

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300701559



SANY

MARK:

CLASSES:

7 & 12

APPLICANT:

SANY GROUP CO., LTD.

OPPONENT:

DAIMLER AG

STATEMENT OF REASONS FOR DECISION

Background

1. On 15 August 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 mark :-



(“the suit mark”).

2. Registration is sought in respect of the following goods (“the subject goods”):-

Class 7

Road rollers; Excavators; Diggers [machines]; Hydraulic pumps; Trailer-mounted Concrete Pumps; Truck-mounted Concrete Pumps; Elevating apparatus; Mixing machines; Concrete mixers [machines]; Bulldozers; Motor graders; Asphalt pavers; Horizontal directional drilling machines; Cranes; Asphalt mixing plants; Concrete mixing plants; Rotary pile drills; Milling machines; Mining machines; Pumps[machines]; Extractors for mines; Mine borers; Drilling machines; Mine-working machines; Rail laying machines; Railroad constructing machines; Power shovels; Road making machines; Pumps [parts of machines, engines or motors]; Belt conveyors; Hydraulic controls for machines, motors and engines; Hydraulic components for machines.

Class 12

Buses; Lorries; Sports cars; Motor cars; Motor buses; Locomotives; Concrete mixing vehicles; Aerial conveyors; Lifting cars [lift cars]; Automobile chassis; Hydraulic circuits for vehicles; Asphalt material transfer vehicles; Automobile bodies.

3. Particulars of the subject application were published on 3 November 2006. The Opponent¹ filed a notice of opposition with the “grounds of opposition” on 2 February 2007. The Amended grounds of opposition (“Amended grounds of opposition”) was filed on 13 February 2007. The Applicant filed a counter-statement on 7 May 2007.

4. The opposition hearing was held before me on 27 November 2014. Mr. Philips B. F. Wong, counsel instructed by Hastings & Co., appeared for the Opponent at the hearing. The Applicant was represented by Ms. Winnie Tam SC and Mr. Jeffrey Chau, counsel instructed by ONC Lawyers.

5. I reserved my decision at the conclusion of the hearing.

¹ The name of the Opponent was then Daimlerchrysler AG. There was a change of name in May 2008.

Grounds of opposition

6. The Opponent opposes registration of the suit mark on a number of grounds as set out in the Amended grounds of opposition. At the hearing, Mr. Wong limited his grounds to sections 12(3), 12(4) and 12(5)(a) of the Ordinance.

Relevant date

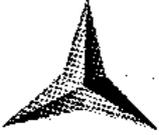
7. The relevant date for considering the opposition is 15 August 2006, the date of the subject application.

The Opponent's Marks

8. At the hearing, Mr. Wong specifically relied on the following eleven marks of the Opponent ("the Opponent's Marks") which have been registered in Hong Kong and some of the goods and services registered under the respective marks –

Trade mark and trade mark no.	Date of registration	Specification (extracts) ²
 (No. 19610294)	10 August 1960	<u>Class 7</u> machines and machine tools; motors (except for vehicles); machine couplings and belting (except for vehicles); large size agricultural implements; incubators.
 (No. 19610295)	10 August 1960	<u>Class 12</u> vehicles; apparatus for locomotion by land, air or water.
 (No. 199510803)	2 March 1992	<u>Class 37</u> maintenance, repair, servicing, care or cleaning of motor vehicles, motors, machines and parts and fittings therefor.

² The goods and services set out in this column follow those identified by Mr. Wong in his skeleton submissions. As I understand it, these goods and services are of most relevance to the opposition.

