

TRADE MARKS ORDINANCE (Cap. 559)

OPPOSITION TO TRADE MARK APPLICATION NO.: 302230163



MARK:

CLASS: 36, 38 and 42

APPLICANT: 易聯支付科技有限公司

OPPONENT: MASTERCARD INTERNATIONAL INCORPORATED

STATEMENT OF REASONS FOR DECISION

Background

1. On 23 April 2012, 易聯支付科技有限公司 (“the Applicant”) filed an application (“the subject application”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) for the registration of the mark



“” (“the subject mark”). Although the subject mark is represented in blue and orange colours, there is no colour claim in the subject application. In other words, the distinctiveness of the subject mark does not depend on a particular colour scheme.

2. Registration is sought in respect of “Financial services; providing payment related consultancy services for financial service institutions” in class 36, “Providing telecommunications equipment (including mobile phones, telephones) for confirming payment transactions” in class 38, and “Providing design and development of computer hardware and software for supporting applications by financial service institutions; providing computer technology platform for

financial services institutions” in class 42 (“the subject services”)¹.

3. Particulars of the subject application were published on 28 September 2012. MasterCard International Incorporated (“the Opponent”) filed on 27 February 2013 a notice of opposition to the subject application together with a statement of grounds of opposition (“Notice of Opposition”). A counter-statement (“Counter-statement”) was filed by the Applicant on 24 May 2013 in response to the Notice of Opposition filed.
4. The subject application, the Notice of Opposition and the Counter-statement were filed in Chinese. Pursuant to a joint request by the parties, the Registrar gave a direction on 17 July 2013 under rule 119 of the Trade Marks Rules (Cap.559, sub. leg.)(“the Rules”) that the language of proceedings was changed from Chinese to English. Accordingly, all subsequent correspondence between the parties and the Registrar as well as the evidence filed were made in English. However, the Certificate of Registration, if subsequently issued, will still be in Chinese.
5. As evidence in support of the opposition, the Opponent filed on 24 August 2015 under rule 18 of the Rules a statutory declaration made by Colm J. Dobbyn, Group Executive and Associate General Counsel of the Opponent, together with exhibits (“Dobbyn’s SD”). The Applicant did not file under rule 19 of the Rules any evidence in support of its application.
6. The opposition hearing was fixed to be heard on 14 December 2017. The Opponent filed a notice of intention to appear at the hearing but subsequently confirmed that they would not attend the hearing. The Applicant did not file a notice of intention to appear at the hearing. Pursuant to rule 74(5) of the Rules, both parties are treated as not intending to appear at the hearing. I now proceed to decide the matter without a hearing under rule 75 of the Rules. Both the Opponent and the Applicant have not filed any written submissions.

¹ The English translation of the specifications was provided by the Opponent (paragraph 120 of Dobbyn’s SD) and the Chinese specifications filed by the Applicant are as follows:- “類別 36: 金融服務; 為金融服務機構提供支付顧問服務。類別 38: 提供通訊設備(包括手機、電話)以進行確認支付交易。類別 42: 提供計算機硬件與軟

Notice of Opposition

7. In the Notice of Opposition, the Opponent seeks to oppose registration of the subject mark pursuant to sections 11(5)(a), 11(5)(b), 12(3), 12(4), 12(5)(a) and 12(5)(b) of the Ordinance.
8. The Opponent has set out in the Notice of Opposition a list of registered trade marks owned by the Opponent in Hong Kong (see Annex).

Counter-Statement

9. The Applicant asserted that the subject mark is dissimilar to the Opponent's Marks which usually consist of two interlocking circles in red and orange colours with the overlapping area depicting a number of horizontal bars and the word "MasterCard" prominently displayed across the circles. The subject mark consists of two blue and yellow circles with the words "PayEco" and "易联支付" prominently written respectively on and next to the circles, there are shadows underneath the circles but no horizontal bars in the overlapped area.
10. The Applicant denies or does not admit the various grounds pleaded in the Notice of Opposition.

Relevant date

11. The relevant date for considering the opposition is 23 April 2012, that is the filing date of the subject application for registration.

The Opponent's evidence of use

12. Dobbyn's SD has set out in great length and detail the history and business of the Opponent which is incorporated in the USA. The Opponent owns a number of trade marks which consist of two interlocking circles with or without additional

件的设计与开发，以支持金融服务机构应用；为金融服务机构提供电脑技术平台。”

words or devices (collectively referred to as “the Opponent’s Marks”) and has applied for or registered a large number of trade marks in Hong Kong and throughout the world. A list and copies of the relevant registration certificates or application records are exhibited as Exhibits CD-1 and CD-2 to Dobbyn’s SD.

