

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

**OPPOSITION TO TRADE MARK APPLICATION NO. 302406546**

**MARK :**



**CLASS :** 5

**APPLICANT :** CHAMP GROUP LIMITED

**OPPONENT :** NU PHARM LIMITED

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 16 October 2012 (“Application Date”), CHAMP GROUP LIMITED (“Applicant”) filed an application (“subject application”) under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for registration of the following mark:



(“subject mark”).

Registration of the subject mark is sought in respect of “*dietetic substances adapted for medical use; all included in Class 5*” (“subject goods”).

2. Particulars of the subject application were published on 12 April 2013. On 3 July 2013, NU PHARM LIMITED (“Opponent”) filed a notice of opposition (“Notice of Opposition”) against the subject application together with a statement of the grounds of opposition (“Grounds of Opposition”). In response to the Notice of Opposition filed, the Applicant filed a counter-statement (“Counter-statement”) on 27 September 2013.

3. As evidence in support of the opposition, the Opponent filed a statutory declaration made by Wong Charles Sik Wing on 23 June 2014 (“Wong’s Declaration”). The Applicant did not file any evidence.

4. The opposition hearing took place before me on 17 February 2016. Ms. Winnie Tam, Senior Counsel, instructed by Messrs. Lau, Wong & Chan appeared for the Opponent, and the Applicant did not appear at the hearing. I reserved my decision at the conclusion of the hearing.

### **Grounds of opposition**

5. Although a number of grounds were pleaded in the Grounds of Opposition, at the hearing, the Opponent only relied on the grounds under the following sections of the Ordinance:

- (a) section 12(3);<sup>1</sup>
- (b) section 12(5)(a);<sup>2</sup> and
- (c) section 11(5)(b).<sup>3</sup>

### **Relevant date**

6. The relevant date for considering this opposition is the Application Date, i.e. 16 October 2012.

### **The Opponent**

7. According to Wong’s Declaration, the Opponent is and was at all material times engaged in the business of, *inter alia*, selling, marketing and distributing medicinal food and supplements and nutritional products.<sup>4</sup>

8. The Opponent is the owner of the following mark (“Opponent’s Registered Mark”) registered in Hong Kong on 21 April 2005 under Trade Mark No. 300406593:

**卡士蘭 肝美健**  
**Liver Clear**

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<sup>1</sup> Grounds of Opposition, paras 3-6.

<sup>2</sup> Grounds of Opposition, paras 7-14.

<sup>3</sup> Grounds of Opposition, para. 15.

<sup>4</sup> Wong’s Declaration, para. 3.

The Opponent's Registered Mark is registered in respect of "*medicinal food supplements for nutritional purpose; all included in Class 5*".<sup>5</sup>

9. Since around 1998, one of the most popular products sold and distributed by the Opponent is a natural health product made in Sweden targeting at maintaining or improving the health or functioning of liver, which product has been sold and distributed under and by reference to the mark "Liver Clear 肝美健" and the mark "卡士蘭 Nu Pharm" (the "Opponent's Product").<sup>6</sup> Distribution channels of the Opponent's Product includes department stores (such as SOGO, UNY and 西田百貨), and personal care chains, pharmacies and supermarkets (such as Watsons, 勝利藥房 and 華潤堂).<sup>7</sup> **Annex 1** is a photograph taken in or around 2008-2009 showing the Opponent's Product displayed for sale at Watsons.<sup>8</sup> Besides the Opponent's "卡士蘭 Nu Pharm" mark, the Opponent's "肝美健 LIVER CLEAR" mark also appear prominently on the Opponent's Product.

10. The earliest piece of evidence of use of the Opponent's "LIVER CLEAR 肝美健" mark is a leaflet at "WCSW-3" to Wong's Declaration in respect of a promotional event held at SOGO Department Store on 16 June 1999. The mark "LIVER CLEAR 肝美健" appear at the front of the packaging of the Opponent's Product in the leaflet. The Opponent's Product in the same packaging also appears in another leaflet for promotion at SOGO Department (see **Annex 2**). Besides the mark "NU PHARM" (i.e. the Opponent's name), the marks "LIVER CLEAR" and "肝美健" also appear prominently at the front of the packaging of the Opponent's Product. The product is referred to in the text in that leaflet as "肝美健".

