

**TRADE MARKS ORDINANCE (CAP. 559)**  
**OPPOSITION TO TRADE MARK APPLICATION NO. 301488619**

**MARK:** **SEIKI**

**CLASS:** **9**

**APPLICANT:** **CHOICE FORTUNE HOLDINGS LIMITED**

**OPPONENT:** **SEIKO HOLDINGS CORPORATION**

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**STATEMENT OF REASONS FOR DECISION**

*Background*

1. On 1 December 2009, Choice Fortune Holdings Limited (“the Applicant”) filed<sup>1</sup> an application under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) for registration of the following mark -

**SEIKI**  
 (“the suit mark”).

The application number assigned by the Registrar of Trade Marks (“the Registrar”) was 301488619 (“the subject application”).

2. Registration of the suit mark is sought in respect of the goods below in Class 9 -

“Television sets; LCD [liquid crystal display] televisions; disc players with DVD and optical disc format that uses a blue-violet laser; combo drive with optical disc format that uses a blue-violet laser” (collectively “the applied for goods”).

3. Particulars of the subject application were published on 10 December 2010. On 9 May 2011, Seiko Holdings Corporation (“the Opponent”) filed a Notice of Opposition with a Statement of Grounds of Opposition (“the subject proceedings”). On 5 August 2011, the Applicant filed a Counter-statement. Evidence was thereafter respectively filed -

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<sup>1</sup> Subject to §26 below.

- (a) by the Opponent on 3 May 2012 a statutory declaration of Akio Naito, a Director of the Opponent (“Mr Naito”) with exhibits, declared on 26 April 2012;
- (b) by the Applicant on 29 October 2012 a statutory declaration of Lai Yin Ping, the Financial Controller of the Applicant (“Ms Lai”) with exhibits, declared on 26 October 2012; and
- (c) by the Opponent on 14 June 2013 a further statutory declaration of Mr Naito with exhibits, declared on 7 June 2013.

4. The opposition hearing was heard on 22 October 2014 (“the hearing”). Mr Ho Sing Wai of IT&T International Patent and Trademark Agent Limited (“Mr Ho”) appeared for the Applicant. Mr Ho filed a skeleton submission and case authorities immediately before the commencement of the hearing, which I considered before the hearing. The Opponent, represented by Messrs Baker & McKenzie (“the Solicitors”), did not file a Form T12 to indicate its intention to appear. By letter dated 22 October 2014, the Solicitors nonetheless filed written submissions and case authorities on the Opponent’s behalf, first by facsimile reaching the Trade Marks Registry during the course of the hearing and then by hand before 5:00pm on the same day. The Opponent’s written submissions and case authorities were brought to my attention after the hearing. I understand the parties had served a copy of their respective submissions and case authorities on each other on the day of the hearing.

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

### ***Relevant date***

6. The relevant date for considering the opposition is 1 December 2009, the date of the application for registration (“the relevant date”).

### ***Grounds of opposition***

7. The Opponent opposes the application based on sections 12(3), 12(4), 12(5)(a), and 11(5)(b) of the Ordinance.<sup>2</sup> Exhibit 1 to the Statement of Grounds of Opposition contains details of the Opponent’s 71 trade marks registered in Hong

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<sup>2</sup> The four grounds of opposition are maintained in the Opponent’s written submissions.

Kong, four of which are highlighted in paragraph 3 of the Opponent's written submissions.<sup>3</sup>

### ***The Opponent's evidence***

#### **A. The Opponent's history and business<sup>4</sup>**

8. According to Mr Naito's statutory declaration of 26 April 2012 ("NAITO"), the Opponent was set up by a Mr Kintaro Hattori in 1881 in Tokyo, Japan as a clock retailer. In 1892, Mr Hattori established a clock factory named "精工舎" ("SEIKOSHA"), pronounced as "Sei-Ko-Sha" and meaning "determined to succeed ("成功") in producing precision ("精巧") clocks" in Japanese. The clocks manufactured were marketed under the trade mark "SEIKOSHA" and subsequently "GLORY".

9. In 1913, SEIKOSHA introduced the first wristwatch ever made in Japan. In 1924, in order to avoid an ill omen believed to be associated with the word "GLORY" in Japanese, the Opponent changed its trade mark to "SEIKO".

10. In 1963, the Opponent began to distribute watches bearing the "SEIKO" mark in South East Asia including Hong Kong through the Thong Sia Group, its sole distributor in the region.

11. In 1964, the Opponent served as the official timer of the 1964 Tokyo Olympic Games. Since then the Opponent has been the official timer for a total of six Olympic Games, be it summer or winter. It has also supported various other field, swimming and sports events in a like capacity.