13. The Opponent and/or its predecessor and/or its related entities (collectively referred to as “the Opponent’s Group”) commenced use of at least one of the Opponent’s Marks from as early as 1976. The Opponent has also since at least 1976 and 1986 respectively protected and used at least one of the Opponent’s Marks in Hong Kong.
14. The Opponent’s Group is a leading global payments solutions company that provides a broad variety of innovative services in support of its global members’ credit, deposit access, electronic cash, business-to-business and related payment programs. It manages one of the most recognized families of widely accepted payment card brands including MASTERCARD, MAESTRO and CIRRUS and serves financial institutions, consumers and businesses in over 210 countries and territories. There are over 1.9 billion payment cards issued worldwide that bear the Opponent’s Marks which are accepted at more than 35.9 billion locations worldwide at which the Opponent’s Marks appear.
15. Dobbyn’s SD has given an account on the development of the Opponent’s Marks. A brand mark featuring the “Master Charge” name centred between two interlocking circles of red and ochre was first created in 1969. The Opponent’s Marks are today used in a number of ways and its interlocking circles device (“Interlocking Circles Device”) is said to be one of the most widely recognized device marks in the world. Every payment card issued by the 23,000 licensed banks of the Opponent’s Group has utilized the Interlocking Circles Device for the last 40 years. The Opponent’s Group has developed variations of its Interlocking Circles Device for use in connection with its credit card and payment processing services.
16. Although the Opponent’s Group has consistently used the same version of its Interlocking Circles Device for payment cards and at the point-of-sale merchant locations, it owns registrations for and uses in specific services and campaigns



several variations, including the Overlapping Globes Device “

(see also items no. 5, 6 and 20 of Annex) in connection with travelers’ cheque



products and the Overlapping Soccer Balls Device “

in connection with sponsorship of football games. It is said that the general public has been educated over the years into recognizing such device marks as emanate exclusively from the Opponent’s Group and that the Interlocking Circles Device is represented in various forms which are tailored to specific services or campaigns. Exhibits CD-4 to CD-6 include materials featuring the Overlapping Globes Device and the Overlapping Soccer Balls Device.

17. It is asserted that as can be seen from the variations of the Interlocking Circles Device which are used together with the MASTERCARD, MAESTRO and CIRRUS brands, as well as from the Overlapping Globes Device and the Overlapping Soccer Balls Device marks and variations thereof, the general public is already familiar with different types of Interlocking Circles Device as owned and used by the Opponent’s Group and that device marks consisting of interlocking circles that are used in connection with the Opponent’s Group’s goods and services of interest actually emanate from the Opponent’s Group.

18. The Interlocking Circles Device has been in continuous use with the MASTER

() , MAESTRO () , MONDEX () and

CIRRUS () brands respectively, as well as the MASTERCARD INTERNATIONAL mark in Hong Kong for many years. Exhibit CD-7 contains a copy of a LegCo paper dated 1996 in which the brands MasterCard and Mondex were mentioned.

19. The Opponent’s Group has also developed a custom animation of the Opponent’s Marks which may be used with the audible brand consisting of a

short combination of three musical tones. Exhibit CD-8 includes a printout from Wikipedia and other information showing various forms of the Opponent's Marks and the emphasis on its Interlocking Circles device.

20. It is asserted that the Opponent's Marks have a substantial reputation and are recognised as well-known throughout the world due to the consistency of use of the Opponent's Marks over the past years, the massive worldwide sales and advertising figures attributed to the Opponent's Marks, the extensive and highly prominent advertising campaign, and the highly active and successful enforcement actions; in particular, the Opponent's Marks have strong reputation and goodwill in Hong Kong. Exhibit CD-9 includes the Opponent's annual reports and background information on how the Opponent's Marks were first adopted.
21. Since its first use from at least as early as 1976, the Opponent's Group has at all material times extensively used, and continues to use the Opponent's Marks in respect of the sale or provision and advertising or promotion of, *inter alia*, credit cards, debit cards, charge cards, payment cards, travellers cheque services, cash disbursement services, transaction authorization and settlement services, transaction processing services, payment solutions, payment programs and services, consumer credit and charge programs, corporate payment solutions, and related goods and services etc. ("the Opponent's Goods and Services"). Exhibit CD-10 contains printouts from the Opponent's websites which are accessible in Hong Kong providing details of the Opponent's Goods and Services. Dobbyn's SD has given a detail account of the various payment, consumer credit and charge, transaction processing and payment solutions services under the various brands and marks including MASTERCARD, MAESTRO and CIRRUS which are mostly offered to the general public in Hong Kong. For example, there are about 1,711,399 MAESTRO cards in force from 2009 to 2012 in Hong Kong.
22. The Opponent has achieved substantial sales of the Opponent's Goods and Services in various countries and regions. From 2009 to 2012 April, it achieved an average sales turnover of about HKD 384 million per annum. The Opponent's Group has used at least one of the Opponent's Marks on its official

websites since at least 1994 which are accessible by people in Hong Kong and around the world, and on websites specially for customers in Hong Kong. The Opponent's Group opened its first office in Hong Kong back in 1986 and the Opponent's Marks are applied to the Opponent's Goods and Services in Hong Kong by means of the marks being printed on *inter alia* the credit cards, debit cards, online payment websites, ATMs, Point-of-sale locations, company stationery, travellers' cheques, etc. as well as in for example, merchants' stores and taxi payment terminals. Exhibits CD-11 and CD-13 include printouts from the said websites and various materials showing the manner in which the Opponent's Marks are used.

