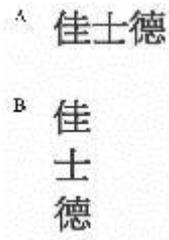


**TRADE MARKS ORDINANCE (Cap. 559)**

**OPPOSITION TO TRADE MARK APPLICATION NO.: 302339208**



**MARK:**

**CLASS: 39**

**APPLICANT: BRIAN Z LEE**

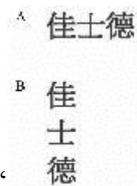
**OPPONENTS: CHRISTIE MANSON & WOODS LIMITED**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 8 August 2012, Brian Z Lee (“the Applicant”) filed an application (“the subject application”) under the Trade Marks Ordinance (Cap. 559) (“the



Ordinance”) for the registration of the series marks “佳士德” (“the subject marks”).

2. Registration is sought in respect of “courier services, cargo services, parcel delivery; all included in Class 39” (“the subject services”).
3. Particulars of the subject application were published on 11 January 2013. On 10 April 2013, Christie Manson & Woods Limited (“the Opponent”) filed 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 19 June 2013 in response to the Notice of Opposition filed.

4. As evidence in support of the opposition, on 7 November 2014 the Opponent filed under Rule 18 of the Trade Marks Rules (Cap.559, sub. leg.)("the Rules") a statutory declaration made by Shum Wing Yum, Audrey, the Head of Legal, Asia of Christie's Hong Kong Limited, together with exhibits ("the Opponent's SD"). The Applicant did not file under Rule 19 of the Rules any evidence in support of its application.
5. The opposition hearing took place before me on 15 June 2016. The Opponent was represented by Mr. Philips Wong, Counsel instructed by Baker & McKenzie. The Applicant did not appear.

#### **Grounds of opposition**

6. The grounds on which the Opponent opposes registration of the subject marks as stated in the Notice of Opposition are under sections 11(5)(b), 12(3), 12(4) and 12(5)(a) of the Ordinance.

#### **Counter-statement**

7. The Applicant asserts in the Counter-statement that the subject marks are distinguishable from the Opponent's trade marks and would not cause any confusion to consumers and that the Opponent has not registered any trade mark in class 39.

#### **Relevant date**

8. The relevant date for considering the opposition is 8 August 2012, that is the filing date of the subject application for registration.

## **The Opponent's evidence**

9. The Opponent is the primary UK trading entity of the Christie's International group of companies ("Christie's"). Christie's was founded in 1766 in London and is a world famous auction house specializing in auctions of fine and decorative arts, antiques, jewellery, wine and other valuable collectables. Christie's currently runs a range of services including real-time bidding services, estates, appraisals & valuation services, heritage & taxation advisory services, fine art storage services, and art transport services, etc. Exhibit 1 to the Opponent's SD contains printouts from the Christie's website setting out details of Christie's.
10. Christie's has received extensive exposure in the worldwide media over the years. Exhibit 2 to the Opponent's SD contains copies of selected articles published in The Telegraph, Los Angeles Times, BBC News, The New York Times, The Wall Street Journal, Forbes, etc. in 2011, 2013 and 2014.
11. The Opponent's Hong Kong office was incorporated in 1986 under the name of Christie's Hong Kong Limited ("Christie's HK"). Christie's HK has a number of specialist's departments dealing with different kinds of goods, such as contemporary art, Chinese ceramics and works of art, Chinese classical and modern paintings, jewellery, watches and wristwatches, and wine. The average revenue generated by Christie's HK in 2007 to 2011 was about HK\$830 millions per annum.
12. The Opponent is the creator and proprietor of the trade marks "CHRISTIE'S" ("the Opponent's English Mark") and "佳士得" ("the Opponent's Chinese Mark") (collectively referred to as "the Opponent's Marks"). The Opponent has obtained registrations worldwide for the Opponent's Marks. Exhibit 3 to the Opponent's SD includes copies of selected registration certificates for the Opponent's Chinese Mark in mainland China, Singapore and Taiwan and Exhibit 4 contains a list of the Hong Kong registrations for trade marks which incorporate the Opponent's Chinese Mark.
13. The Opponent's Marks were first used in Hong Kong in the late 1980's and the