12. As far as products, notably watches, are concerned, the Opponent has since 1969 produced a number of the "world's first" products including quartz watch, LCD quartz watch with digital display, TV watch, watch with sound-recording function, comprehensive electronic dictionary, clip-on tuner and double-sided aspheric single-vision lens with zone design etc. Over the years, the Opponent has produced watches and clocks, electronic devices, semiconductors and eyewear etc.

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<sup>3</sup> Discussed in §45 below.

<sup>4</sup> NAITO, §§3-10 & Exhibits "A" to "D".

B. The Opponent's "SEIKO" mark<sup>5</sup>

13. "SEIKO" is the Opponent's house mark and, according to Mr Naito, one of the world's most well-known brands. Since 1881 the Opponent has used the "SEIKO" mark substantially worldwide on goods including watches and clocks, optical lenses and frames, stopwatches, musical accessories, sports timing equipment, electronic devices, camera shutters, computer peripherals, integrated circuits for clocks and sensors, and semiconductor products etc ("the Opponent's goods").

14. Exhibit "E" to NAITO contains the following publications seeking to show that the "SEIKO" mark has been used in Hong Kong since 1963 -

- (a) extracts of 4 copy catalogues of 1997/98, 2003, 2005 and 2010 respectively and 3 pages of printout from <http://www.thongsia.com.hk/> on watches;
- (b) extracts of 5 copy catalogues of 2004, 2005, 2006, 2007 and 2008 respectively on optical products; and
- (c) 3 catalogues of 2003/04, 2006 and 2007 respectively on musical tuners and metronomes.

15. It is noted from Exhibit "F" to NAITO that in Hong Kong the Opponent has a total of 29 trade mark registrations in respect of the "SEIKO" mark covering in total 17 classes of goods and/or services with the most registrations (9 in all) under Class 9. The earliest of these registrations dated back to 1962.

16. Worldwide the Opponent also has a number of trade mark registrations (or applications for registration). Exhibit "G" to NAITO is a 14-page list of such registrations (or applications for registration) as at 5 April 2012 covering a wide range of classes of goods and services.

C. The Opponent's sales and promotion<sup>6</sup>

17. The Opponent has sold products around the world through wholesale and retail distribution channels, watch speciality stores, department stores, mass merchants and Seiko Boutiques etc. Extracts from the Opponent's website contained in Exhibit "H" to NAITO show details of the Opponent's affiliates and

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<sup>5</sup> NAITO, §§11-14 & Exhibits "E" to "G".

<sup>6</sup> NAITO, §§15-19 & Exhibits "H" to "J".

distributors in about 90 countries or regions throughout the world.

18. In the financial year of 2010, the worldwide net sales of the Opponent's goods under the "SEIKO" mark reached some 313 billion Japanese Yen.

19. In Hong Kong, the Opponent's goods are sold through a number of distributors including Thong Sia Watch Co. Ltd., Vision Pro Trading Company Limited, Hong Kong Optical Lens Co. Ltd. and Tsang Fook Piano Co. Ltd.. The Seiko Boutiques on the other hand sell exclusively Seiko products. As can be seen from Exhibit "I"<sup>7</sup> to NAITO, products displayed in the three Seiko Boutiques shown therein are exclusively watches.

20. In the five financial years between 2004 and 2008, sales of the Opponent's goods in Hong Kong under the "SEIKO" mark by wholesale varied between HK\$109 million and HK\$206 million while by retail between HK\$253 million and HK\$464 million.

21. The Opponent has promoted its goods under the "SEIKO" mark in Hong Kong through various means including magazines, newspapers, advertising on bus panels, MTR stations, outdoor billboards and MSN messenger services etc. Between 2004 and 2008, the Opponent's promotional expenditure rose steadily from HK\$6 million in 2004 to HK\$14 million in 2008. It is noted that all of the advertising materials contained in Exhibit "K"<sup>8</sup> are on watches.

22. In response to Ms Lai's statutory declaration of 26 October 2012 filed on behalf of the Applicant ("LAI"), the Opponent adduced Mr Naito's further statutory declaration of 7 June 2013 ("NAITO 2<sup>nd</sup>"). NAITO 2<sup>nd</sup> in the main discusses -<sup>9</sup>

- (a) the respective meaning of the "SEIKO" mark and the suit mark in Japanese and that such meanings are not readily apparent to consumers in Hong Kong;
- (b) the Opponent's business in selling small (portable handheld) LCD television sets under the "SEIKO" mark from the early 1980s to 2003 in Japan, Korea, France, Italy, Germany, England and the USA

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<sup>7</sup> Extracts from Thong Sia Watch Co. Ltd.'s website showing contact details and photographs of the three Seiko Boutiques in Hong Kong.

<sup>8</sup> Advertisements on newspapers, magazines, bus panels, MTR poster walls and outdoor billboards showing the "SEIKO" mark.

