated in human studies, so there is not reliable information on what is the toxicant exposure or health impact.”

<http://www.bmj.com/cgi/content/full/326/7404/1418-g>

“A group of Canadian health and legal experts has filed a complaint with the federal Competition Bureau to stop tobacco companies using the terms “light” and “mild” to describe cigarettes, calling the practice destructive and deceptive.....

Dr Rob Cushman, medical officer of health for Ottawa, said: “It is obvious to

medical officers of health that dishonest “light” and “mild” marketing has been a major factor in the tobacco epidemic and has caused the death of thousands of Canadians.”

..... “Two thirds of Canadian smokers are smoking brands labelled “light” or “mild”. Yet science shows that “light” and “mild” labelling tells smokers nothing meaningful about how much disease-causing tar they are actually inhaling.” She said that smokers who switched to “low tar” brands, believing these cigarettes offered health benefits or reduced risk in comparison to "full strength" cigarettes had been sold a lie.....

“Consumers of cigarettes have a reasonable expectation that when they switch to a “light” brand they... will get less of the substances they’re trying to avoid,” he said. “But that’s not what happens in reality. It’s a classic case of the type of destructive and deceptive trade practice the Competition Bureau is mandated to stop.”

13. As illustrated in the above websites, the word “MILD” in the subject mark would give the average consumer of the applied-for goods the impression that those goods are less harmful to their health than “regular” or “full-strength” ones, and that they would get less of the undesirable substances they are trying to avoid, when this is not in fact the case. It is likely that the relevant consumers would be deceived as to the extent of the harmful effects of the applied-for goods. As a result, the subject mark shall be precluded from registration under section 11(4)(b) of the Ordinance.
14. The applicant contended that it is impossible that the relevant consumers will be deceived when the Government Health Warning is placed on all packaging of the applied-for goods.
15. Under Section 9 of the Smoking (Public Health) Ordinance, Cap. 371, no person shall sell, offer for sale or possess for the purposes of sale any cigar and pipe tobacco unless the retail container bears in the prescribed form and manner a health

warning. The health warning, which has to be in one of the prescribed forms set out in Part IIA of the Schedule to the Smoking (Public Health) (Notices) Order, Cap. 371B, must indicate one of the prescribed warning messages, such as “Smoking causes lung cancer”, “Smoking kills”, etc. However, the health warning does not deal with the word “MILD” and does not correct or eliminate the deception caused by the word “MILD” in the subject mark.

16. I refer to the affidavit and the statutory declaration mentioned in paragraph 4 above, both made by Mr. Orrin W. Ridington.

17. In the affidavit, Mr. Ridington referred to a “BLACK & MILD” mark and a “BLACK & MILD” (Stylised) mark applied for in Vietnam, and stated that those marks had become distinctive based on “extensive use” by “John Middleton, Inc.” since 1980. He stated that since 1990, over three billion “Black & Mild® cigars” had been sold and over \$60,000 million dollars had been spent in advertising them, and that since 1996 the “Black & Mild® cigars” had contributed to John Middleton’s sales of over \$1.1 billion. There is, however, no information in the affidavit as to how much of those sales and advertising are attributed to the Hong Kong market. Copies of packaging materials of “Black & Mild® cigars” are attached to the affidavit, but it is not clear whether such packaging has actually been used in Hong Kong, and if so, when. Mr. Ridington said that the “BLACK & MILD” and “BLACK & MILD” (Stylised) marks had been registered “world-wide”, and attached copies of certificates of registrations of those marks in the United States, Japan, Czech Republic, Cambodia and Laos.

18. In the statutory declaration, Mr. Ridington repeated what was said in the affidavit, and further declared that the applicant began selling cigars bearing the subject mark in Hong Kong in September 1996. This claimed date of first sales in Hong Kong cannot, however, be verified from the exhibits to the statutory declaration. Mr. Ridington also stated that various importers in Hong Kong had ordered cigars bearing the subject mark from the applicant in 1996, 1997, 1999, 2003, 2004, 2005, 2006 and 2007, and that the average annual sales of such cigars to importers in Hong

Kong was around US\$1,000 in value per year, which was insubstantial. Despite the claim that the applicant had continuously used the subject mark, only two sets of purchase orders and invoices issued in 2005 and 2006 are included in Exhibit B to the statutory declaration, and the set in 2006 was issued after the application date.