23. The marketing and promotional activities of the Opponent's Group throughout the world and Hong Kong have for many years been vast, including the launch of its award winning PRICELESS advertising campaign in 1997 in 110 countries and 51 languages. The Opponent's Group has received awards and recognitions in the United States, Hong Kong and elsewhere for its global PRICELESS advertising campaign and some other advertising and promotional activities. Exhibit CD-3 contains information on the relevant awards and recognitions and Exhibit CD-14 contains materials relating to the PRICELESS campaign in Hong Kong. The Opponent's Group has invested substantial sums of money in advertising and promoting the Opponent's Marks in Hong Kong and other places by means of advertisements in magazines, newsletters, press releases, newspapers, printed publications, television, cinema, radio, posters, outdoor, banners, direct marketing on the internet, ambient media and by means of billboards, railway, tram and bus advertising. It is said that the Opponent's Marks have recorded commercial impressions for the majority of the people in Hong Kong.
24. The Opponent's Group has been active in sponsoring sports events and teams and entertainment events and assets, such as the FIFA World Cup, Universal's theme parks, resorts and movies, etc. The copy survey displayed at Exhibit CD-5 provides details of the use of the Opponent's Marks in connection with football tournaments around the world. Exhibits CD-16 and CD-17 include printouts from websites dedicated to such events which are operated by the

Opponent's Group. It is deposed that many of the said events or news are broadcast or available to the people in Hong Kong. Exhibit CD-18 include materials relating to the above use of the Opponent's Marks in Hong Kong.

25. The Opponent's Group has expended an annual average of USD 4.22 million marketing expenditure in Hong Kong from 2008 to 2012. Exhibit CD-19 include sample advertisements and promotional materials in Hong Kong and other places.
26. According to Dobbyn, through such extensive sales, advertising, marketing and registration, at least one of the Opponent's Marks has become famous or well-known around the world including Hong Kong. Exhibit CD-20 contains a copy of Dobbyn's witness statement in relation to an overseas proceedings which includes information on the background and use of the Opponent's Marks.
27. It is deposed that the services of the Opponent and the Applicant are similar and available through identical or similar channels. Exhibit CD-21 contains a

printout from the website of Paydollar showing both the  mark (in red and orange colours) and the subject mark (in blue and orange colours) on the same page.

28. It is also said that the Opponent owns the copyright in the Opponent's Marks.
29. From the many sales, marketing, advertising and promotional materials which are related to Hong Kong market, I see very extensive use of the

mark  represented in red and orange colours and I bear in mind the substantial sales turnover and marketing expenditures in relation to the Opponent's Marks in Hong Kong, I have no doubt in accepting that the Opponent's Group has established extensive goodwill and reputation in the

 mark represented in red and orange colours in respect of credit

card and electronic payment services in Hong Kong. On the other hand, I only

find on a few exhibits the use of the  ,  and

 marks and do not see any use of marks such as  ,

 , the Overlapping Globes Device and the Overlapping Soccer Balls Device in Hong Kong at all from the said materials. I therefore do not find any goodwill and reputation established in such marks or the other marks of the Opponent. Moreover, I do not find any goodwill and reputation established in the Interlocking Circles Device itself as the said device only serves as a background and is always used with the words “MasterCard” together.

Opposition under section 12(3) of the Ordinance

30. 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.”

31. 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.

32. 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 HKLRD414 (“*Tsit Wing*”). 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.”

33. 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 subject mark and the Opponent’s trade marks and the goods or services covered, and whether they would combine to create a likelihood of confusion.
34. The Opponent has set out in the Notice of Opposition a number of registered marks in Hong Kong (see Annex) in support of its opposition under section 12(3) of the Ordinance. Each of them is an earlier mark under section 5(1)(a) of the

Ordinance in relation to the subject mark as it has a date of the application for registration earlier than that of the subject mark. Each of the earlier marks must be considered in turn for the purpose of determining whether it prevents acceptance of the subject application for registration under section 12(3) of the Ordinance (*Torremer Trade Mark* [2003] R.P.C. 4).

35. The Opponent submitted that the subject mark is very similar to the Opponent's Marks, in particular, the interlocking circles of the subject mark are confusingly similar to the Opponent's Marks; further, the subject services are identical or similar to or are associated with the Opponent's Goods and Services; therefore, the subject services are very likely to be perceived by the public as being provided by or connected with the Opponent. It is also the Opponent's submissions that although the subject mark consists of the words "PayEco" and "易联支付", such difference is likely to be perceived by the consumers as a variation of the Opponent's Marks; therefore, it is likely that consumers will be confused based on the visual, aural and conceptual similarity of the marks. According to the Opponent, the public has already been educated that the Interlocking Circles Device and variations thereof belong to the Opponent's Group, when seeing the subject mark, for example, in blue and orange, they would believe the services concerned are provided by the Opponent or related to the Opponent. It is further submitted that consumers will rely on their imperfect recollection of the marks when choosing the goods and services concerned, they will focus their attention on the eye catching overlapping circles device and the marks as a whole and thereby neglect the minor difference in the marks.
36. Since the subject mark is visually very similar to the Opponent's Marks and the subject services are identical or highly similar to or are associated with the Opponent's Goods and Services, the general public is likely to be misled into believing that the subject services under the subject mark are the Opponent's Goods and Services or otherwise associated with the Opponent in some way, that is they are economically linked undertakings, or that one is a subordinate line of products or services of the other, as submitted by the Opponent.