Trade mark and trade mark no.	Date of registration	Specification (extracts) ²
 (No. 19610296)	10 August 1960	<u>Class 7</u> machines and machine tools; motors (except for vehicles); machine couplings and belting (except for vehicles); large size agricultural implements; incubators.
 (No. 19610297)	10 August 1960	<u>Class 12</u> vehicles; apparatus for locomotion by land, air or water.
 (No. 199510804)	2 March 1992	<u>Class 37</u> maintenance, repair, servicing, care or cleaning of motor vehicles, motors, machines and parts and fittings therefor.
 (No. 19711793)	5 July 1968	<u>Class 7</u> marine diesel engines, diesel engines for driving current generators, diesel engines as a stationary power source, generator sets and air compressors, machine couplings, and part and fittings for all the aforesaid goods.
 (No. 19711795)	5 July 1968	<u>Class 12</u> motor land vehicles and parts and fittings therefor; engines for motor land vehicles and parts and fittings therefor.
 A-CLASS (No. 200105164)	11 December 1995	<u>Class 12</u> vehicles; apparatus for locomotion by land, air or water.
 (No. 19610292)	10 August 1960	<u>Class 7</u> machines and machine tools; motors (except for vehicles); machine couplings and belting (except for vehicles); large size agricultural implements; incubators.

Trade mark and trade mark no.	Date of registration	Specification (extracts) ²
 (No. 19610293)	10 August 1960	<u>Class 12</u> vehicles; apparatus for locomotion by land, air or water.

Evidence

9. The Opponent filed three statutory declarations made by David Simon Moore, Trade Mark Agent and an authorised signatory of the Opponent, on 2 May 2008³, 22 December 2010 and 7 February 2011⁴. The first two statutory declarations are referred to as “Moore’s first statutory declaration” and “Moore’s second statutory declaration” respectively.

10. Under Rule 19 of the Trade Marks Rules (Cap.559, sub. leg.)(“Rule/s”), the Applicant filed the statutory declaration of Yang Zhi Hua, Managing Director of the Applicant, which was declared on 20 February 2009 (“Yang’s statutory declaration”).

Moore’s first statutory declaration

11. Mr. Moore deposes that the Opponent is a company organised and existing under the laws of the Federal Republic of Germany. The Opponent is the legal successor of the Daimler Motorenengesellschaft, which began to use the Three Pointed Star trade mark⁵ in 1909 on its vehicles and has used the trade mark continuously ever since on a global scale. Following some acquisitions, mergers and demergers over the years, the Opponent is the owner of the Mercedes-Benz Trade Marks⁶ and the goodwill in these marks.

12. The Opponent is one of the world’s largest vehicle manufacturers and its range of products includes passenger cars, trucks including chassis, vans, buses and multi-purpose vehicles.

³ The statutory declaration was re-executed on 26 February 2009.

⁴ The third statutory declaration was filed for the purpose of rectifying some typographical errors.

⁵ Mr. Moore did not define the term “Three Pointed Star trade mark” in his statutory declaration. For the purpose of the present proceedings, I take that the term refers to the device mark of a three pointed star with or without the ring.

⁶ Mr. Moore did not define the term “Mercedes-Benz Trade Marks” in his statutory declaration. I take that the term refers to trade marks including those set out in paragraph 3 of the Amended grounds of opposition and paragraph 8 of this decision.

13. The Three Pointed Star device was first adopted in 1909 and in 1921 the ring was added to form the Three Pointed Star in ring trade mark. Exhibit DM3 contains a short history of the Three Pointed Star. The Opponent has used both a flat or solid version of the star and a relief over the years when using the star in printed matter such as brochures.

14. Paragraphs 8 to 13 of the statutory declaration refer to the Opponent's business with respect to different types of vehicles, namely passenger cars, vans and trucks in Hong Kong. The business is conducted through Mercedes-Benz Hong Kong, the Opponent's subsidiary company. Zung Fu is the exclusive retailer in Hong Kong. Exhibit DM7 shows the details of the expenditure in promoting the Opponent's vehicles in Hong Kong from 2002 to 2007. In paragraphs 14 to 19 of the statutory declaration, Mr. Moore refers to the Opponent's business of supplying truck chassis and engines which bear the Three Pointed Star.

15. Mr. Moore also deposes that the Three Pointed Star in ring is a unique device and it is one of the Opponent's most precious assets.