<sup>9</sup> NAITO 2<sup>nd</sup>, §§3-12 & Exhibits "L" to "O".

and that the business closed in around 2003. Mr Naito asserts that notwithstanding the closure, given parallel import from Japan and with Japan being one of Hong Kong consumers' favourite holiday and shopping spots, the possibility of Hong Kong consumers having knowledge about the Opponent's LCD television sets cannot be ruled out;

- (c) Mr Naito's claim that given the Opponent's use of the "SEIKO" mark on LCD television sets in the past, when consumers see the suit mark on the applied for goods, they are bound to be confused or misled into thinking that the Opponent has resumed its business in LCD televisions and that the suit mark is a new version of the "SEIKO" mark or a new line of the Opponent's products; and
- (d) Mr Naito's assertion that LCD and DVD players always have a clock component. There is hence clear proximity between watches and clocks on one hand and televisions and audio and visual products on the other, citing the examples of other manufacturers Casio, Sony and LG who are said to be in a similar situation.

23. Mr Naito admits that the Opponent's evidence on the use of the "SEIKO" mark is mainly in relation to watches and clocks, metronomes, tuners, optical lenses and frames and that the mark is no longer in use on LCD television sets. However, through sales and promotions of the "SEIKO" mark, the Opponent has established substantial reputation and goodwill to the extent that the mark has become famous and is entitled to protection under the Paris Convention as a well-known trade mark. The use of the suit mark on identical, similar or even dissimilar goods would take unfair advantage of, or be detrimental to, the distinctive character or repute of the "SEIKO" mark.<sup>10</sup>

### ***The Applicant's evidence***

#### **A. The Applicant's business and the subject application<sup>11</sup>**

24. According to Ms Lai , IVI Digital International Limited ("IVI Digital") was incorporated in Hong Kong on 26 June 2009 and changed its name to SEIKI Digital

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<sup>10</sup> NAITO 2<sup>nd</sup>, §14.

<sup>11</sup> LAI, §§3-6 & Exhibit "LYP-1".

Company Limited (“SEIKI Digital”) on 1 February 2010. SEIKI Digital carries on the business of selling the applied for goods.

25. The Applicant was incorporated in the British Virgin Islands on 9 November 2010. According to Mr Ho’s submissions at the hearing, the Applicant itself does not produce goods but markets goods produced by a company in the Mainland.

26. The subject application was filed by IVI Digital on 1 December 2009. SEIKI Digital transferred the suit mark to the Applicant on 22 December 2010. The Applicant then licensed it back to SEIKI Digital and its group of companies for use on the applied for goods.

B. The suit mark “SEIKI” and its use<sup>12</sup>

27. The suit mark “SEIKI” was said to be chosen by IVI Digital in November 2009 at an internal trade mark naming contest for a cash prize of RMB5,000. The member of staff who came up with the suit mark has since left IVI Digital.

28. According to Ms Lai, the word “SEIKI” is a transliteration of the Japanese word “精機”<sup>13</sup> symbolising SEIKI Digital’s products being of the next generation.<sup>14</sup> Ms Lai stresses that in selecting the suit mark, the Applicant did not refer to the Opponent’s trade marks.

29. The Applicant and/or its associate companies including SEIKI Digital and SEIKI Digital Inc. (“SEIKI Inc.”, the Applicant’s associate company in the United States), the Applicant’s distributors, retailers, agents and/or authorised licensees have used the suit mark in respect of the applied for goods in Hong Kong (since 2010 which post-dated the relevant date) and other parts of the world.

30. In respect of Exhibits “LYP-3”, “LYP-4” and “LYP-5” to LAI which were canvassed at length at the hearing, Mr Ho stated that -

- (a) the three said exhibits deal with one same product of SEIKI Digital namely, “Blu-Ray Disc Player BD660” (“the disc player”);

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<sup>12</sup> LAI, §§8-13 & Exhibits “LYP-2” to “LYP-6”.

<sup>13</sup> LAI, Exhibit “LYP-2”, a translation from <http://translate.google.com/>.

<sup>14</sup> LAI, §8.

- (b) the Applicant is unable to adduce evidence of use of the suit mark on products other than the disc player;
- (c) the sales of the disc player in Hong Kong have not been good; and
- (d) the Applicant has every intention to use the suit mark on the full range of the applied for goods in Hong Kong in the future.

31. Ms Lai deposes that the Applicant's goods are also promoted on SEIKI Inc.'s website (<http://www.seikidigital.com/>) and distributed and sold through SEIKI Inc.'s retailers in the United States. Mr Ho spent considerable time at the hearing trying to impress upon me that television sets are also the Applicant's main product. He stressed that consumers in Hong Kong have free access to SEIKI Inc.'s website and would therefore be able to order the Applicant's televisions on-line directly from SEIKI Inc.. Mr Ho, however, said that the Applicant did not hold statistics on such alleged sales.