37. On the other hand, it is the Applicant's view that the subject mark, which consists of a device of blue and yellow circles with shadows underneath and the words "PayEco" and "易联支付" prominently written respectively on and next to the device, is dissimilar to the Opponent's Marks which consist of two interlocking circles in red and orange colours with the overlapping area depicting a number of horizontal bars and the word "MasterCard" prominently displayed across the circles.

Distinctiveness of the Opponent's Marks

38. I have accepted in paragraph 29 that the Opponent's Group has only established



extensive goodwill and reputation in the mark represented in red and orange colours in respect of credit card and electronic payment services in Hong Kong. I therefore consider that only the distinctiveness of the



mark represented in red and orange colours has been enhanced significantly through use in relation to the said services. Since the Interlocking Circles Device only serves as a background and has always been used with the word element, I do not find there is any enhanced distinctiveness in the other Opponent's Marks which only consist of the Interlocking Circles Device alone (whether represented in colour or not) without the word "MasterCard". And I find the Interlocking Circles Device itself, whether in colour or not, only has a low level of inherent distinctiveness.

Comparison of Marks

39. In comparing the marks, it is not appropriate to concentrate on the similarities to the exclusion of the differences between the marks and one cannot assume that because an element of the marks is identical the marks are similar unless the identical part constitutes the dominant element in the overall impression created by each mark, such that all the other components are insignificant (*Kerly's Law*

of *Trade Marks and Trade Names* (15th edition), paragraph 9-093).

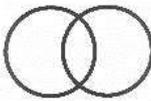
40. The subject mark is a composite mark which consists of a device of two circles, each with a waveline on it and a shadow underneath, that overlap partially and with the words “PayEco” and “易联支付” displayed respectively on and next to the device. Although the subject mark is represented in blue and orange colours, there is no colour claim which restricts its protection, if registered, to such colour combination only. It is trite law that a mark registered in black and white is registered in respect of all colours (*Tsit Wing*, at paragraph 48). As generally speaking words speak louder than devices in a composite mark (*Oasis Stores Ltd’s Trade Mark Application* [1998] R.P.C. 631 at 644) and the circles device only serves as a background, I consider that the said words, in particular the “易联支付” in bigger size, are the dominant and distinctive elements of the subject mark.

41. Amongst the Opponent’s earlier marks set out at the Annex, I will first consider



(i) the series of device marks “” (mark no. 12 of Annex), each of which consists of two circles overlapping partially with horizontal bars in the

overlapped area, (ii) the device mark “” (mark no. 13 of Annex) which consists of two circles overlapping partially, and (iii) the device mark

“” (mark no. 16 of Annex) which consists of two interlocking circles,

as I find they resemble closely to each other and are most similar to the subject mark. While the marks “A”, “B” and “C” of mark no. 12 are limited respectively to the colours “dark blue and blue”, “blue and red”, and “red and orange”, and the mark no. 13 is limited to the colours “red and yellow”, as shown in the representations, the marks “D” and “E” of mark no. 12 and the mark no. 16 are registered in black and white. It is trite law that the marks no. 12 and no.

16 are therefore registered in respect of all colours and the actual use of the said marks in any certain colour combination does not restrict the owner's rights to use the marks in other colour combinations (*Tsit Wing*, at paragraphs 46 to 56). Similarly, since the subject mark does not have any colour claim, I bear in mind that it may also be used in the same colour combinations as the above device marks of the Opponent, as opposed to the Applicant's suggestion that the subject mark consists of, *inter alia*, a device of blue and yellow circles (see paragraph 37 above).

42. Visually, the above device marks of the Opponent are only similar to the subject mark to the extent that they have a device of two overlapping circles, however, they are different as a whole since the subject mark has the words “易联支付” and “PayEco” as its dominant and distinctive elements whereas the device marks of the Opponent are lack of any word element and there are also differences in the design of the respective devices. I find the above device marks of the Opponent and the subject mark as a whole are only visually similar to a low degree even considering that the similarity will increase to some extent when the respective devices are used in the same colour combinations.
43. Phonetically, the subject mark, being pronounced in English as “Pay-e-co” or more common in Chinese as “易联支付” by the Chinese speaking consumers, is not similar to the above device marks of the Opponent which cannot be pronounced or at most be referred to as “two overlapping circles”.
44. Conceptually, although all the marks contain a device of two overlapping circles, they are different as a whole since the above device marks of the Opponent are in lack of any message whereas the words “Pay” and “支付” of the subject mark convey an idea in relation to payment.
45. I do not agree with the Opponent that the interlocking circles of the subject mark are confusingly similar to the above device marks of the Opponent and that the difference in words is likely to be perceived by the consumers as a variation of the Opponent's Marks. Instead, I consider the dominant and distinctive word element of the subject mark sufficiently and substantially outweighs the similarities in the respective circles devices. Having regard to their visual, aural

and conceptual similarities and differences, I find the subject mark and the above device marks of the Opponent are dissimilar even when their respective devices are represented in the same colour combinations.