16. In paragraph 22 of the statutory declaration, Mr. Moore refers to the previous instances where the Opponent opposed the applications for registration by the Applicant and the outcomes of some of the oppositions.⁷ In paragraph 23, he refers to the Applicant's use of a device which is similar to the Opponent's Three Pointed Star on the Applicant's truck chassis and other goods which contribute to likelihood of confusion. Details of such goods are produced at Exhibit DM18.

Yang's statutory declaration

17. According to Mr. Yang, the Applicant (previously known as Sany Holding Co., Ltd.) was incorporated in China in 1989. It has set up manufacturing facilities in Shanghai, Beijing, Shenyang, Kunshan and Chengsha in China. It is the parent company and the major shareholder of Sany Heavy Industry Co. Ltd. ("Sany Industry") which was set up in 1994. Sany Industry wholly owns other companies bearing the name "Sany". A copy of the organization chart of the Applicant, Sany Industry and other related companies (altogether referred to as "Sany Companies") is produced as Exhibit "YZH-1".

⁷ According to paragraph 11 of Moore's second statutory declaration, there were some 40 pending oppositions between the parties in various jurisdictions.

18. The Applicant's main areas of business are, *inter alia*, manufacture of automobiles, manufacture and sale of machines, and rental of engineering machines. Goods sold under the Applicant's  device mark and/or the "SANY" word mark ("the Applicant's Marks") have been exported to more than 110 countries and regions including Hong Kong. In paragraph 7 of the statutory declaration, Mr. Yang lists the range of machines and vehicles to which the suit mark or the Applicant's Marks are applied. Copies of invoices of goods supplied bearing the suit mark or the Applicant's Marks are produced at Exhibit "YZH-7". The invoices show that the unit prices of the machines supplied are expensive, ranging from Euro 36,000⁸ to US\$740,664⁹. In paragraph 46, Mr. Yang deposes that Sany's goods belong to a very specific category of goods and markets. The prices of Sany's goods range generally from about RMB 0.4 million to about RMB 10 million per item.

19. China Wealth Group Co. Ltd. and its related companies are the trading agent of the Applicant and the Sany Companies for selling and renting Sany's goods in Hong Kong. Paragraphs 12 to 17 of the statutory declaration give an account of the provision of Sany's goods to customers in Hong Kong. The goods include machines such as truck-mounted concrete pumps, excavators and crawler cranes.

20. In paragraph 25 of the statutory declaration, Mr. Yang states that "SANY" is the English translation of the Chinese name "三一"¹⁰ since in or about 1999. The English transliteration of "三一" in Mandarin is "Sanyi", and "Sany" has been adopted by the Applicant and/or the Sany Companies as the English name by removing the letter "i". The Applicant and/or the Sany Companies have been using "SANY" as the English name and on their goods since 2001. As to the  device, the device has been used as the corporate logo of the Applicant and/or the Sany Companies since in or about 1995.

21. In paragraph 30 of the statutory declaration, Mr. Yang explains that the  device contains an open circle and three "1" shapes each having an end interlocking with another forming a small enclosure in the middle of the circle, and a head pointing outward and piercing through the circle. The rest of Yang's statutory declaration mainly deals with the applications for registration of the  mark and the "SANY" mark in other countries,¹¹ the

⁸ Page 402 of hearing bundle.

⁹ Page 453 of hearing bundle.

¹⁰ "三一" means "three one" in Chinese.

¹¹ The Applicant's **SANY** mark has been registered in Hong Kong in respect of goods in Classes 7 and 12 (which are the same as the subject goods) since 15 August 2006.

promotion of the Applicant's Marks and Sany's goods, and the awards received by the Applicant, Sany Companies and the Applicant's Marks.

Moore's second statutory declaration

22. In his second statutory declaration, Mr. Moore observes that there is no evidence to show the use of the Applicant's trade mark on vehicles such as lorries and motor cars, and the level of sales made by the Applicant is not sufficient to prove any co-existence in the market place. He also states that the awards received by the Applicant does not concern the device of the suit mark. There is no objection to "Sany" *per se* and the applications for registering "Sany" as a word mark was not opposed.

Opposition under section 12(3) of the Ordinance

23. 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."