11. The Opponent also promoted the Opponent's Product through the following channels:

- (a) sale booths at various trade fairs, such as the Hong Kong Brands and Products Expo Fair (香港工展會)(2007, 2008, 2009, 2010)<sup>9</sup> and the HKTDC Food Expo (2007);<sup>10</sup>

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<sup>5</sup> Wong's Declaration, Exhibit "WCSW-24".

<sup>6</sup> Wong's Declaration, para. 4.

<sup>7</sup> Wong's Declaration, para. 5.

<sup>8</sup> Wong's Declaration, Exhibit "WCSW-5".

<sup>9</sup> Wong's Declaration, para. 8 & Exhibit "WCSW-10".

<sup>10</sup> Wong's Declaration, para. 8 & Exhibit "WCSW-11".

- (b) leaflets and pamphlets for distribution to end customers through distribution points at department stores, personal stores, pharmacies and supermarkets;<sup>11</sup>
- (c) engaging local television/movie stars and celebrities (including Ms Anne Heung (向海嵐) in 2005, Mr. Wayne Lai (黎耀祥) in 2006, Mr. Simon Yam (任達華) starting from 2007, together with his wife (琦琦) since 2010) to promote the Opponent's range of products including the Opponent's Product;<sup>12</sup>
- (d) through television commercials, as well as launching its own "advertising magazine (廣告雜誌)" on television (including 8 sessions of advertising magazine at TVB Jade between March 2007 and February 2008);<sup>13</sup>
- (e) placing advertisements at MTR and railway stations since 2010;<sup>14</sup>
- (f) sending promotional materials to customers by direct mail; and
- (g) placing advertisements in local newspapers and magazines (such as Apple Daily, Next Magazine, Ming Weekly, Oriental Daily, HK Economic Journal, Ming Pao, HK Economic Times and Sing Tao) in 2007.<sup>15</sup>

12. The Opponent's Product bearing the mark "LIVER CLEAR 肝美健" also appeared in the Shopping Guide issued by the Hong Kong Standards and Testing Centre in about 2007 and 2008.<sup>16</sup>

13. According to Wong's Declaration, during the period from June 2008 to May 2013:

- (a) the Opponent has spent not less than HK\$80,000,000 in Hong Kong on advertising and promoting the Opponent's Product;<sup>17</sup> and

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<sup>11</sup> Wong's Declaration, para. 9 & Exhibit "WCSW-12".

<sup>12</sup> Wong's Declaration, para. 11 & Exhibit "WCSW-13".

<sup>13</sup> Wong's Declaration, paras 12-13, Exhibits "WCSW-15" & "WCSW-16".

<sup>14</sup> Wong's Declaration, para. 14, Exhibit "WCSW-17".

<sup>15</sup> Wong's Declaration, para. 16, Exhibit "WCSW-21".

<sup>16</sup> Wong's Declaration, para. 17, Exhibit "WCSW-22".

<sup>17</sup> Wong's Declaration, para. 18, Exhibit "WCSW-23".

(b) the annual sales turnover of the Opponent's Product exceeded HK\$50,000,000 per year.<sup>18</sup>

### **The Applicant**

14. According to the information provided by the Applicant on filing the subject application, the Applicant is a company with an address in Mongkok, Kowloon. The Applicant has not filed any evidence in these proceedings.

15. According to Wong's Declaration filed by the Opponent, the Applicant ran a booth at the Expo Fair 2012 held at Victoria Park between 19 December 2012 and 7 January 2013 (i.e. shortly after the Application Date) and sold or offered to be sold a liver health product under and by reference to the subject mark ("Applicant's Product"). That was the first time when the Opponent became aware of the sale of the Applicant's Product in the market.<sup>19</sup>

16. The Opponent has included as exhibits to the Wong Declaration, *inter alia*, the following:<sup>20</sup>

- (a) a copy of the outer packaging of the Applicant's Product (see **Annex 3**);
- (b) a copy of the blister packaging of contents of the Applicant's Product (see **Annex 4**); and
- (c) a photograph of the Applicant's Product appearing on a shelf at a Watson store in Hong Kong (see **Annex 5**).

