

TRADE MARKS ORDINANCE (Cap. 559)

**APPLICATION FOR DECLARATION OF INVALIDITY OF TRADE MARK
REGISTRATION NO. 302964556**

MARK:  The logo for AgustaWestland, featuring a stylized sunburst or fan-like symbol to the left of the text "AgustaWestland".

CLASSES: 12, 37 and 41

APPLICANTS: (1) AgustaWestland S.p.A.
(2) Leonardo S.p.A.

REGISTERED OWNER: 顏偉

STATEMENT OF REASONS FOR DECISION

Background

1. On 12 November 2019, AgustaWestland S.p.A. and Leonardo S.p.A. (“Applicants”) filed an application (“subject application”) under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for a declaration of invalidity of the registration of Trade Mark No. 302964556 (“subject mark”). A representation of the subject mark is set out below:-



2. Registration of the subject mark was granted on an application for registration filed by 顏偉 (“Registered Owner”) on 15 April 2014 in respect of the following goods and services (“subject goods and services”)¹:-

¹ Registration of the subject mark and the subject application were published and filed in Chinese. Pursuant to a direction by the Registrar under rule 119 of the Trade Marks Rules (Cap. 559, sub. Leg.) on 15 June 2020, the language of the subject invalidation proceedings is changed from Chinese to English. The English translation of the subject goods and services is provided by the Applicants and shown against the original Chinese specifications.

Class 12

車輛；陸上、空中、水上或水裏用運載器，空中運載工具，飛機，航空器，航空裝置、機器和設備，水陸兩用飛機，飛船，飛機輪胎，水上飛機，遙控運載工具（非玩具），架空運輸設備。

(Vehicles; apparatus for locomotion by land, air or water, air vehicles, aeroplanes, aircraft, aeronautical apparatus, machines and appliances, amphibious airplanes, airships, airplane tires, seaplanes, remote control vehicles (other than toys), aerial conveyors.)

Class 37

建築；修理；安裝服務，機械安裝、保養和修理，飛機保養與修理，防銹，噴塗服務，修復磨損或部分損壞的發動機，修復磨損或部分損壞的機器，電器的安裝和修理，清除電子設備的干擾，空調設備的安裝與修理，重新鍍錫。

(Construction; repairing; installation services, machinery installation, maintenance and repair, airplane maintenance and repair, rustproofing, spraying services, rebuilding engines that have been worn or partially destroyed, rebuilding machines that have been worn or partially destroyed, electric appliance installation and repair, interference suppression in electrical apparatus, air conditioning apparatus installation and repair; re-tinning.)

Class 41

教育；提供訓練；娛樂；體育及文娛活動，培訓，實際培訓（示範），輔導（培訓），學校（教育），函授課程，提供有關教育及教學資訊，教育考核。

(Education; providing of training; entertainment; sporting and cultural activities, teaching, practical training (demonstration), coaching (teaching), academics (education), correspondence courses, providing of information relating to education and teaching, educational examination.)

3. The Registered Owner did not file a counter-statement. The subject application is therefore treated as unopposed pursuant to rules 41(3) and 47 of the Trade Marks Rules (Cap.559, sub. leg.) (“Rules”).

4. Moreover, the Registered Owner failed to file an address for service within the prescribed two-month period after a notice under rule 107(1) of the Rules was issued to the Registered Owner on 16 December 2019. According to rule 107(3), the Registered Owner is deemed to have withdrawn from the subject invalidation proceedings.
5. Pursuant to section 80 of the Ordinance, the registration of a person as owner of a trade mark shall be prima facie evidence of its validity. Therefore, I still have to consider the merits of the subject application although it is treated as unopposed and the Registered Owner is deemed to have withdrawn from the subject invalidation proceedings.
6. The Applicants filed under rules 42 and 47 of the Rules on 2 November 2020 a statutory declaration made by Giuseppe Maria Ferrarotti, the Chief Executive Officer of AgustaWestland S.p.A., together with exhibits (“Ferrarotti’s SD”) as evidence in support of the subject application.
7. The subject application was fixed to be heard on 24 June 2021. The Applicants filed a notice of intention to appear at the hearing and agreed to attend the hearing via video conferencing facilities due to public health consideration. The Applicants were represented by Mr. William Tse, Counsel instructed by Sit, Fung, Kwong & Shum.