24. According to section 7(1) of the Ordinance, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.

25. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994 which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1988 of the Council of the European Communities. In determining the issue under section 12(3), I take into account the guidance and principles 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 *Specsavers International Healthcare Ltd v Asda Stores Ltd*

[2012] F.S.R. 19. Such principles have been adopted in Hong Kong and recently by the Court of Appeal in *Tsit Wing (Hong Kong) Co Ltd v TWG Tea Co Pte Ltd* [2015] 1 HKLRD 414. In *Tsit Wing*, Lam VP cited (at paragraph 35) the following propositions (which were endorsed by Kitchen LJ in *Specsavers* (at paragraph 52)) as useful guidelines for assessing likelihood of confusion –

“On the basis of these and other cases the Trade Marks Registry has developed the following useful and accurate summary of key principles sufficient for the determination of many of the disputes coming before it:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;
(k) 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.”

26. Section 12(3) essentially prohibits the registration of a trade mark which would be likely to cause confusion on the part of the public as a result of its being similar to an earlier trade mark and because it is to be registered in respect of goods or services the same as or similar to those the subject of the earlier trade mark. I must therefore consider whether there are similarities between the suit mark and the Opponent’s Marks and the goods or services covered, and whether they would combine to create a likelihood of confusion.

27. The subject goods cover various items of machinery in Class 7 and cover mainly vehicles in Class 12. The machinery items are mostly put to engineering use and they target consumers who are specialized buyers and procure the goods for the specific functions of the items. Regarding the goods in Class 12, some of the vehicles are purchased by members of the public whilst some are procured by specialized buyers for the technical functions performed by the goods. The purchase of the subject goods in both Classes 7 and 12 involves a large sum of money and the goods are to be used for a long period of time. As the goods are expensive items and are usually purchased having regard to the functions they perform, the purchase would be made after careful consideration of the origin and specification of the goods.¹² In my view, the average consumer would exercise a high level of attention in making the purchase.

Comparison of goods

28. The Applicant accepts that the subject goods covered by the subject application and the goods covered by the Opponent’s Marks overlap considerably. For the present analysis, I will proceed on the basis that the subject goods and the goods covered by the Opponent’s Marks as set out in paragraph 8 above are identical or highly similar.

¹² Mr. Wong submitted that vehicles can be traded in second hand markets and second hand vehicles are not necessarily expensive. As potential purchasers would still pay attention to the brand and the specification of vehicles in second hand markets, and they only make such purchases infrequently, I am not convinced that the purchasers would not pay a high level of attention in making purchase.

The Opponent's Marks

29. The Opponent relies on the registered trade marks set out in paragraph 8 above. I am satisfied that each of these marks is an “earlier trade mark” as defined in section 5(1) of the Ordinance.

30. Nine out of the eleven marks set out in paragraph 8 above consist of a 3-pronged device the tips of which touch upon the circumference of a circle. According to Mr. Wong, the three prongs are arranged and presented in such a way that an equilateral triangle can be formed by connecting the three tips of the prongs. The remaining two marks consist only of the 3-pronged device without the circle. Among the nine marks which consist of the 3-pronged device and a circular device, the  mark (registration nos. 19711793 and 19711795) bears the words “MERCEDES” and “BENZ” at the top and the bottom of the circular ring device and the devices of laurel in-between the words. The words “A-CLASS” appear below the  device in the mark of registration no. 200105164.

The suit mark

31. The suit mark is a composite mark consisting of the  device and the word “SANY” presented in bold beneath the device.

Comparison of marks

32. I will first compare the  mark¹³ which is a device mark with a star shape device in bold and does not contain any word elements. In my view, the mark has the closest resemblance to the suit mark which also consists of a circular device with an enclosure. If the Opponent succeeds on the section 12(3) ground on the basis of the  mark, the finding would be sufficient to dispose of the present proceedings and there is no need for the Opponent to invoke the other marks which bear less resemblance to the suit mark. If I find that the  mark and the suit mark are dissimilar, the comparison of the suit mark and the other marks of the Opponent, which have even less resemblance to the suit mark, will not assist the Opponent's case.

