

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 302726550

MARK : 

CLASS : 5

APPLICANT : INNOMED PHARMACEUTICAL LIMITED

OPPONENT : USA GREAT SERVANT GROUP LIMITED

STATEMENT OF REASONS FOR DECISION

Background

1. On 4 September 2013, Innomed Pharmaceutical Limited (“Applicant”) filed an application under the Trade Marks Ordinance (Cap.559) (“Ordinance”) for registration of the trade mark shown below:



(“Subject Mark”)

2. Registration of the Subject Mark was sought in respect of the following goods:

Class 5

Pharmaceutical preparations and any nutrition supplements in the form of capsules, soft gels, powder, pellets, energy bar and liquid for medical and healthy purposes; dietetic substances adapted for medical and healthy use, food and drink for babies; plasters, materials for dressings; all included in Class 5.

3. Particulars of the application were published on 22 November 2013. On 21 January 2014, USA Great Servant Group Limited (“Opponent”) filed a notice of opposition to the subject application. However, the notice of opposition did not contain a statement of grounds of opposition which complies with rule 16(2) of the Trade Marks Rules (Cap.559A) (“Rules”).

4. Subsequently, with leave of the Registrar granted on 15 May 2014, the Opponent has amended the grounds of opposition and they were set out in the Opponent’s letter dated 10 March 2014 and its one-page attachment (“Amended Statement of Grounds”).

5. In response to the Amended Statement of Grounds, the Applicant filed a counter statement (“Counter Statement”) on 11 June 2014.

6. The hearing for opposition took place before me on 26 May 2017. Miss Franclaudia Lo, the Manager of the Opponent, appeared for the Opponent at the hearing. The Applicant did not attend the hearing.

Grounds of opposition

7. According to the Amended Statement of Grounds, the Opponent created the brand name “濟藥堂” in 2013 for a range of medicine oil products to be marketed by the Opponent. The representation of the Opponent’s “濟藥堂” mark, which was said to be designed by the Opponent’s designer on 16 January 2013, is reproduced as follows :



(“Opponent’s Mark”)

8. The Opponent claimed that the Opponent's Mark has been used by the Opponent in relation to medicine oil sold by the Opponent to its customers since 7 May 2013. It was alleged that around 6,000 (bottles of) medicine oil have been sold by the Opponent since 7 May 2013 and up to 14 February 2014.

9. It was stated in the Amended Statement of Grounds that the Opponent's Mark was not registered in Hong Kong.

10. The Opponent did not identify in the Amended Statement of Grounds the section(s) of the Ordinance upon which it wishes to rely. From an examination of the facts pleaded in the Amended Statement of Grounds and the evidence filed by the Opponent, it transpires that the following grounds may be relevant:

- (i) sections 12(1), 12(2) and 12(3): on account of the possible identity or similarity between the Opponent's Mark and the Subject Mark which gives rise to a likelihood of confusion amongst customers; and
- (ii) section 12(5)(a): on account of the possibility that the Subject Mark is liable to be prevented from registration by virtue of the law of passing-off protecting the (unregistered) Opponent's Mark.

Counter statement

11. While the Applicant did not deny that the Opponent has been using the brand name “濟藥堂” in respect of medicine oil since 7 May 2013, it was the Applicant's claim in the Counter Statement that the Applicant's use of the Subject Mark “新加坡濟藥堂” was earlier than the Opponent's use of “濟藥堂”.

12. According to the Applicant, the Subject Mark was created by a design company named “Golden Coast Advertising Planning Co., Ltd.” on the instructions given by the Applicant on 20 October 2012, and the draft design was completed on 24 November 2012. It was claimed that the Subject Mark has been used by the Applicant in respect of a variety of medicine oil since 8 January 2013, which is prior to the alleged date of first use of the Opponent's Mark.

13. The Applicant averred that there are major differences between the design of the Opponent's Mark (which the Applicant referred as “獅皇商標”) and the Subject Mark, and “濟藥堂” is merely one of the elements of the Opponent's Mark. Hence, the Applicant took the view that there are no reasonable grounds for the Opponent to object to the above application.

The Opponent's evidence

14. On 2 April 2015, the Opponent filed a statutory declaration of Chan Ming Chit dated 25 March 2015 (“Chan Declaration”) as evidence in support of the opposition under rule 18 of the Rules. Mr. Chan is the Creative Manager of the Opponent and has occupied his current position since 2012.

15. The contents of Chan Declaration are more or less the same as the contents of the Amended Statement of Grounds¹. Thus, I do not propose to repeat what was asserted in Chan Declaration here.

16. Two exhibits were referred to and produced in Chan Declaration. “Exhibit A” is the printout of a screen capture showing the image of an information leaflet of the Opponent's medicine oil which bears the Opponent's Mark and the details of the image file in JPEG format. The date of creation of the image file is 16 January 2013.