46. I now turn to consider (i) the composite mark “” (mark no. 14 of Annex) which consists of two circles overlapping partially with the English words “MasterCard” and “Electronic” displayed in two rows across the circles, the registration gives no right to the exclusive use of the word “Electronic”, (ii)



the composite mark “” (mark no. 9 of Annex) which consists of two circles overlapping partially with the overlapped areas presented in horizontal bars and the English word “Mastercard” displayed across the circles,



and (iii) the composite mark “” (mark no. 15 of Annex) which consists of two overlapping circles with the English word “MasterCard” displayed across the circles, as I find they resemble closely to each other. Since words speak louder than devices in a composite mark and the overlapping circles device only serves as a background, I find the word “MasterCard” is the dominant and distinctive element in all three composite marks.

47. Visually, the above composite marks of the Opponent are only similar to the subject mark to the extent that they have a device of two overlapping circles, however, they are different as a whole since the subject mark has both English and Chinese words “PayEco” and “易联支付” respectively written on and next to the device but the above composite marks of the Opponent only have the English word(s) “MasterCard” or “MasterCard Electronic” written on the device and there are also differences in the design of the respective devices. I find the above composite marks of the Opponent and the subject mark as a whole are only visually similar to a low degree even when the respective devices are used in the same colour combinations.

48. Phonetically, the subject mark, being pronounced in English as “Pay-e-co” or more common in Chinese as “易联支付” by the Chinese speaking consumers, is very different from the above composite marks of the Opponent which are pronounced as “Mas-ter-card”. They are even more different if we take into account the pronunciation of the word “e-lec-tro-nic” of the mark no. 14.
49. Conceptually, the marks are different since the above composite marks of the Opponent refer to a card whereas the subject mark conveys an idea in relation to payment.
50. Again, I do not agree with the Opponent that the interlocking circles of the subject mark are confusingly similar to the above composite marks of the Opponent and that the difference in words is likely to be perceived by the consumers as a variation of the Opponent’s Marks. Instead, I consider the dominant and distinctive word element of the subject mark sufficiently and substantially outweighs the similarities in the respective circles devices. Having regard to their visual, aural and conceptual similarities and differences, I find the subject mark and the above composite marks of the Opponent are dissimilar even when their respective devices are represented in the same colour combinations.
51. Amongst the other earlier marks of the Opponent, as the marks no. 1 to 4 and 10 are identical or closely similar to the marks no. 12 and 13, and the marks no. 7, 8, 11 and 19 are identical or closely similar to the mark no. 9, I do not find it necessary to set out their comparisons with the subject mark separately. For the remaining marks no. 5, 6, 17, 18 and 20, they are in my view less resemble to the subject mark as the marks no. 5, 6 and 20 have an additional globe device above and the marks no. 17 and 18 have an additional circular device in the centre of the overlapping circles device. If the Opponent cannot succeed on the section 12(3) ground by relying on the device marks or composite marks of the Opponent that I have set out in paragraphs 41 to 50 above, its reliance on the other earlier marks must also fail.

Comparison of Goods

52. Guidance on the approach to be adopted in comparing goods and services is given in *British Sugar v James Robertson and Sons Ltd* [1996] R.P.C. 281, in which Mr Justice Jacob considered, at page 296, the following factors to be relevant in determining whether or not there is similarity:

- (i) The respective uses of the respective goods or services;
- (ii) The respective users of the respective goods or services;
- (iii) The physical nature of the goods or acts of service;
- (iv) The respective trade channels through which the goods or services reach the market;
- (v) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
- (vi) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

53. Similar factors are also referred to in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, at paragraph 23:

“In assessing the similarity of the goods or services concerned,... all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”

54. Without specifying which earlier marks are concerned, the Opponent submitted that the services of the Opponent and the Applicant are similar and available through identical or similar channels.

55. For the comparison of goods, I will focus on the earlier marks that I have discussed in paragraphs 41 to 50 above.

56. I find the “financial services; providing payment related consultancy services for financial service institutions” in class 36 under the subject mark are identical or similar to, *inter alia*, the “financial services; ... advisory services relating to the aforesaid services” in class 36 under the Opponent’s mark no. 12, the “financial services” in class 36 under the Opponent’s marks no. 13 to 16, and the “credit card and debit card services” under the Opponent’s mark no. 9.
57. And I find the “Providing telecommunications equipment (including mobile phones, telephones) for confirming payment transactions” in class 38 under the subject mark is similar to, *inter alia*, the “financial electronic payments services” in class 36 under the Opponent’s mark no. 12, the “remote payment services; ... electronic payments services; ... provision of debit and credit services by means of radio frequency identification devices (transponders); ... the provision of financial services for the support of retail services provided through mobile telecommunications means, including payment services through wireless devices” in class 36 under the Opponent’s marks no. 13 to 16, and the “telecommunications services; ... data communication services” in class 38 under the Opponent’s marks no. 15 and 16.
58. I also consider the “Providing design and development of computer hardware and software for supporting applications by financial service institutions; providing computer technology platform for financial services institutions” in class 42 under the subject mark is similar to, *inter alia*, the “computer hardware and computer consulting services; computer programming; technical support and computer consultation services for managing computer systems, database and applications” in class 42 of the Opponent’s marks no. 15 and 16.