Grounds for invalidation

8. It is pleaded in the statement of grounds that Leonardo S.p.A. is an Italian multinational company specialising in the business of aerospace, defence and security and AgustaWestland S.p.A. is a wholly owned subsidiary of Leonardo S.p.A. principally engaged in helicopter design and manufacture.
9. Leonardo S.p.A. is the owner of trade marks consisting of the word “AgustaWestland” and/or device (“Applicants’ Marks”) covering, but not limited to, various goods and services in classes 9, 12, 16, 37, 41 and 42 (“Applicants’ Goods and Services”). The Applicants’ Marks are registered or applied for registration in various classes in various jurisdictions.

10. The Applicants, their predecessors, agents, licensees and/or associated companies have extensively used the Applicants' Marks in respect of the Applicants' Goods and Services in various countries and territories since at least 2000. Through the long and extensive use, promotion and registration of the Applicants' Marks, the Applicants have accrued goodwill and reputation as well as enhanced distinctiveness in the Applicants' Marks which have become distinctive of the Applicants' business and the Applicants' Goods and Services.
11. The subject mark is confusingly similar to the Applicants' Marks and the Applicants' company name or trading name, whether conceptually, visually or phonetically. The use and registration of the subject mark for the subject goods and services would amount to misrepresentation to the average consumer that they are originated from the Applicants and the Applicants have suffered or will suffer damages because of the use and registration of the subject mark.
12. The Applicants seek to rely on sections 11(1)(a) to (d), 11(4)(b), 11(5)(a) to (b), 12(1) to 12(3), 12(4), 12(5)(a) to (b) and 53 of the Ordinance in support of the subject application. The Applicants request that the registration of the subject mark be declared invalid with costs to the Applicants.
13. At the hearing, Mr. Tse only relies on sections 11(5)(b), 12(5)(a) to (b), 12(4), and 53 of the Ordinance.

Relevant date

14. The relevant date for considering the subject application is 15 April 2014, that is the filing date of the application for registration of the subject mark.

The Applicants' evidence

15. According to Ferrarotti's SD, Leonardo S.p.A. is an Italian multinational company specialising in aerospace, defence and security and AgustaWestland S.p.A. is a helicopter design and manufacturing company wholly owned by Leonardo S.p.A. A detailed account on the establishment of AgustaWestland

S.p.A. and its predecessors is given. Exhibit GF-1 to Ferrarotti's SD contains a copy of an article on the Applicants' history. By a confirmatory transfer agreement dated 6 March 2019, AgustaWestland S.p.A. transferred all intellectual property rights including its trademarks to Leonardo S.p.A. Exhibit GF-2 includes a copy of the agreement and its English translation.

16. Leonardo S.p.A. is the owner of the Applicants' Marks in respect of the Applicants' Goods and Services. The Applicants have applied for, registered and/or used the Applicants' Marks in many jurisdictions, including but not limited to China and Hong Kong. Exhibits GF-3 and GF-4 include lists and schedules, copies of records and certificates of the applications and registrations of the Applicants' Marks in various jurisdictions.

17. The Applicants are the copyright owner of the devices “” and “” (“Applicants' Devices”) which were devised in 2006 by a designer for Leonardo S.p.A. (known as Finmeccanica S.p.A. at that time) as evidenced by the

publication of the “” device and its design process on the Finmeccanica magazine (no. 5/2006) in 2006. Exhibit GF-5 shows a copy of the said magazine introducing the relevant creation process.

18. The Applicants' Devices were intended as a common umbrella for all companies belonging to the Applicants' group. Exhibits GF-6 and GF-7 include printouts of web pages showing use of marks which consist of the word “AgustaWestland”

and/or the “” device. The mark “ AgustaWestland” has been used by the Applicants since at least from 2006.

19. The date of first use of the Applicants' Marks in Hong Kong is not later than 2008 when the Applicants sold six models of AW139 helicopters in Hong Kong in 2008 and 2009. The mark “AgustaWestland” has been well known in Hong Kong among the relevant public since at least 2008 or 2009 due to the advertising and use of the helicopters by Sky Shuttle Helicopters Limited (“Sky

Shuttle”) for shuttle flights between Hong Kong, Macau and Shenzhen. Exhibit GF-8 includes copies of promotional articles published on Sky Shuttle’s Hong Kong website and various online or printed aero magazines showing use of the Applicants’ Marks on the Applicants’ Goods and Services in Hong Kong since 2008.