Opponent's first auction sale in Hong Kong was held in 1986. The Opponent's sales in Hong Kong have consistently been conducted by reference to the Opponent's Marks. Exhibit 5 to the Opponent's SD includes copies of selected Chinese press releases in relation to Christie's HK between 2008 and 2012, showing use of the Opponent's Marks. And Exhibit 6 contains copies of the Opponent's advertisements in Hong Kong in 2007 to 2011 bearing the Opponent's Marks. The average advertising and promotional expenses incurred during the period for Hong Kong was about HK\$13.5 millions per annum.

14. The Opponent's auction sales in Hong Kong have also received worldwide media exposure. Exhibit 7 to the Opponent's SD includes copies of selected articles in Bloomberg Businessweek, The Telegraph and The Wall Street Journal, etc. in 2013.
15. According to the Opponent, the Opponent's Marks have acquired substantial goodwill and reputation amongst consumers in Hong Kong as a result of widespread promotion and prolonged and extensive use.
16. While the Opponent is a well-known international auction house, the Applicant is or was the shareholder of the auctioneering company "Chritrs (Group) Limited 佳士德(集團)有限公司" ("Chritrs"). An incidence of actual confusion in relation to the use of the subject marks in auctioneering services in Hong Kong was mentioned in the judgment of the Hong Kong Court of First Instance for a trade mark infringement and passing off action commenced by the Opponent and Christie's HK against Chritrs and the Applicant (High Court Action No. 1418 of 2011) ("the High Court Action"). It was said that Yangcheng Evening News mistakenly reported on 16 August 2011 an auction under the subject marks to be that of the Opponent's Chinese Mark. A copy of the said judgment dated 14 November 2012 is displayed at Exhibit 8 to the Opponent's SD.

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

17. 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.”

18. The term “bad faith” is not defined in the Ordinance. In *Gromax Plastics 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.”

19. 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.”

20. 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.”

21. The above legal principles have been applied in *深圳市德力康電子科技有限公*  
*司 v LG Corporation & Anor* HCMP 881/2013, 26 March 2014.
22. 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 paragraph 31). Cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith (*Brutt Trade Marks* [2007] R.P.C. 19 at paragraph 29).
23. At the hearing, Mr. Wong submitted that if the marks under comparison are very similar to each other, the Registrar can be forgiven to conclude that one is derived from the other unless there is acceptable evidence to the contrary (*Mila Schon Group SpA v Lam Fai Yuen (t/a Tung Kwong Co)* [1998] 1 HKLRD 682 at 697; *Dora & Sheeps & Device Trade Mark*<sup>1</sup>, paragraph 41). And the drawing of an inference of copying for the bad faith opposition does not have to be premised upon the identity or similarity between the entire mark complained of and the entirety of the earlier mark relied on (*GOLDEN HARE 金火兔 Trade Mark*<sup>2</sup>; *Dora & Sheeps & Device Trade Mark*). It is also submitted that in civil proceedings, if a prima facie case is made out, and if there is evidence available to the party against whom the case is established which could displace the prima facie case, and he omits to call such evidence, an inference could be drawn; and if an inference is to be drawn, it would be an inference that such available evidence, even if adduced, would not displace the prima facie case (*Ip Man Shan Henry v Ching Hing Construction Co. Ltd. (No. 2)* [2003] 1 HKC 256, paragraph 155).
24. It is the Opponent’s case that the subject application is made in bad faith with the

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<sup>1</sup> Decision of the Registrar of Trade Marks, 23 August 2013.

<sup>2</sup> Decision of the Registrar of Trade Marks, 4 June 2009.

deliberate intention to cause confusion and deception amongst members of the public as the subject marks are virtually identical to the Opponent's Chinese Mark. The subject marks, being neither descriptive nor common, could not have been coined without copying the Opponent's Chinese Mark and it cannot possibly be a matter of coincidence that the Applicant came up with such a similar mark, as submitted by Mr. Wong.