### **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."*

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<sup>18</sup> Wong's Declaration, para. 18.

<sup>19</sup> Wong's Declaration, para. 21.

<sup>20</sup> Wong's Declaration, Exhibits "WCSW-25" & "WCSW-26".

18. In *深圳市德力康電子科技有限公司 v Joo-Sik-Hoi-Sa LG (LG Corporation)* (unrep., HCMP 881/2013, 26 March 2014) DHCJ B Chu (as she then was) set out the meaning and test of “bad faith” at paras 25-27 as follows:

‘25. There is no definition for the term “bad faith” in the Ordinance. The case of *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 has set out that it includes “dishonesty” and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”

26. In the English Court of Appeal case of *Harrison’s Trade Mark Application* [2005] FSR 10, Sir William Aldous in giving the leading judgment, quoting from Lord Hutton in *Twinsectra Ltd v Yardly* [2002] UKHL 12, had stated that:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

‘36. Therefore I consider ... That your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.’

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggested a mental test. When considering whether an application had been made in bad faith all the circumstances were relevant. The court had to decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as bad faith by persons adopting proper standards.”

27. In *Ajit Weekly Trade Mark* [2006] RPC 25, the Appointed Person had referred to the above cases and had further said that the subjective element of the combined test meant that the tribunal must ascertain what the defendant in that case knew about the transaction or other matters in question, and it must then be decided whether in the light of that knowledge, the defendant’s conduct was dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.’ (*footnotes omitted*)

19. The Opponent's case is that:

*"... the application for registration of the [subject mark] is made in bad faith ... The Opponent will rely on the fact that the Applicant's Product directly competes with the Opponent's Product, and the similarities in the various elements of the [subject mark] and/or in the packaging design incorporating the [subject mark] was designed to imitate the [Opponent's Registered Mark] as closely as possible but with differences having no distinctive effects."*<sup>21</sup>

20. It is further stated in paragraph 28 of Wong's Declaration filed by the Opponent that:

*"in view of all the above circumstances, I verily believe that the use of the [subject mark] on the Applicant's Product was calculated to take unfair advantage of the goodwill and reputation established by the Opponent in the "Liver Clear 肝美健" mark and the [Opponent's Registered Mark] and to deceive or mislead the public into believing that the Applicant's Product is that of the Opponent's or is otherwise connected with the Opponent in the course of trade."*

21. I have considered the Opponent's evidence filed in these proceedings. I am satisfied that the Opponent has used the "LIVER CLEAR 肝美健" mark in Hong Kong in relation a kind of medicinal food supplement targeted at maintaining or improving the health or functioning of liver (i.e. the Opponent's Product) at least since 1999. Although the Opponent's house marks "卡士蘭" and/or "Nu Pharm" often appear with the Opponent's "LIVER CLEAR 肝美健" mark, the Opponent's "LIVER CLEAR 肝美健" mark usually appears prominently on the packaging of the Opponent's Product, and the Opponent's Product is often aurally referred to in television advertisements as "肝美健". Despite the fact that "LIVER CLEAR 肝美健" would suggest to the average consumer the presumed benefits of the product, namely that it would render the liver healthy by clearing it from undesirable elements, I am satisfied that on the evidence, the mark "LIVER CLEAR 肝美健" as a whole has become distinctive through use in respect of the Opponent's Product before the Application Date.

22. The Applicant has applied for registration of the subject mark in respect of the subject goods. As a company in Hong Kong presumably interested in business involving the subject goods, given the extent of promotion of the Opponent's "LIVER CLEAR 肝美健" mark in Hong Kong before the Application Date, it is unconceivable that the Applicant would be unaware of the Opponent and its "LIVER CLEAR 肝美健" mark

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<sup>21</sup> Grounds of Opposition, para. 15.

at the time of filing the subject application.