¹³ See registration nos. 19610296, 19610297 and 199510804.

33. Mr. Wong submitted that the  device enjoys high inherent distinctiveness in respect of the goods registered. Further or alternatively, the distinctiveness of the  device has been enhanced through the substantive and extensive use and promotion over the years. I accept that the  device is inherently distinctive. Having considered the evidence filed by the Opponent, I am also prepared to accept that its distinctiveness has been enhanced in respect of vehicles through the sale and promotional activities conducted in Hong Kong prior to the date of the subject application.

34. Mr. Wong submitted that given the marks and goods in question, visual and conceptual comparison of the marks are most important. The visual similarity between the suit mark and the Opponent's Marks lies in the presence of the respective 3-pronged device which are arranged and presented in a similar way. In his view, the general impression given by the two devices is highly similar. He further contended that the  device is printed on top of the word "SANY" and occupies a larger portion of the mark as a whole. Given the prominence and position of the device, the device constitutes the most dominant and distinctive element in the suit mark. Alternatively, the device is equally distinctive and dominant as the word "SANY", or the device itself has independent significance in the suit mark.¹⁴ Conceptually, both the  mark and the suit mark do not convey any meanings.

35. The suit mark contains the word "SANY". I agree with Ms. Tam's submission that the word "SANY" is not descriptive of the subject goods and is highly distinctive.

36. According to Ms. Tam, the  device contains an open circle and three figures of the numeral "1", each with its head interlocking with the tail of another to form a triangular enclosure in the centre of a circular outline, and each of the heads of the numeral pointing outwards and piercing through the circle. The three "1"s do not merge with one another but remain separated from one another by a discernible gap, and the outline of the interlocking

¹⁴ According to Mr. Wong's submissions, there are situations in which the average consumer, while perceiving a composite sign as a whole, will recognise that it consists of two signs one or both of which has a significance which is independent of the significance of the composite whole. Under such circumstances, the public can be misled into believing that there is a kind of connection between the respective undertakings if one of them uses and incorporates the earlier mark of the other undertaking in a composite mark. (*Aveda Corp. v Dabur India Ltd* [2013] E.T.M.R.33) Mr. Wong confirmed at the hearing that he relied on the *Aveda* case on the basis of his argument that the devices in question are similar.

figures as a unit is substantially triangular in shape. As to the Opponent's Three-Pointed Star marks, Ms. Tam submitted that they are distinguished by their respective shape as a star. The Three-Pointed Star also evinces the concept of a star.

37. I observe that a circle and a 3-pronged device are present in both the  mark and the suit mark. In the case of the suit mark, the circle is actually not a complete one as it is pierced through at three points. As to the enclosure in the centre of the circular outline in the suit mark, one may or may not perceive that as three "1"s each with its head interlocking with the tail of another. However, in my view, it is obvious that the enclosure within the circular device of the suit mark is a largely triangular shape formed by the conjoining of three bold shapes with a hollow in the middle. That differs from the  device which consists of a circle enclosing a star shape or three slender triangular shapes which converge in the middle. Further, the suit mark contains the highly distinctive word "SANY" which are printed in bold and would not go unnoticed by the consumers. In fact, "words speak louder than devices" and the attention of the consumers would very likely be caught by the presence of the word "SANY". Having regard to the impression given by the suit mark and the  mark respectively, I find that they are not similar visually.

38. Aurally, the suit mark would be pronounced "SANY" whilst the  mark cannot be pronounced. There is no aural similarity between the two marks.

39. Conceptually, I have referred to the dissimilarity of the devices as discussed above and the presence of the word "SANY" in the suit mark. "SANY" does not have a dictionary meaning. I cannot discern any similarity between the suit mark and the  mark conceptually.

40. Taking the suit mark and the  mark as wholes and the overall impression they give respectively, I find that they are not similar.

41. I also refer to Mr. Wong's alternative argument that the  device is equally distinctive and dominant as the word "SANY", or the device itself has independent significance in the suit mark. I do not agree that the  device is equally distinctive and dominant given the word "SANY" is more dominant and distinctive. The argument that the  device itself has independent significance in the suit mark also cannot assist the Opponent given my finding that the respective devices are not similar, and the presence of the  device would

not associate the suit mark with the  mark.