17. “Exhibit B” of Chan Declaration contains (1) a computer-generated list bearing the title “實貨” and the date of 24 December 2013, which shows the names and product codes of the 9 types of medicine oil products² marketed by the Opponent under the brand “濟藥堂”; and (2) 9 undated information leaflets for each type of the aforesaid medicine oil sold by the Opponent. The Opponent's Mark is found to be printed legibly on each of the information leaflets. The name of the Opponent's product is described in the information leaflets in small print as “新加坡濟藥堂.....油” (*omitted as spent*).

¹ However, some errors or inconsistencies are found in Chan Declaration. For example, in paragraph 4 of Chan Declaration, Mr. Chan defined the “Trade Mark” as meaning “新加坡 濟藥堂”. However, as it was never pleaded in the Amended Statement of Grounds that the Opponent has created or used the Subject Mark, it appears to me that the above reference to “新加坡 濟藥堂” is an inadvertent error. Moreover, the statement in the same paragraph that “the Trade Mark was devised by the opponent without knowledge of the cited earlier mark no. 302726550” is confusing and difficult to understand, as there is no cited earlier mark involved and 302726550 is the number of the subject trade mark application.

² The names of the nine types of medicine oil products are 獅子皇油, 正紅花油, 千里追風油, 萬應莪朮油, 追風破痛油, 痺痛骨刺靈油, 正黑鬼油, 活絡油 and 腰頸椎骨油.

The Applicant's evidence

18. On 8 September 2015, the Applicant filed a statutory declaration of Chung Kin Wah Stephen dated 7 September 2015 ("Chung Declaration") as evidence in support of the application under rule 19 of the Rules.

19. However, it appears that Chung Declaration has not been copied to the Opponent. Pursuant to rule 19(2) of the Rules, the Applicant *shall* send a copy of the evidence in support of the application to the Opponent at the same time as he files the evidence. (*emphasis added*)

20. Despite our repeated reminders on 7 December 2015, 22 December 2015 and 16 February 2016, the Applicant did not confirm whether Chung Declaration has been copied to the Opponent. On the other hand, the Opponent indicated in its letter dated 19 February 2016 that the Opponent did not receive Chung Declaration.

21. After the proceedings were kept in abeyance for around 9 months as a result of the total lack of response from the Applicant, the Registrar issued the following direction on 13 June 2016 in exercise of his power under rule 88 of the Rules:

“Unless the Applicant provides evidence showing that a copy of the Applicant’s evidence has been served on the Opponent, the Applicant should within 14 days after the date of this direction (i.e. on or before 27 June 2016) (i) serve a copy of the Applicant’s evidence on the Opponent and (ii) file a Form T13 with the prescribed fees with the Registry to apply for an extension of time for the service of the Applicant’s evidence for the Registry’s consideration.

If the Applicant fails to comply with the above direction within the stipulated time, the Registrar will treat the Applicant as not having filed its evidence under rule 19 of the Rules and the subject opposition case will be put onto the pending hearing list.”

22. Notwithstanding the above direction, no reply was heard from the Applicant. Hence, by our letter dated 12 July 2016, the Applicant is treated as not having filed its evidence under rule 19 of the Rules.

23. In any event, the Registrar as a tribunal is bound by the rules of natural justice and cannot take into account materials submitted by one party without affording the opposite party an opportunity to consider and make submissions thereon. As pointed out by Godfrey JA in *Chan Tak Shing v Chief Executive of the HKSAR* [1999] 2 HKLRD 389 (at p.393), no person with any power of adjudication may hear evidence or “receive representations from one side behind the back of the other”.

24. For the above reasons, I cannot and would not take into account Chung Declaration in arriving at my decision to be given below.

Relevant date

25. The relevant date for considering the opposition is 4 September 2013, the date of filing of the subject application for registration (“Relevant Date”).

Oppositions under sections 12(1), 12(2) and 12(3) of the Ordinance

26. Sections 12(1), 12(2) and 12(3) of the Ordinance provide as follows:

“(1) *A trade mark shall not be registered if—*

(a) the trade mark is identical to an earlier trade mark; and

(b) the goods or services for which the application for registration is made are identical to those for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if—

(a) the trade mark is identical to an earlier trade mark;

(b) the goods or services for which the application for registration is made are 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.

(3) 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.*

27. Each of sections 12(1), 12(2) and 12(3) of the Ordinance requires the existence of an “earlier trade mark”, which is defined in section 5 of the Ordinance as follows:

“(1) In this Ordinance, “earlier trade mark” (在先商標), in relation to another trade mark, means-

(a) a registered trade mark which has a date of the application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any; or

(b) 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.

(2) References in this Ordinance to an earlier trade mark shall be construed as including a trade mark in respect of which an application for registration has been made under this Ordinance and which, if registered, would constitute an earlier trade mark under or by virtue of subsection (1)(a), subject to its being so registered.

(3)”

28. There is no dispute that the Opponent’s Mark has not been registered in Hong Kong. No application for registration of the Opponent’s Mark has been filed in Hong Kong at the Relevant Date. As such, the Opponent’s Mark does not satisfy the meaning of an “earlier trade mark” in relation to the Subject Mark within the meaning of section 5(1)(a) when read together with section 5(2) of the Ordinance.