23. The subject goods may be sold from the shelves in self-service shops for personal care products and maybe ordered aurally over the counter. Consumers of these products include members of the general public in Hong Kong and may include shoppers in Hong Kong from Mainland China who may look for the Opponent's Product by reference to “肝美健”, particularly in view of the prominent use of “肝美健” aurally in the Opponent's television advertisements for promoting the Opponent's Product. The Chinese characters “保肝美” in the subject mark are large in size and occupy a central position in the mark. “保肝美” in the subject mark and “肝美健” in the Opponent's Registered Mark have the Chinese characters “肝美” in common. The English words “Liver Clean” in the subject mark is visually, aurally and conceptually very similar to “Liver Clear” in the Opponent's Registered Mark. The words “Champ Group” in the subject mark are very small and almost illegible. The invented word “LeverRen” underneath “保肝美” in the subject mark does not have any apparent meaning. “Lever” is aurally close to “Liver”, and in that sense may be superfluous in meaning as the subject mark already includes the word “Liver”. One may be caused to wonder what “Ren” in “LeverRen” is supposed to mean: whether it has to do with “renewal” or otherwise. The invented word “LeverRen” may not register in the minds of the average consumer.

24. The subject goods include, and are in direct competition with, the Opponent's Product.

25. In face the serious allegation of bad faith in the Opponent's Grounds of Opposition, the Applicant has only made the bare assertion in the Counter-statement that *“The Applicant strongly denies the Opponent's claims of bad faith and avers that the trademark as applied for was never created with the calculated premeditation to deceive or to deliberately lead the public to believe that the Applicant's Product is that of the Opponent nor connected with the Opponent's trade.”*<sup>22</sup> The Applicant has not filed any evidence in response to Wong's Declaration. The Applicant has not explained on oath how it has come to adopt the subject mark, and why it has chosen to incorporate “保肝美”, and “Liver Clean” in the subject mark, which elements are close to “肝美健” and “LIVER CLEAR” in the Opponent's Registered Mark. It is also noted that although the subject mark consists of various elements, the blister packaging of contents of the Applicant's Product (see **Annex 4**) only shows the mark “LiverClean”, and the Opponent's name “Champ Group” does not appear at all. The Applicant has not offered

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<sup>22</sup> Counter-statement, para. 16.

any explanation as to why this is so. The Opponent's Skeleton Submissions, which repeat the claim that the subject application was filed by the Applicant in bad faith, was served on the Applicant days before the hearing. The Applicant did not file any submissions in response and did not appear at the hearing.

26. The Opponent has referred to the above similarities and differences between the subject mark and the Opponent's "LIVER CLEAR 肝美健" mark and submitted that these are all traces of clear attempts to steer very close and yet ostensibly away from the Opponent's "LIVER CLEAR 肝美健" mark. I agree with the Opponent that the only reasonable inference that can be drawn in the circumstances is that the use of the subject mark on the Applicant's Product is calculated to take unfair advantage of the goodwill and reputation established by the Opponent in the "LIVER CLEAR 肝美健" mark. Taking into account all the relevant circumstances of this case, I consider that the Applicant's decision to apply for registration of the subject mark would be regarded as in bad faith by reasonable and experienced men in the relevant field. I find that the subject application was made in bad faith within the meaning of section 11(5)(b) of the Ordinance. The ground of opposition under section 11(5)(b) of the Ordinance is made out.