42. I have found that the suit mark and the  mark are not similar. For the reason I stated in paragraph 32 above, I also conclude that the suit mark is not similar to the other marks of the Opponent set out in paragraph 8 above.

Likelihood of confusion

43. The likelihood of confusion must be appreciated globally, taking account of all relevant factors all of which have a degree of interdependency. The matter must be judged through the eyes of the average consumer of the goods who is deemed to be reasonably well informed and reasonably observant and circumspect.

44. Section 7(2) of the Ordinance provides :

“(2) For greater certainty, in determining for the purposes of this Ordinance whether the use of a sign 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 a registered trade mark.”

45. In paragraph 25 above, I have referred to the principles which are relevant to assessing likelihood of confusion. Ms. Tam also referred me to the decision of the ECJ in *Claude Ruiz-Picasso v. OHIM, Daimlerchrysler AG* [2006] E.T.M.R. 29 where it was stated that the perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. In that case, the ECJ affirmed the decision of the Court of First Instance that for the purposes of assessing whether there was any likelihood of confusion between marks relating to motor vehicles, account had to be taken of the fact that, in view of the nature of the goods concerned and in particular their price and their highly technological character, the average consumer displays a particularly high level of attention at the time of purchase of such goods. In my view, the reasoning is also applicable to items of machinery which are listed among the subject goods.

46. I am mindful of the principle that 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. I accept that the  mark is highly distinctive and its distinctiveness has been enhanced in respect of vehicles in Hong Kong. However, following the analysis above, I do not find that the suit mark and the Opponent's Marks are similar. Even though the subject goods and the Opponent's goods are identical or highly similar, I take the view that the average consumer would exercise a high level of attention in selecting and making purchase of the goods in question. Considering the matter globally, I am not satisfied that the use of the suit mark on the subject goods would give rise to any likelihood of confusion under section 12(3).

47. The opposition under section 12(3) is therefore not made out.

Opposition under section 12(4) of the Ordinance

48. Section 12(4) of the Ordinance reads :

“... a trade mark which is—

(a) identical or similar to an earlier trade mark; and

(b) proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

49. Mr. Wong contended, *inter alia*, that the Opponent's 3-Pointed Star Logo¹⁵ clearly enjoyed well-known status as of the date of the subject application and the logo is similar to the suit mark, such that the average consumer will likely find a “link” between the two marks. The finding of unfair advantage or detriment depends on the finding of some link between two marks by the relevant section of the public, even though the similarity does not confuse them.

¹⁵ By “3-Pointed Star Logo”, Mr. Wong referred to the variations of mark set out in paragraph 3 of the Amended grounds of opposition. Eleven of those marks are set out in paragraph 8 of this decision.

50. To succeed under section 12(4), the Opponent has to establish the following :

- (a) that the suit mark is identical or similar to the 3-Pointed Star Logo;
- (b) that the 3-Pointed Star Logo is entitled to protection under the Paris Convention as well-known trade mark¹⁶; and
- (c) the use of the suit mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the 3-Pointed Star Logo.

51. On the factors to be considered in assessing the existence of a “link”, the following passages from the judgment of the ECJ in *Intel Corporation Inc v CPM United Kingdom Ltd.* [2009] R.P.C. 15 are relevant:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case ...

42 Those factors include:

- the degree of similarity between the conflicting marks;*
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;*
- the strength of the earlier mark’s reputation;*
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;*
- the existence of the likelihood of confusion on the part of the public.”*

52. The Opponent and the Applicant do not dispute that these factors are among the factors relevant for considering whether there is a “link”. I have considered the evidence adduced by the Opponent on the use of the  mark and other variations and the reputation in respect of vehicles. The Applicant also accepts that the Opponent’s Marks are well-known. Yet, the Applicant contends that by reason of, *inter alia*, the complete lack of visual, aural or

¹⁶ According to section 4(1) of the Ordinance, references in the Ordinance to a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark shall be construed as references to a trade mark which is well-known in Hong Kong. In determining whether a trade mark is well-known in Hong Kong, the Registrar shall have regard to Schedule 2 to the Ordinance (section 4(2) of the Ordinance).

conceptual similarities between the suit mark and the Opponent's Marks and the consequential lack of likelihood of confusion, the "link" cannot be established.