32. Exhibit "LYP-3" to LAI shows two copy photographs of the disc player and lists its technical specification and features. Exhibits "LYP-4" and "LYP-5" contain, inter alia, a total of five invoices/purchase orders concerning Huge Star Corporation Limited, one of the Applicant's distributors in Hong Kong. However, all of those five invoices/purchase orders post-dated the relevant date and, as far as the Applicant was concerned, were related to the sale of the disc player alone in Hong Kong. As a matter of record, the Applicant did not adduce any evidence on the promotion of the disc player or on the promotion and sales of any other items of the applied for goods in Hong Kong at all.

C. The "SEIKO" mark and its use<sup>15</sup>

33. Ms Lai deposes that "SEIKO" is not an invented word but a transliteration of a Japanese word "successful". At the hearing, Mr Ho conceded that "SEIKI" is likewise a transliteration of a Japanese word. He submitted that since both the suit mark and the "SEIKO" mark have no apparent meaning, the Registrar need not compare them from a conceptual point of view.

34. Ms Lai also deposes that no part of the Opponent's evidence on promotion and sales relates to the applied for goods. Furthermore, looking at the Opponent's evidence on the promotion of the "SEIKO" mark done in Chinese (i.e. Exhibit "K" to NAITO), the mark was advertised as "精工表", literally meaning "SEIKO watches"

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<sup>15</sup> LAI, §§7, 14-19 & Exhibit "LYP-7".

in Chinese. Mr Ho suggested that this would add force to his argument that whenever a consumer sees the “SEIKO” mark, he/she would associate it exclusively with watches.

35. Insofar as the Opponent’s distributors in Hong Kong are concerned,<sup>16</sup> it is the Applicant’s case that none of the four named distributors nor any of the three Seiko Boutiques sells or markets the applied for goods or any product similar. Ms Lai adds that the applied for goods are usually sold in electrical stores where watches and televisions are unlikely to be sold; and buyers of electrical appliances are different from those of watches.

36. Concerning the Opponent’s television business, Ms Lai deposes that the Opponent’s small handheld LCD televisions should be distinguishable from the Applicant’s television sets which are large in size and for home entertainment purposes. Furthermore, given the Opponent’s own admission that its LCD television business had been closed for about 10 years,<sup>17</sup> Mr Ho argued that this line of the Opponent’s business should be disregarded for the purposes of the subject proceedings.

37. Ms Lai then refers to a decision of the Intellectual Property Office of Singapore (“the IPOS”) dated 21 December 2010 on Trade Mark Application No. T0718802F concerning opposition proceedings which the Opponent’s associate company brought against a third party but failed.<sup>18</sup>

38. In denying each and every ground advanced by the Opponent, Mr Ho too referred me to a decision of the IPOS dated 16 April 2014 on Trade Mark Application No. T1100145H involving the Applicant and the Opponent’s associate company in respect of the suit mark where the opposition failed.<sup>19</sup>

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<sup>16</sup> NAITO, §16 and set out in §19 above.

<sup>17</sup> NAITO 2<sup>nd</sup>, §9.

<sup>18</sup> *Seiko Advance Ltd. and opposition by Seiko Holdings Kabushiki Kaisha (t/a Seiko Holdings Corporation)*, discussion see §72 below. The Opponent has responded to this part of the Applicant’s evidence in NAITO 2<sup>nd</sup>, §15 that the decision was fact specific and has no application in the subject proceedings.

<sup>19</sup> *Choice Fortune Holdings Limited and opposition by Seiko Holdings Kabushiki Kaisha (t/a Seiko Holdings Corporation)*, discussion see §73 below.

### ***Opposition under section 12(3) of the Ordinance***

39. Section 12(3) of the Ordinance 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.”*

40. This ground of opposition is premised on the existence of an “earlier trade mark”, a term defined in section 5 of the Ordinance, relevant provisions of which are as follows -

*“(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;*
- or*
- ...”*

41. The Opponent’s case under section 12(3) is that the suit mark is confusingly similar to the “SEIKO” mark visually and aurally while conceptually neither of the two marks has a dictionary meaning that would be readily apparent to consumers in Hong Kong, and that the applied for goods are identical or similar to the Opponent’s goods. Given imperfect recollection, consumers are bound to be confused as to the origin of the applied for goods as being the Opponent.

42. In essence, section 12(3) 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 of the earlier trade mark. I must therefore consider whether there are similarities between the suit mark and the “SEIKO” mark and the respective goods covered, and whether they would combine to create a likelihood of confusion.