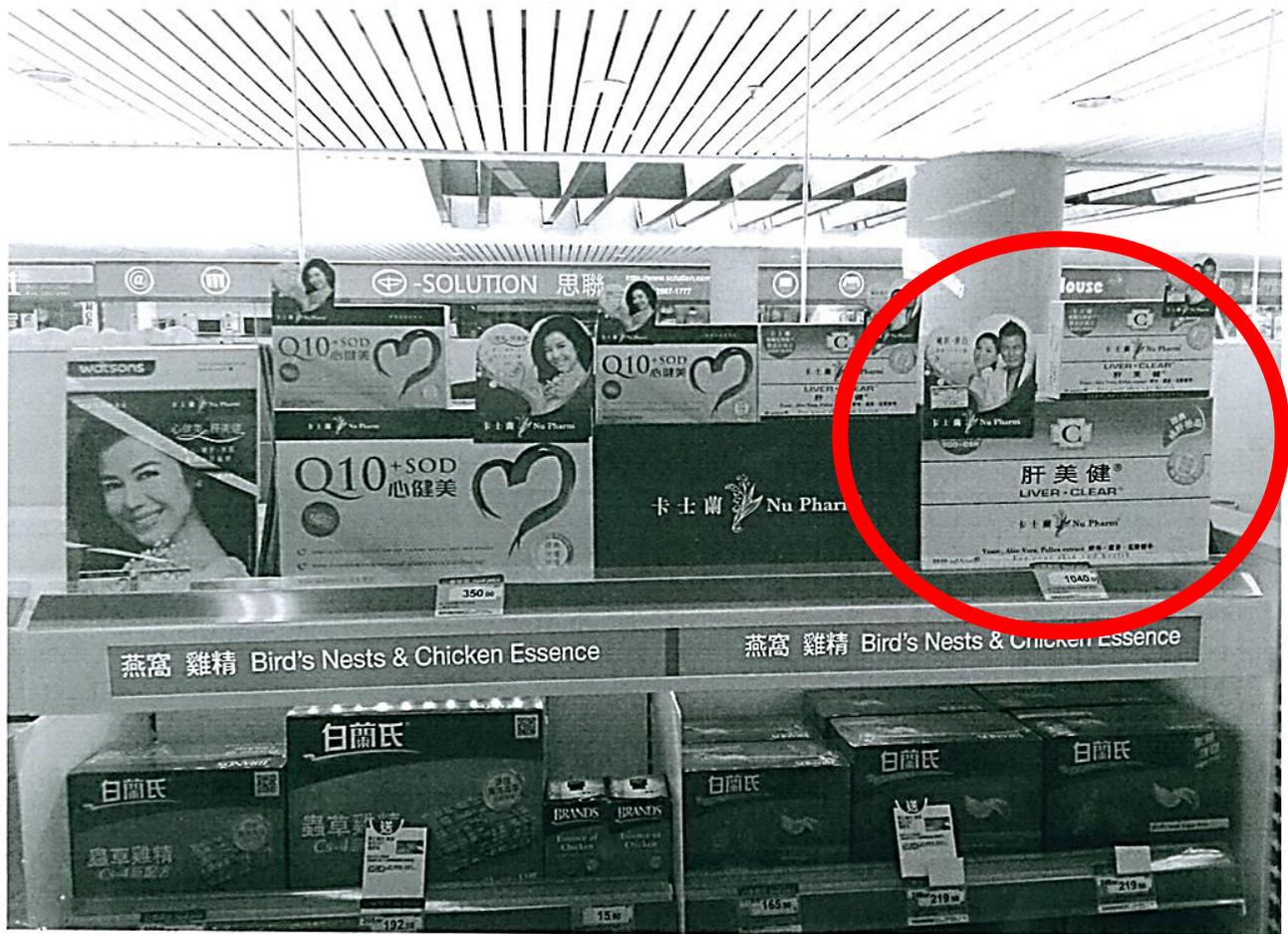
27. As I have found in favour of the Opponent on the ground under section 11(5)(b) of the Ordinance, it is not necessary for me to consider the other grounds of opposition.

### **Costs**

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

29. Subject to any representations, as to the amount of costs or calling for special treatment, which either party may make 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.