Likelihood of Confusion

59. The likelihood of confusion must be appreciated globally, taking account of all relevant factors all of which have a degree of interdependency. I bear in mind that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. 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. In this case, I find

the relevant consumers for the subject “financial services” in class 36 are members of the general public who would exercise an average to high level of care and attention when purchasing these services. On the other hand, the relevant consumers for the other subject services in classes 36, 38 and 42 are financial service institutions and their staff would exercise a high level of care and attention when purchasing these services.

60. In my view, the circles device of the subject mark only serves as a background for the words and would not be perceived by the average consumer to have significance independently of the subject mark as a whole. Although the



distinctiveness of the Opponent’s “” mark (i.e. mark no. 9 of Annex being used in red and orange colours) has been enhanced through use, there is no evidence to support the assertion that the public has already been educated that the Interlocking Circles Device alone (without the word “MasterCard”) and variations thereof belong to the Opponent’s Group. As the subject mark as a whole is dissimilar to the above device marks and composite marks of the Opponent (see paragraphs 39 to 50 above), when the subject mark is used in relation to the subject services, I do not consider that the average consumer would be confused into thinking that those services and the services offered under the Opponent’s Marks come from the same or economically-linked undertakings, despite the identity or similarity of the respective services.

61. The opposition under section 12(3) therefore fails.

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

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

“(5) ... 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);

(b) ...”

63. The requisite elements for establishing a passing-off action were formulated in the case of *Reckitt & Colman Products v. Borden Inc.* [1990] R.P.C. 341. These elements have been repeatedly relied upon by the courts in Hong Kong including the Court of Final Appeal in *Re Ping An Securities Ltd.* (2009) 12 HKCFAR 808(FACV 26/2008). In essence, in the present context, the Opponent has to establish that:

(a) the Opponent enjoys **goodwill** attached to the goods which it supplies in the mind of the purchasing public by association with a trade mark under which its goods are offered to the public, such that the trade mark is recognized by the public as distinctive specifically of the Opponent’s goods;

(b) the Applicant has made a **misrepresentation** to the public leading or likely to lead the public to believe that the subject goods offered by it are the goods of the Opponent; and

(c) the Opponent suffers, or is likely to suffer, **damage** by reason of the erroneous belief engendered by the Applicant’s misrepresentation that the source of the Applicant’s subject goods is the same as the source of goods offered by the Opponent.

64. To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

65. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.²

Goodwill

- 66. The relevant date for determining whether the Opponent has established the necessary goodwill is the date of the application for the subject mark as there is no evidence that the Applicant has used the subject mark before the date of the subject application.
- 67. I have already found in paragraph 29 that the Opponent’s Group has only



established extensive goodwill and reputation in the mark represented in red and orange colours in Hong Kong in respect of credit card and electronic payment services.

Misrepresentation

- 68. I consider the subject services in classes 36 and 38 are similar to the credit card and electronic payment services in respect of which the Opponent’s



“ ” mark (being used in red and orange colours) has established a

² *Halsbury's Laws of Hong Kong* (2nd Edition) Vol. 33, para. 225.021; *Oasis Stores Ltd.'s Trade Mark Application* [1998] R.P.C. 631 at 642.

goodwill and reputation in Hong Kong. There is hence some overlap between the fields of activity of the Applicant and those of the Opponent. In order for the Opponent to succeed under the section 12(5)(a) ground, the Opponent still has to show that the subject mark is similar to the said mark of the Opponent in order to demonstrate a misrepresentation by the Applicant to the public leading or likely to lead the public to believe that the services it offered are the services of the Opponent or are connected to the Opponent.

69. I have already held that the subject mark as a whole is dissimilar to the Opponent's Marks, including the composite marks no. 9, 14 and 15. Hence I



find the subject mark is also dissimilar to the Opponent's " " mark which is used in red and orange colours. Given their dissimilarities, I do not agree with the Opponent that the subject mark is likely to be perceived by the consumers as a variation of the Opponent's Marks. Moreover, the Opponent's



evidence of use, which mainly concerns the composite mark " " represented in red and orange colours only, does not support the assertion that the general public is already familiar with different types of Interlocking Circles Device as owned and used by the Opponent's Group. As discussed in



paragraph 29 above, apart from the mark represented in red and orange colours, I do not see the Interlocking Circles Device itself (without the word "MasterCard") and variations thereof have been extensively used or promoted in Hong Kong. On seeing the subject mark used in relation to the subject services, I consider that the public would unlikely be misled into believing that those services offered by the Applicant are the services of or are



connected to the Opponent's mark (whether in colour or not). The element of misrepresentation is therefore not made out.

Damage

70. I have found above that the subject mark is dissimilar to the Opponent's



mark in respect of which the Opponent's Group has established a goodwill in Hong Kong. It follows that there is nothing from which it could be inferred that the Opponent is likely to suffer damage by reason of any erroneous belief engendered by the Applicant's misrepresentation. As misrepresentation is not made out, there is no question of any damage resulting from a misrepresentation.