29. As to whether the Opponent's Mark qualifies as an earlier trade mark by virtue of its being a "well-known trade mark", upon examination of the Amended Statement of Grounds and the evidence filed by the Opponent, I do not find any assertion by the Opponent that the Opponent's Mark is a well-known trade mark entitled to protection under the Paris Convention at the Relevant Date. It follows that the Opponent is not seeking to invoke section 5(1)(b).

30. As there is no earlier trade mark on which the Opponent can rely on for the purposes of sections 12(1), 12(2) and 12(3), the oppositions under those sections are bound to fail.

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

31. Section 12(5)(a) of the Ordinance provides that a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented 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).

32. The question that I shall consider under section 12(5)(a) is therefore whether the use of the Subject Mark in Hong Kong is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark used in the course of trade or business (i.e. the Opponent's Mark in the present case) (in particular, by virtue of the law of passing off).

33. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of Hong Kong Vol 15(2)* at paragraph 225.001. The guidance takes account of speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731 (which are also applied in the case of *Ping An Securities Ltd v 中國平安保險(集團)股份有限公司* [2009] 12 HKCFAR 808), and is as follows :

“The House of Lords has restated the necessary elements which a plaintiff has to establish in an action for passing off:

- (1) the plaintiff's goods or services have acquired a *goodwill or reputation* in the market and are known by some distinguishing

feature;

- (2) there is a *misrepresentation* by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) the plaintiff has suffered or is likely to suffer *damage* by reason of the erroneous belief engendered by the defendant's misrepresentation.”

34. I refer to the first element above. The existence of goodwill or reputation in a given mark, get-up or other indication of origin is a question of fact which must be established by evidence.

35. On the evidence filed, I do not find that the Opponent has established goodwill or reputation in the Hong Kong market by virtue of the use of the Opponent's Mark. There is only very limited evidence, i.e. the two exhibits of Chan Declaration, to show that the Opponent's Mark has been used by the Opponent, and they are either internal records (e.g. the printout in Exhibit A), undated (e.g. the information leaflets in Exhibit B) or bear a date after the Relevant Date (e.g. the list dated 24 December 2013 in Exhibit B) which could not shed any light as to the extent of the alleged use of the Opponent's Mark in Hong Kong prior to the Relevant Date. Notwithstanding its claim that medicine oil under the Opponent's Mark has been continuously sold by the Opponent to its customers in Hong Kong since 7 May 2013, the Opponent has not adduced a single piece of sales invoice to substantiate such claim. In view of the paucity of evidence, I am unable to find that the Opponent's goods have acquired goodwill or reputation in the market under or by reference to the Opponent's Mark.

36. In any event, even if I take the Opponent's assertion on its face value, the period of the alleged sales of the Opponent's medicine oil under the Opponent's Mark is just around 4 months (from 7 May 2013 to the Relevant Date), which is far from being substantial. Without proof of very substantial use during this short period, there is hardly any basis for me to conclude that the Opponent's goods have acquired a sufficient goodwill or reputation to launch an action of passing-off.

37. In light of the foregoing, I am not satisfied that the Opponent's Mark has acquired goodwill or reputation in the mind of the purchasing public, and accordingly, there is no question of any goodwill which could be damaged by any alleged misrepresentation on the part of the Applicant.

38. For the above reasons, the Opponent has failed to show that the use of the Subject Mark in Hong Kong was liable to be prevented by virtue of the law of passing off at the Relevant Date. The opposition under section 12(5)(a) of the Ordinance therefore fails.

Other matters

39. For the sake of completeness, I wish to put on record that there were a few documents attached to the notice of opposition filed by the Opponent on 21 January 2014. Some of the attachments were identical to the exhibits of Chan Declaration and some of them were not.

40. It was stated in our letter to the Opponent on 30 January 2014 that "*... regarding the attachments filed with the Grounds of Opposition, I would like to draw your attention to our Work Manual Chapter on 'Opposition to registration' which states that 'The statement of grounds is not evidence and therefore should not stray into the area of evidence. Evidence such as foreign trade mark registration certificates, magazines, newspaper, photographs, promotional materials, invoices and other commercial agreements should be filed by way of statutory declaration or affidavit at the evidence stage. Any evidence attached to the pleadings would not be uploaded to IPD website for online inspection'.*"

41. Under rule 79(1) of the Rules, "[w]here under the Ordinance or these Rules evidence may be admitted by the Registrar in any proceedings before him, the evidence *shall* be filed by way of a statutory declaration or affidavit." (*emphasis added*)

42. In view of the above, I consider that the said attachments to the notice of opposition which were not filed by way of a statutory declaration or affidavit are not admissible evidence and will not form part of the Opponent's evidence that I am required to take into account. As a matter of fact, the Opponent has not relied on or sought leave to adduce those materials as evidence

in support of opposition at the hearing or during any stage of the opposition proceedings.

Conclusion and costs

43. I have considered all the grounds of oppositions raised by the Opponent and none of them is made out. Accordingly, the opposition fails.

44. Since the Applicant has not claimed costs and did not show up at the hearing, I make no order as to the costs of these proceedings.

(Ryan Ng)
p. Registrar of Trade Marks
23 October 2017