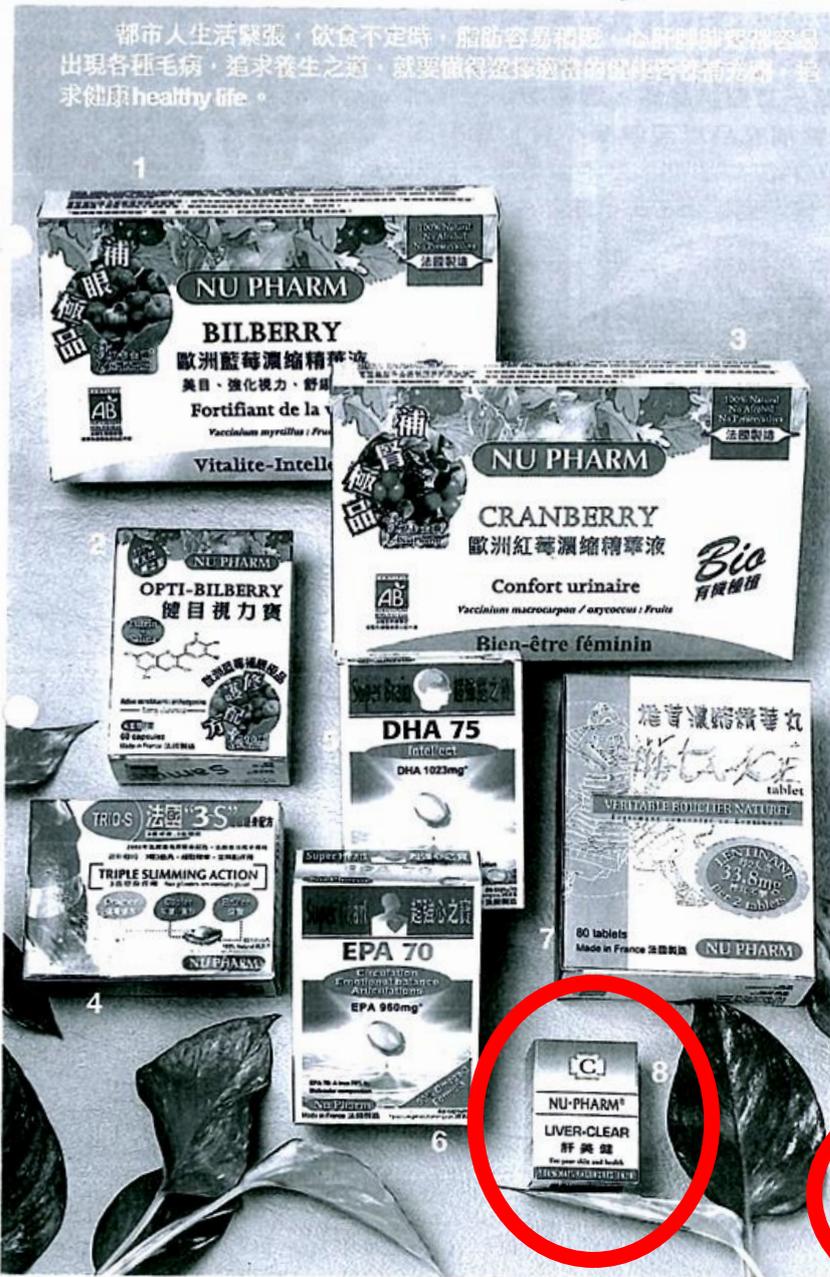
( Finnie Quek )  
for Registrar of Trade Marks  
30 June 2016