71. As the elements of misrepresentation and damage for establishing a case under section 12(5)(a) are not proved, the opposition under section 12(5)(a) must fail.

Opposition under section 12(4) of the Ordinance

72. Section 12(4) of the Ordinance provides, *inter alia*, as follows:

“... 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.”

73. The meaning of “well-known trade mark” is defined in section 4 of the Ordinance and the Registrar or the court shall have regard to Schedule 2 of the Ordinance in determining whether a trade mark is well known in Hong Kong. Section 5(1)(b) of the Ordinance provides that an “earlier trade mark” includes a trade mark which, at the date of the application for registration of the other trade mark or, where appropriate, at the date of the priority claimed in respect of that

application for registration, was entitled to protection under the Paris Convention as a well-known trade mark. And it is provided in section 63(1) of the Ordinance that the owner of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark is entitled to restrain by injunction the use in Hong Kong of a trade mark which, or the essential part of which, is identical or similar to his trade mark, in relation to identical or similar goods or services, where such use is likely to cause confusion on the part of the public.

74. In other words, to succeed under section 12(4) of the Ordinance, the Opponent has to establish that:

(a) the Opponent's trade mark is an earlier trade mark which is entitled to protection under the Paris Convention as a well-known trade mark;

(b) the subject mark is identical or similar to an earlier trade mark of the Opponent; and

(c) the use of the subject mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.

75. It is alleged that the Opponent's Marks are entitled to protection as well-known trade marks under the Paris Convention and the use by the Applicant of the subject mark, which is similar to the Opponent's Marks, without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's Marks and the subject mark should be refused registration under sections 12(4) of the Ordinance.

76. To satisfy the condition as stated in paragraph 74(b) above, there must be a degree of similarity between the earlier mark of the Opponent and the subject mark such that the relevant section of the public establishes a link between them, even though it does not confuse them (*Adidas-Salomon AG v Fitnessworld Trading Ltd* [2004] ETMR 10). The existence of such a link must be appreciated globally, taking into account all relevant factors, including the degree of similarity between the conflicting marks; the nature of the goods or services for which the conflicting marks were registered, 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; and the existence of likelihood of confusion on the part of the public (*Adidas-Salomon* (supra); *Intel Corporation Inc. v CPM United Kingdom Ltd.* [2009] R.P.C. 15).

77. I have already compared a number of device marks and composite marks of the Opponent which have the closest resemblance to the subject mark in paragraphs 39 to 50 above. I have found these marks dissimilar to the subject mark and that when the subject mark is used in relation to the subject services, the public would unlikely be misled into believing that those services offered by the Applicant are the services of the Opponent or are connected to the Opponent (see paragraph 60 above). Despite the distinctiveness and reputation of the Opponent's Marks and the identity or similarity between the subject services and the Opponent's services, I consider that the dissimilarities between those marks and the subject mark are such that it would not even bring the Opponent's Marks to mind when the relevant public sees the subject mark on the subject services. That means, the use of the subject mark on the subject services would not give rise to a link with the Opponent's Marks in the minds of the relevant public. Having considered all the factors relevant to the circumstances of the case, I am not satisfied that the relevant consumers would establish a link between the subject mark and the Opponent's Marks.

Unfair advantage/detriment

78. Regarding the requirement referred to in paragraph 74(c) above, 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. The existence or likelihood of existence of such an injury must be assessed globally, taking into account all relevant factors as stated in paragraph 76 above (*Intel v CPM* (supra)). Detriment to and unfair advantage of distinctive character or repute has to be proved 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). Section 12(4) does not have the sweeping effect of preventing the registration of a sign which is the same as or similar to a well-known earlier trade mark. It is also not intended to enable the owner of a well-known earlier trade mark to object as a matter of course to the registration or use of a sign which may remind people of his mark (*Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] F.S.R. 767).

79. The Opponent has not adduced any evidence to show that use of the subject mark would in any way take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's Marks. The evidence filed by the Opponent only relates to the use, reputation and goodwill of the Opponent's Marks. And the Opponent's plea in relation to unfair advantage and detriment remain bare assertions.
80. Further, as the Opponent has failed to establish that use of the subject mark in respect of the subject services would give rise to a link with the Opponent's Marks in the minds of the relevant public, it follows that there is nothing from which it could be inferred that in consequence of such a link, the use of the subject mark either takes unfair advantage of the distinctive character or repute of the Opponent's Marks or is detrimental to that distinctive character or repute. The requirement referred to in paragraph 74(c) above is not established.
81. As the requirements under paragraph 74(b) and (c) above are not met, it is not necessary for me to make a finding on the requirement as to whether the Opponent's Marks are entitled to protection under the Paris Convention as well-known trade marks or not. The opposition under section 12(4) of the Ordinance on the basis of the Opponent's Marks must fail.

Opposition under section 11(5)(b) of the Ordinance

82. Section 11(5)(b) of the Ordinance provides that:

“(5) A trade mark shall not be registered if, or to the extent that –

...

(b) the application for registration of the trade mark is made in bad faith.”