25. Mr. Wong pointed out at the hearing that in spite of the serious allegation of bad faith, the Applicant did not explain on oath how the subject marks are derived. Neither did the Applicant offer any explanation as to the origin of the subject marks in the Counter-statement. And the Applicant did not challenge the reputation and goodwill of the Opponent's Chinese Mark. Mr. Wong also said that the subject application must be considered in the light of the judgement of the High Court Action. In particular, he indicated that the Applicant had actually admitted on oath in that case that Christie's is very famous and the Court had found that the Opponent's Marks enjoyed goodwill and well-known status in Hong Kong.
26. Mr. Wong argued that, given their reputation and well-known status, the Applicant must have knowledge of the Opponent's Marks at the relevant date and the Applicant had not denied such knowledge. It is his assertion that, by copying the Opponent's Chinese Mark which is well-known, the Applicant clearly wants to make use of or exploit its enormous reputation and goodwill in conducting business or to mislead members of the public that his business is somehow related to Christie's. Mr. Wong submitted that the Applicant's conduct clearly falls short of standards of acceptable commercial behaviour observed by reasonable and experienced men in the trade.
27. In the present case, the Applicant has not filed any evidence in support of the subject application or to rebut the Opponent's case and evidence. It is the Applicant's case, as pleaded in the Counter-statement, that the subject marks and the Opponent's Chinese Mark are distinguishable and should not cause any confusion to consumers as the marks are only identical in the first characters. The Applicant also asserted that the Opponent's Marks were not registered in

class 39.

28. Each of the subject marks consists of three Chinese characters “佳士德”. The Opponent’s Chinese Mark “佳士得” is also composed of three Chinese characters. As opposed to what the Applicant said, each of the subject marks and the Opponent’s Chinese Mark are identical in both the first and second characters. And their third characters also share the same radical of “彳”. Hence, the subject marks and the Opponent’s Chinese Mark are highly similar visually. And they are identical aurally. Conceptually, the subject marks and the Opponent’s Chinese Mark are dissimilar as neither of them carries any dictionary or descriptive meaning. Overall, I find the subject marks are highly similar to the Opponent’s Chinese Mark.
29. For the present case, I note from the evidence filed that the Opponent has obtained registration of the Opponent’s Chinese Mark (together with its English name of CHRISTIE’S) in Hong Kong in 1990 and generated an average annual revenue of about HK\$830 millions in 2007 to 2011 from auction sales under the Opponent’s Marks in Hong Kong. The Opponent has also advertised and promoted its auction sales in Hong Kong under the Opponent’s Marks and incurred an average annual expenditure of about HK\$13.5 millions during the period. I therefore accept that the Opponent has acquired substantial goodwill and reputation amongst consumers in Hong Kong well before the Applicant filed the subject application.
30. I also pay heed to the fact that the Applicant did not file any evidence or offer any explanation as to how he devised the subject marks, which are highly similar to the Opponent’s Chinese Mark, in spite of the serious allegations of bad faith and the evidence filed by the Opponent. And the Applicant did not deny knowing the Opponent’s Chinese Mark before he made the subject application and that he is or was the shareholder of Chritrs which is or was in the auctioneering business. In fact, the Applicant must have known at the relevant date the Opponent’s Chinese Mark from their past dealings in relation to the High Court Action.
31. After considering all the relevant circumstances in this case, I find that the

Applicant must have known at the relevant date the Opponent's Chinese Mark together with its reputation and goodwill and that the subject marks, which are highly similar to the Opponent's Chinese Mark, are copied from the Opponent's Chinese Mark. In my view, the Applicant's decision to apply for registration of the subject marks 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 has been made out.

### **Opposition under other sections of the Ordinance**

32. Since the opposition against the subject application succeeds under section 11(5)(b), I am not required to consider further the other grounds of opposition under other sections of the Ordinance.

### **Costs**

33. As Mr. Wong submitted that there have been some "without prejudice" communications between the parties which may justify the award of costs on a higher scale and therefore asked for a direction to make written submissions as to costs within 21 days from the date of this decision, I will reserve my decision on costs and invite the parties to make written submissions to me within 21 days from the date of this decision.

(Connie Law)  
for Registrar of Trade Marks

30 September 2016