43. The basic principles regarding the assessment of similarity between signs and the likelihood of confusion between them are set out in the cases of *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 BV* [2000] F.S.R. 77 and *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] F.R.S. 19. Such principles have been adopted in Hong Kong and most recently by the Court of Appeal in *Tsit Wing (Hong Kong) Co Ltd v TWG Tea Co Pte Ltd* [2014] HKEC 2004. In *Tsit Wing*, Lam VP cited (at paragraph 35) the propositions endorsed by Kitchen LJ in *Specsavers* (at paragraph 52) as follows -

*“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.”*

44. Furthermore, 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.

45. The Opponent highlights in paragraph 3 of its written submissions four of its “SEIKO” single word mark registrations in Hong Kong, all in Class 9 (“the four “SEIKO” marks”), details as follows -

Trade Mark		Date registered	Specification
(a)	19720132 S E I K O	6 July 1971	camera, camera shutter, other photographic apparatus and instrument
(b)	19720136 S E I K O	9 July 1971	calculating machines and cash registers and desk-top computer and parts thereof
(c)	300014084 <b>SEIKO</b>	5 May 2003	scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; electrical apparatus and instruments (including wireless); apparatus and instruments for

			conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; coin or counter-freed apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; eyeglasses, lenses for eyeglasses, contact lenses, frames for eyeglasses, optical lenses, coated optical lenses, light weight multi-layer coated lenses; multi-layer coated lenses; printers, computer peripherals; wrist worn paging device with time keeping capability; testers for watches; metronomes; batteries; cassette tapes, radios, cassette recorders, radio cassette recorders; parts and fittings for all the aforesaid goods
(d)	300665127 <b>SEIKO</b>	22 June 2006	NTP (network time protocol) servers, computer hardware and computer software; semiconductor devices and integrated circuits; computer software instruction set architecture; computer software interfaces; computer operating system programs; computer software application programs; satellite apparatus; telecommunication apparatus; parts and fittings for all the aforesaid goods

A. Earlier trade mark

46. Since the respective date of application for registration of each of the four “SEIKO” marks is earlier than the relevant date, each of the four “SEIKO” marks constitutes an earlier trade mark vis-a-vis the suit mark.

B. Comparison of goods

47. The Applicant seeks to register the suit mark in respect of the following goods –

- (a) “television sets, LCD [liquid crystal display] televisions”;
- (b) “disc players with DVD and optical format that uses a blue-violet laser”; and
- (c) “combo drive with optical disc format that uses a blue-violet laser”, which is an optical drive that is capable of recording and/or playing two or more types of optical media, e.g. CD, DVD and High Definition DVD, using blue-violet laser technology.<sup>20</sup>

The applied for goods are in essence electronic apparatus with a purpose to reproduce sound and images.

48. The registrations of the four “SEIKO” marks cover a wide range of goods in Class 9. Among them the specification of the goods covered, in particular, by the “SEIKO” mark under registration no. 300014084 includes “*apparatus for recording, transmission or reproduction of sound or images;*” (“the relevant specification”).

49. I consider that the applied for goods and those under the relevant specification cover essentially the same goods. When coming to this view, I take note of the decision of the Office for Harmonisation in the Internal Market (First Board of Appeal) on an appeal against the Opposition Division’s decision to allow an opposition to an application to register a Community trade mark for goods in Class 9 in *Alpine Electronics, Inc v El Corte Ingles, SA* [2004] E.T.M.R. 49. In dismissing the appeal, the First Board of Appeal could not find anything wrong with the Opposition Division’s finding as follows -

“*Comparison of the goods*

14. *As far as the comparison of the goods is concerned, the Opposition Division stated the following:*

.....

*Audio and video cassette players; audio and video cassette recorders; audio receivers; video receivers; compact disc players; compact disc players, recorders and records, **digital video disc players; digital video disc recorders; amplifiers; televisions;***

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<sup>20</sup> <http://www.webopedia.com/>

*graphic equalizers; parametric equalizers are identical to the opponent's apparatus for recording, transmission or reproduction of sound or images to the extent that the more details list of goods of the applicant is included in the broader specification of the opponent.*

.....” [emphasis added]

50. The acceptance by the Court of First Instance of the European Communities of the Board of Appeal’s finding in *Creative Technology Ltd v Office for Harmonization in the Internal Market, Jose Vila Ortiz* [2006] E.T.M.R. 60 (at H2 and paragraphs 29 and 30) that “*apparatus for recording, transmitting and reproducing sound or images, loudspeakers, amplifiers, record players, tape players, compact disc players, tuners and parts and fittings*” and “*electronic audio equipment, loudspeakers, sound reproducing apparatus; radio, television and video apparatus*” were essentially the same goods is also supportive of my view.