SOGO FRESHMART

# 都市人 Healthy Life

都市人生活緊張，飲食不定時，脂肪容易積聚，心肝脾肺腎容易出現各種毛病，追求養生之道，就要懂得選擇適當的保健產品，追求健康 healthy life。



## 保健專家卡士蘭

健目：

### 1. 歐洲藍莓濃縮液

一盒20支，每支15ml的液，採用有機種植的歐洲藍莓 Bilberry 提煉，每日一支，可舒緩眼睛疲勞、乾澀，減少紅筋、美目抗氧化和減少黑眼圈及眼袋，明眸再現。

### 2. 健目視力寶

100%純天然無添加，蘊含高濃度花青素藍莓精華，為眼睛滋補，令眼睛更清、更真、更亮。

抗氧化：

### 3. 歐洲紅莓濃縮精華液

純紅莓精華，蘊含成分花青素和維他命C，保持女性泌尿道健康，舒緩女性每月煩惱，其抗氧化功能可保持女性肌膚的潤澤和彈性。

健美：

### 4. 法國3-S超級瘦身配方

法國製造，成分包括綠馬黛茶精華、木瓜精華、纖維菊精華等，成分天然，不含色素、防腐劑，有助修身健體，保持健美。

強腦：

### 5. DHA75超強腦之寶

很多人都知道奧美加3不飽和脂肪酸 (Omega 3)能活化腦細胞，有助增強記憶力，DHA75超強腦之寶的Omega 3濃度更超過75%，令你腦袋變得更靈活。

強心：

### 6. EPA70超強心之寶

每日2至3粒，含超濃縮不飽和脂肪酸EPA，是保護心臟、血管的重要元素，對關節腫大、酸痛、減少關節損耗和裂傷都有幫助。

養生：

### 7. 椎茸濃縮精華丸

含高穩定多醣體，加上椎茸有助提升抵抗力，不寒不燥，對調理養生和華髮都有很好的助。

### 8. 肝美健

蘊含瑞典100%全破壁花粉孢子，具天然抗氧化和排毒補肝的健康產品，有助淡化色斑和美白肌膚，及加強肝臟抵抗力。

A2710401



**保肝美** Liver Clean

**營養資料**  
Nutrition Information

每份保肝美含有外單數目  
Serving Per Package: 40

每份保肝美 / Serving Size  
900mg / 每粒 (1粒 / tablet)

|                              |          |
|------------------------------|----------|
| 每份保肝美 / per Serving          |          |
| 能量 / Energy                  | 418 kcal |
| 蛋白質 / Protein                | 1.24g    |
| 碳水化合物 / Carbohydrate         | 0.00g    |
| 脂肪 / Fat                     | 0.00g    |
| 膳食纖維 / Dietary Fiber         | 0.00g    |
| 鈉 / Sodium                   | 0.00g    |
| 總成分(化合物) / Total Composition | 900mg    |
| 每粒 / Tablet                  | 22.5mg   |
| 每包保肝美 / Package              | 900mg    |

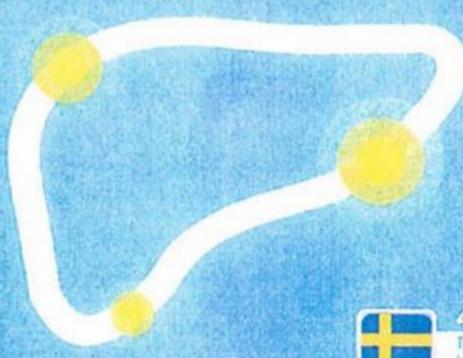
Champ Group Liver Clean

# 保肝美

## LiverRen

**活肝補肝 平衡肝膽 解酒排毒**

保肝美含多種天然高效成份，是新一代護肝產品，能有效增強肝臟機能、補充肝臟所需、提升肝臟排毒功能及減少脂肪積聚肝臟。



 40 tablets 每  
瑞典製成  
Made in Sweden

**適合人士**

- 肝臟功能欠佳、弱質及食欲不振
- 六、七十歲人士
- 經常吸煙、飲酒人士
- 面色暗淡、眼黃、黃斑或眼型人士
- 長期服用藥物
- 夜班工作、缺乏睡眠

**功效：**

能增加血流量及解毒、又可增加養分、使肝臟健康、乳劑精華、使肝臟、在肝臟中、乳劑精華能維持、肝臟第二階段。

**用法與用量：**

成人 每日1次，每次2粒  
 小孩 每日1次，每次1粒  
 特別需要護肝人士：每日2次，每次2粒  
 封裝包裝：軟膠劑、每20粒

總代理：CHAMP GROUP  
 4/F, 100 Nathan Road, Singapore  
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 www.champgroup.com.sg

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