53. I have found that the suit mark and the Opponent's Marks are not similar. I have also concluded in paragraph 46 above that the use of the suit mark on the subject goods would not give rise to any likelihood of confusion.

54. Considering the matter globally, I am not persuaded that the circumstances including the reputation enjoyed by the 3-Pointed Star Logo in vehicles in Hong Kong would be sufficient to give rise to a "link" in the mind of the public. The fact that the earlier mark has a huge reputation for certain specific types of goods or services does not necessarily imply that there is such a "link".¹⁷

55. In view of the absence of a "link" in the mind of the public, it is not necessary for me to go on to examine the other requirements for establishing the opposition under section 12(4).¹⁸ As stated in the *Intel* case, even if a "link" is found to exist, such link is not sufficient, in itself, to establish any of the three types of injury under section 12(4).¹⁹ Detriment to and unfair advantage of distinctive character or repute must be provable by real, as opposed to theoretical, evidence and cannot be merely assumed from the fact that the earlier mark has a substantial reputation (*Creditmaster Trade Mark* [2005] R.P.C. 21).

56. The opposition under section 12(4) fails.

¹⁷ Paragraph 64 of the *Intel* case.

¹⁸ Paragraph 31 of the *Intel* case reads "*In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.*"

¹⁹ Paragraph 37 of the *Intel* case reads "*In order to benefit from the protection ..., the proprietor of the earlier mark must adduce proof that the use of the later mark 'would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'.*" Paragraph 68 further states "*...like the existence of a link between the conflicting marks, the existence of one of the types of injury ..., or a serious likelihood that such an injury will occur in the future, must be assessed globally, taking into account all factors relevant to the circumstances of the case, which include the criteria listed in para.42 of this judgment.*"

Opposition under section 12(5)(a) of the Ordinance

57. Section 12(5) of the Ordinance provides, *inter alia*, as follows:

“... a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented –

(a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of passing off) ...”

58. I refer to the following passage from the judgment of the UK House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341, which has been adopted by the Hong Kong Court of Final Appeal in the case of *Ping An Securities Limited v 中國平安保險(集團)股份有限公司* (2009) 12 HKCFAR 808 –

*“The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. **First**, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. **Second**, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor*

of the brand name. **Third**, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff." (emphasis added)

59. Mr. Wong submitted that as of the date of the subject application, the Opponent enjoyed substantial goodwill in the 3-Pointed Star Logo in Hong Kong. He further contended that the use of the suit mark in relation to the subject goods will likely cause deception amongst members of the public, leading them to believe that the products of the Applicant are the products of, or products associated with or authorized by the Opponent (such as a sub-brand or different model marketed by the Opponent). He specifically referred to the similarity between the marks and the substantial similarity or identity between the goods concerned.

60. In order for the Opponent to succeed under the section 12(5)(a) ground, the Opponent has to show, *inter alia*, a misrepresentation by the Applicant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods it offered are the goods of the Opponent. Even accepting that the 3-Pointed Star Logo enjoys considerable goodwill and reputation in Hong Kong in respect of vehicles which are identical or highly similar to the subject goods, to demonstrate a misrepresentation, the Opponent has to show that the suit mark is similar to the 3-Pointed Star Logo.

61. I have found above that the suit mark and the Opponent's Marks are not similar. As misrepresentation is not made out, there is no question of any damage resulting from a misrepresentation.

62. The elements for establishing a case under section 12(5)(a) are not proved. The opposition under section 12(5)(a) fails.

Costs

63. The Opponent has failed in the opposition. 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 that the Opponent pays the costs of

these proceedings.

64. 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.

(Miss Joyce Poon)
for Registrar of Trade Marks
22 May 2015