51. Mr Ho indeed conceded at the hearing that the disc player (on which the Applicant has by evidence shown use of the suit mark)<sup>21</sup> was a good within the relevant specification. He, however, submitted that the relevant specification was at best a general description which did not explicitly refer to televisions or disc players and it would be inequitable should the subject application be refused based on the relevant specification. Mr Ho also added that in view of the evidence available, the Applicant would succeed in an application to invalidate [I believe Mr Ho meant “revoke”] the “**SEIKO**” mark under registration no. 300014084 in respect of the relevant specification for non-use. Mr Ho, however, confirmed that the Applicant has not issued any such proceedings.

52. I do not share Mr Ho’s view. The relevant specification may well be a general description but given the decisions in *Alpine Electronics* (supra) and *Creative Technology* (supra), I consider it sufficiently broad enough to encompass the applied for goods for which the Applicant seeks to register the suit mark.

53. Having compared the goods as discussed above, I find the applied for goods and the Opponent’s goods covered by the relevant specification of the “**SEIKO**” mark under registration no. 300014084 to be identical.

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<sup>21</sup> §32 above.

C. The average consumer

54. To determine whether there are similarities between the suit mark and the “**SEIKO**” mark and whether use of the suit mark on the applied for goods by the Applicant is likely to cause confusion, I have to look at the matter from the perspective of the average consumer of the goods. Such consumer is deemed to be reasonably well informed and reasonably observant and circumspect. His or her level of attention will very often depend on the nature of the goods in question.

55. Given my finding that the applied for goods and goods under the relevant specification (collectively “the identical goods”) are identical, the Applicant and the Opponent would hence target the same consumers.

56. Although the identical goods are not everyday items and their costs could be relatively substantial, they are commonly used by members of the public in their daily lives. I would consider that the relevant public comprises the general public in Hong Kong who are interested in the identical goods. The average consumer is thus a member of the public at large, who is deemed to be reasonably well informed and reasonably observant and circumspect.

D. Comparison of marks

57. A comparison of the marks concerned has to be based on an overall appreciation of the visual, aural and conceptual similarities of the marks in question, taking into account the overall impressions given by the marks, and bearing in mind, in particular, their distinctive and dominant components. When comparing them, I have to consider the perception of the marks in the mind of the average consumer of the goods in question.

58. Visually, both the suit mark and the “**SEIKO**” mark are single word signs expressed in the uppercase. They both consist of five letters of the English alphabet, with the first four letters “S”, “E”, “I” and “K” being identical. The only difference between the two marks lies in the ending letter, “I” in the suit mark and “O” in the “**SEIKO**” mark.

59. Except that both the suit mark and the “**SEIKO**” mark are expressed in bold, they are not stylised in any way. It has been recognized that consumers generally pay more attention to the first part of a mark, taking into account the fact

that they read from left to right and that the beginning of a word sign is on the left.<sup>22</sup> Given the identical dominant frontal element “SEIK” and allowing for imperfect recollection, I find the two conflicting marks to be visually similar to a high degree.

60. Aurally, both the suit mark and the “**SEIKO**” mark are pronounced with two syllables, “SEI-KI” and “SEI-KO” respectively. Both marks have an identical first syllable “sei” and their respective second syllable starts with a “k” sound. Taking the marks as a whole, I find them aurally similar to a moderate degree.

61. Conceptually, both “SEIKI” and “SEIKO” are not invented words but are said to be transliteration of Japanese words, “SEIKI” being “精機”, symbolising the Applicant’s products being of the next generation whilst “SEIKO” being “determined to succeed (“成功”) in producing precision (“精巧”) clocks”.<sup>23</sup> Neither of the respective meaning of the two marks is apparent to the general public in Hong Kong except those who know Japanese. For the majority of the public who perceives both marks as words bearing no meaning, conceptual similarity does not exist between them. I accept Mr Ho’s submission<sup>24</sup> and find no conceptual similarity between the two marks.

62. On section 12(3) of the Ordinance, paragraphs 20 to 22 of the Opponent’s written submissions refer to two previous decisions of the Registrar respectively on the “SEYKQ” mark (application for declaration of invalidity of Trade Mark Registration No. 300054413) and the “MOBIS” mark (application for registration of Trade Mark No. 4855 of 2002)<sup>25</sup>.

63. The Opponent submits that while a detailed analysis discloses differences, consumers do not minutely analyse marks. Allowing for imperfect recollection, despite differences in spelling and visual appearance, the “SEYKQ” mark was found to be confusingly similar to the “SEIKO” mark. Notably “SEYKQ” differs from “SEIKO” by two letters out of five whereas “SEIKI” and “SEIKO” in the subject proceedings differ only by one letter, and “SEYKQ” was still found to be overall similar to “SEIKO”.