19. It is claimed that “vigorous promotion” of cigars bearing the subject mark was conducted by the applicant by means of, inter alia, advertisements in trade publications, point of sale advertisements, catalogue marketing and attendance at trade shows, and copies of some advertisements are included in Exhibit C to the statutory declaration. On the other hand, there is no information as to which of these promotion activities, if at all, were conducted in Hong Kong, which of the advertisements exhibited were actually used in Hong Kong, in which publications did any of them appear and when, and in which trade shows in Hong Kong was the subject mark used, if at all. There is also no information about consumers’ perception of the subject mark as used in Hong Kong.
20. Mr. Ridington stated in the statutory declaration that based on the continuous and growing sales of cigars bearing the subject mark, it is invariably clear to consumers in Hong Kong that the subject mark serves to indicate the trade origin of the applied-for goods, and connotes “no reference whatsoever or deception of any kind on the nature thereof”.
21. The extent to which the subject mark has been used in Hong Kong before the application date, if at all, is meagre. Moreover, even if a mark is distinctive as a whole, so that the average consumer would perceive it as a badge of origin distinguishing goods sold under the mark from goods of other undertakings, the mark can at the same time carry a deceptive message. Section 11(2) of the Ordinance provides clearly that a trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) of section 11 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. Section 11(4)(b) is not amongst one of the subsections mentioned in Section 11(2). It follows that the objection under section 11(4)(b) cannot be cured

by evidence of acquired distinctiveness. However, the applicant can file evidence to refute the deceptiveness objection, that is, evidence to show the word “MILD” in the subject mark is not in fact deceptive. It is apparent from the analysis above that the evidence submitted by the applicant does not serve that purpose.

22. As pointed out above, the word “MILD” has the meanings referred to in paragraphs 8 and 9. When used in relation to the applied-for goods, it is likely that consumers would be deceived into thinking that the goods are less harmful than they actually are. There is nothing in the evidence to suggest that the impression given by the word “MILD” in the subject mark to the average consumer of the applied-for goods would be other than the deceptive message described in paragraph 13 above.
23. I have considered all the evidence filed by the applicant, but do not consider that it in any way assists the applicant’s case. The fact remains that when the average consumers encounter the subject mark on the applied-for goods, they would perceive the word “MILD” in the mark as meaning “gentle in nature”, and it is likely that they would be deceived as to the extent of the harmful effects of the applied-for goods.

Reference to other registered marks on the register and foreign registrations

24. The applicant referred to various registered marks in Hong Kong featuring the word “MILD” and submitted that they have been allowed for registration on a prima facie basis. Examples cited are “MARVELS Mild Cigarettes”, “Champion MILD MENTHOL FILTER KINGS”, “LARK MILDS” and “MILD SEVEN”.
25. On the other hand, it is well established that each case must be considered on its own merits and not by reference to other registered marks. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 305, Jacob J said that “It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME Trade Mark* and the same must be true under the 1994 Act. I

disregard the state of the register evidence.”

26. The applicant also pointed out that marks consisting of the words “BLACK & MILD” have been registered as trademarks in other jurisdictions including the United States, Japan, Czech Republic, Cambodia, Laos and Vietnam. The applicant argued that those acceptances indisputably rebut any deceptive implication of the word “MILD” in relation to the applied-for goods.
27. The Registrar has an obligation to make independent assessment on the registrability of a mark submitted for registration. Where there are valid reasons for refusal of a mark under the provisions of the Ordinance, as I have found here, it would not be right for me to simply follow acceptances in overseas registries.

Conclusion

28. I have considered all the documents filed by the applicant in relation to this application. For the reasons stated above, I find that the subject mark is likely to deceive the public and objectionable under section 11(4)(b) of the Ordinance. I therefore refuse this application under section 42(4)(b) of the Ordinance.

Connie Law
for Registrar of Trade Marks
20 May 2008