83. The term “bad faith” is not defined in the Ordinance. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367 at 379, Lindsay J. said in relation to section 3(6) of the UK Trade Marks Act 1994 (equivalent to section 11(5)(b) of the Ordinance):

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

84. In *Harrison v Teton Valley Trading Co (CHINAWHITE)* [2005] F.S.R. 10, the English Court of Appeal said (at paragraph 26):

“The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

85. Further, in *Ajit Weekly Trade Mark* [2006] R.P.C. 25, the Appointed Person stated as follows:

“The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”

86. An allegation that a trade mark has been applied for in bad faith is a serious allegation. It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference (*ROYAL ENFIELD Trade Marks* [2002] R.P.C. 24 at para. 31).
87. Although section 11(5)(b) is pleaded in the Notice of Opposition, there is lack of particulars to support the assertion of bad faith. As I have already found that the subject mark as a whole is dissimilar to the Opponent's Marks, I do not find the adoption by the Applicant of the circles device, which is only visually similar to a low degree to the Interlocking Circles Device of the Opponent, as its non-dominant element of the subject mark is sufficient for me to infer or conclude that the subject mark has copied the Opponent's Marks.
88. Taking into account all the relevant circumstances of this case, I do not find there is any basis for concluding that the Applicant's decision to apply for registration of the subject mark in respect of the subject services would be regarded as in bad faith by persons adopting proper standards. The ground of opposition under section 11(5)(b) of the Ordinance must fail.

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

89. Section 12(5)(b) of the Ordinance provides that:

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

...

(b) by virtue of an earlier right other than those referred to in paragraph (a) or in subsections (1) to (4) (in particular, by virtue of the law of copyright or registered designs),

...”

90. Although section 12(5)(b) is pleaded in the Notice of Opposition, there is lack of

particulars to support the assertion that the use of the subject mark is prohibited by the law of copyright. The Opponent has not pleaded in the Notice of Opposition that it owns any copyright in the Opponent's Marks. And save and except a bare assertion that the Opponent is the owner of the copyright in the Opponent's Marks (paragraph 126 of Dobbyn's SD), there is no evidence on the copyright work(s) relied upon.

91. In the circumstances, the opposition under section 12(5)(b) of the Ordinance is neither properly pleaded nor made out.

Opposition under section 11(5)(a) of the Ordinance

92. Section 11(5)(a) of the Ordinance provides that a trade mark shall not be registered if, or to the extent that its use is prohibited in Hong Kong under or by virtue of any law.

93. It is pleaded in the Notice of Opposition that the use of the subject mark in Hong Kong violates the Trade Descriptions Ordinance (Cap. 362) and the subject mark should therefore be prohibited from registration by section 11(5)(a). However, the Opponent does not specify which section of the Trade Descriptions Ordinance is concerned or the reason why the use of the subject mark would violate the Trade Descriptions Ordinance. There is also lack of evidence to support such assertion.

94. In the circumstances, the opposition under section 11(5)(a) of the Ordinance is neither properly pleaded nor made out.

Conclusion

95. The opposition against the subject application fails as none of the Opponent's grounds of opposition has been made out.

Costs

96. As the opposition has failed, I award the Applicant 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.

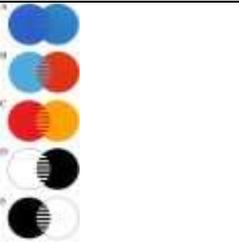
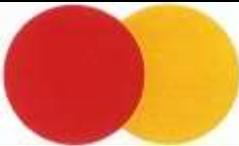
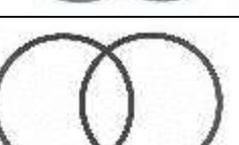
(Connie Law)
for Registrar of Trade Marks

23 May 2018

Annex

No.	Earlier Mark	Registration No.	Registration Date	Class ³
1		19780154	10-3-1976	16
2		19850536	28-4-1980	16
3		199401705AA	02-3-1992	9, 14, 16, 25, 28, 34, 36
4		199605044AA (merged from 199605044, 199605045, 199605046)	28-2-1994	9, 16, 36
5		1997B05985	29-4-1993	36
6		1998B03856	21-5-1996	36
7		1998B13103	29-4-1993	16
8		199906429	13-2-1998	28
9		1999B06741	24-6-1992	36

³ The Opponent has also set out the specifications of the marks in the Notice of Opposition, but they are not included in the Annex due to their length. The relevant specifications will be discussed in detail where appropriate.

10		199910095AA	12-2-1998	9, 36
11		2000B02490	6-3-1998	9
12		200315343AA	11-1-2001	9, 36
13		2004B06499AA	24-12-2002	9, 36
14		2004B08202AA	24-12-2002	9, 36
15		300048014	15-7-2003	9, 16, 28, 35, 36, 38, 39, 40, 42, 43, 44, 45
16		300377145	28-2-2005	9, 16, 28, 35, 36, 38, 39, 42, 43, 44, 45
17		300668133	27-6-2006	9, 35, 36, 38
18		300675270	6-7-2006	9, 35, 36, 38
19		301145033	20-6-2008	9, 16

20		301151919	2-7-2008	36
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