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<sup>22</sup> *Citigroup v. OHIM - Link Interchange Network Ltd* (Case T 325/04), at paragraph 82, judgment of the Court of First Instance of the European Communities (Second Chamber) of 27 February 2008.

<sup>23</sup> §§28 and 8 above respectively.

<sup>24</sup> §33 above.

<sup>25</sup> The “MOBIS” mark decision was determined under the provisions of the repealed Trade Marks Ordinance (Cap. 43) and the Trade Marks Rules (Cap. 43A).

64. Although the Registrar's decision on the "SEYKQ" mark was ultimately determined under section 12(5)(a) of the Ordinance (i.e. ground for objection to registration based on passing off), the Opponent considers that the guidance on comparison of marks remains relevant. It further submits that given that the "MOBIS" mark was also found to be similar to the "MOBIL" mark, it would cause grave injustice if the suit mark is found not to be confusingly similar to the "SEIKO" mark in the subject proceedings.

65. I note the Opponent's submissions in this regard while bearing in mind that marks should be considered case by case. Having regard to the visual and aural similarities and differences between the suit mark and the "**SEIKO**" mark and the overall impression created by each one of them, I find the two conflicting marks similar to a moderate extent.

E. Distinctiveness of the "**SEIKO**" mark

66. The distinctive character of the earlier trade mark is a factor to be taken into account in the assessment of the likelihood of confusion. It is well established that where the earlier mark has a highly distinctive character either because of its inherent qualities or because of the use that has been made of it, there is a greater likelihood of confusion (*Sabel v Puma* (supra)).

67. The "**SEIKO**" mark is an inherently distinctive mark. It has no meaning in English or Chinese and it is not descriptive of the Opponent's goods.

F. Likelihood of confusion

68. The likelihood of confusion must be appreciated globally, taking into account all relevant factors. The matter must be judged through the eyes of the average consumer of the goods in issue who is deemed to be reasonably well-informed and reasonably observant and circumspect. 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 v Metro-Goldwyn-Mayer* (supra)).

69. One also has to bear in mind that the average consumer 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.

70. It is also stated in paragraph 9-030 of *Kerly's Law of Trade Marks and Trade Names* (15th Edn.) that –

*“The global appreciation assessments in relation to the relative grounds in s.5<sup>26</sup> must be made on the basis of **fair and notional use** of the earlier and later marks, rather than by taking into account the actual use in the marketplace as required in the equivalent assessments in relation to infringement (under s.10<sup>27</sup>). This may have the consequence that, for example, a tribunal finds that on the basis of notional and fair use there was a likelihood of confusion between the earlier and later mark under s.5(2)<sup>28</sup> and therefore the later mark was refused registration; but another tribunal later finds no infringement of the later mark under s.10(2)<sup>29</sup> by reason of the circumstances of actual use of the registered mark and the defendant's mark that the original tribunal refused to register.”* [emphasis added]

When considering the ground of opposition under section 12(3) of the Ordinance, one should consider the notional and fair use of the relevant mark in relation to the goods concerned (i.e. those under the relevant specification).

71. I have already found the applied for goods to be identical to the Opponent's goods under the relevant specification of “**apparatus for recording, transmission or reproduction of sound or images**” of the “**SEIKO**” mark.<sup>30</sup> I have also found the suit mark and the “**SEIKO**” mark to be similar to a moderate extent.<sup>31</sup> Given such findings, I come to the view that when the suit mark is used in relation to the applied for goods, there is a risk that the public might believe that the goods so provided and goods within the relevant specification provided under the “**SEIKO**” mark come from the same or economically-linked undertakings, and such risk constitutes a likelihood of confusion within the meaning of section 12(3) of the Ordinance.

72. I have considered the two decisions of the IPOS referred to by the Applicant in support of its application.<sup>32</sup> The opposition proceedings in Trade Mark Application No. T0718802F involved Seiko Advance Ltd (as applicant) and Seiko Holdings Kabushiki Kaisha (t/a Seiko Holdings Corporation) (as opponent) in respect

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<sup>26</sup> Section 5 of the UK Trade Marks Act 1994 is similar to section 12 of the Ordinance.

<sup>27</sup> Similar to section 18 of the Ordinance.

<sup>28</sup> Similar to sections 12(2)-(3) of the Ordinance.

<sup>29</sup> Similar to sections 18(2)-(3) of the Ordinance.

<sup>30</sup> §53 above.

<sup>31</sup> §65 above.

<sup>32</sup> §§37 and 38 above.

of the applicant's application to register a composite mark "**Seiko advance Ltd.**" for goods in Class 2 (dye paints and greases etc used in screen printing). Relying on two of its single word mark "SEIKO" registrations (respectively covering "adhesive used in industry" in Class 1 and "industrial oils and greases" in Class 4), the opponent objected to the application pursuant to provisions of the Singapore's Trade Marks Act (Cap. 332, 2005 Rev Ed) on grounds of similarity (trade marks and goods), unfair dilution with "SEIKO" being a well-known mark in Singapore, or the use of the opposed mark being likely to be prevented by the law of passing off. The hearing officer found that the opponent failed to discharge the onus in proving similarity both between the marks and the goods in suit. The opposition failed on all grounds. The key difference between the subject application and those proceedings lies in the similarity found between the suit mark and the "**SEIKO**" mark herein and the applied for goods being identical to the Opponent's goods under the relevant specification.

73. The opposition proceedings in Trade Mark Application No. T1100145H were brought by Seiko Holdings Kabushiki Kaisha (t/a Seiko Holdings Corporation) against Choice Fortune Holdings Limited (i.e. essentially the same parties as to the subject proceedings) in respect of the two same trade marks "SEIKI" (also covering Class 9 goods) and "SEIKO". The hearing officer concluded that the conflicting marks were only marginally similar but the goods respectively covered overlapped with each other. Despite such finding, it was determined that there was no reasonable likelihood of confusion. As can be gleaned from the IPOS' decision, the scope of evidence adduced and the arguments advanced in the said proceedings were much broader and more engaged than those in the subject proceedings. The evidence before the hearing officer also tends to show that the "SEIKI" mark had been used much more extensively and enjoyed a more substantial reputation in Singapore. In any event, as national trade mark rights are territorially limited and granted independently of one another, the mere fact that a mark is registrable in other jurisdictions is not sufficient to establish that it is eligible for registration here.

74. To conclude, I find that the ground of opposition under section 12(3) of the Ordinance has been made out.

#### ***Honest concurrent use***

75. A trade mark that is prevented from registration under section 12 of the Ordinance may nonetheless be allowed to register, under section 13 of the Ordinance,

if there has been an honest concurrent use of the trade mark and the earlier trade mark or other earlier right, or if by reason of other special circumstances it is proper for the trade mark to be registered.

76. The Applicant did not plead in its pleadings or contend at the hearing that the suit mark should be allowed to register for reason of honest concurrent use or other special circumstances under section 13(1) of the Ordinance. For completeness, I would also consider the issue of honest concurrent use. The date for my assessment remains the relevant date.

77. Section 13(1) provides that -

*“(1) Nothing in section 12 (relative grounds for refusal of registration) prevents the registration of a trade mark where the Registrar or the court is satisfied -*

*(a) that there has been an honest concurrent use of the trade mark and the earlier trade mark or other earlier right; or*

*(b) that by reason of other special circumstances it is proper for the trade mark to be registered.”*

78. According to *Re CSS Jewellery Co Ltd* [2010] 2 HKLRD 890, the consideration of honest concurrent use under section 13(1)(a) involves a two-stage test as follows -

(a) whether there has been an honest concurrent use of the mark in suit and the earlier trade mark; and

(b) if the answer to (a) is in the affirmative, whether after considering all relevant circumstances, including public interest, the Registrar’s discretion should be exercised to accept the application for registration of the mark, despite the fact that the use of the mark in relation to the goods or services in question is likely to cause confusion on the part of the public.

79. For the first stage, I have to consider whether the Applicant has shown use of the suit mark as trade mark in Hong Kong in respect of the applied for goods, that such use of the suit mark had been made concurrently with the “SEIKO” mark, and that such concurrent use had been honestly made. I will revisit the Applicant’s evidence on the use of the suit mark in Hong Kong as outlined in paragraphs 30 to 32 above.

80. It has been shown in the Applicant's evidence that in Hong Kong the suit mark has only been used in respect of one product (i.e. the disc player) but the evidence of such use post-dated the relevant date.<sup>33</sup> Coupled with the fact that no evidence has been adduced on the Applicant's promotion of the disc player or the promotion and sales of any other items of the applied for goods in Hong Kong at all, I am unable to find use of the suit mark in respect of the applied for goods in Hong Kong prior to the relevant date which warrants further consideration of the issue of honest concurrent use.

81. As for section 13(1)(b) of the Ordinance, the Applicant has not put forward any claims that there are other special circumstances which make it proper for the suit mark to be registered.

82. That being the case, the Applicant would not be able to invoke section 13(1)(a) or (b) of the Ordinance to substantiate a claim of honest concurrent use.

***Other grounds of opposition***

83. Given my findings above in relation to section 12(3) of the Ordinance, it is not necessary for me to consider the other grounds pleaded in the Statement of Grounds of Opposition.

***Costs***

84. As the opposition has succeeded, I award the Opponent costs. 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.

( Elsie Tse )  
for Registrar of Trade Marks  
13 February 2015

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<sup>33</sup> §32 above.