20. The Applicants have extensively and continually sold and promoted the Applicants’ Goods and Services bearing the Applicants’ Marks through trade agents, dealers, fairs and exhibitions, meetings, brochures and other promotional materials in different countries and territories. The promotional expenses incurred through trade agents from 2007 to 2013 were about 45,000 euros per annum. Copies of documents showing the relevant expenses are shown in Exhibit GF-9. The Applicants have set up official websites and used various online media, such as YouTube, Facebook and Instagram to promote the Applicants’ Goods and Services. The Applicants’ Marks have become distinctive of the Applicants’ business and the Applicants’ Goods and Services by reason of the goodwill and reputation accrued to the Applicants through the extensive use and promotion of the Applicants’ Marks. Exhibits GF-10 to GF-13 include screenshots of the Applicants’ websites and various online media, and copies of the Applicants’ exhibition passes, photos, brochures and promotional articles. Many of these materials are dated before the relevant date.
21. The Applicants have been selling the Applicants’ Goods and Services under the Applicants’ Marks in various countries and territories since as early as 2000, and the worldwide sales were about 2,294 million euros per annum from 2006 to 2015. The Applicants were identified as the “World’s 5 Leading Helicopter Manufacturers” in 2012 and one of the four major helicopter manufacturers in 2015. The Applicants’ international reputation has been confirmed by several awards, such as the UK Minister for Defense Procurement Acquisition Award in 2007, the British Business Award in Japan in 2013, the UK Royal Aeronautics Society Awards in 2014, and the U.S. American Helicopter Museum Award in 2014. Copies of articles and documents of these awards are displayed in Exhibit GF-14.

22. The previous registered owner “Agustawestland Limited” has no relationship with the Applicants and its sole owner and director was a male with an address in the Mainland China. The subject mark was assigned to the Registered Owner on 21 December 2015 and the previous registered owner ceased to exist on 8 January 2018. Exhibit GF-15 contains a copy of the Applicants’ company profile.
23. The Applicants filed oppositions to the applications for registration of the subject mark in the Mainland China and the China Trade Mark Office refused the applications by reason that the subject mark was confusingly similar to the Applicants’ registered marks “ FINMECCANICA” and “”. Exhibit GF-17 includes copies of the relevant marks and opposition decisions.

Declaration of Invalidity under sections 53(3) and 11(5)(b) of the Ordinance

24. Section 53(3) of the Ordinance provides that:

“(3) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in contravention of section 11 (absolute grounds for refusal of registration).”

And 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.”

25. 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.”

26. 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.”

27. 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.”

28. In Hong Kong, 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.

29. It is the Applicants’ pleaded case that the application for registration of the subject mark, which wholly incorporates both the word element

“AgustaWestland” and the device element “” of the Applicants’ Marks, is made in bad faith as the Registered Owner, being an individual residing in China, must have pre-existing knowledge of the existence of the Applicants’ Marks at

the time the subject application was filed; and the Registered Owner has deliberately copied the Applicants' Marks with a view to free-riding on the reputation of the Applicants' Marks and/or hijacked the Applicants' Marks with a view to profiting himself.

30. I note from the Applicants' evidence that the Applicants created the device

“” and started using the mark “” in 2006; the Applicants sold six models of AW139 helicopters to Sky Shuttle in Hong Kong in 2008 and 2009 for shuttle flights between Hong Kong, Macau and Shenzhen; the Applicants' Marks have been promoted extensively in respect of the Applicants' Goods and Services on the Applicants' and Sky Shuttle's websites and various aero magazines and in exhibitions in different countries and territories. I consider that the Registered Owner, being an individual trading or with an intention to trade in the relevant industry in Hong Kong, must have knowledge of the use of the Applicants' Marks by the Applicants in Hong Kong and other places before making the application for registration of the subject mark. In fact, the Registered Owner did not deny knowing the Applicants' Marks before it filed the application for registration of the subject mark.

31. The subject mark wholly incorporates the word element “AgustaWestland” and

the device element “” of the Applicants' Marks. Both “AgustaWestland” and “” are not descriptive of the subject goods and services or commonly used in the relevant industry. In my view, they are very unique and it could not be a mere coincidence that the Registered Owner has independently created or adopted the subject mark without knowing the Applicants' Marks. I agree with Mr. Tse that the subject mark is a blatant copy of the Applicants' Marks.

32. The Applicants have explicitly accused bad faith on the part of the Registered Owner in registering the subject mark in Hong Kong. But the Registered Owner did not file any evidence or offer any explanation as to how it devised the subject mark. In fact, the Registered Owner did not even file a

counter-statement and the subject application is treated as unopposed.

33. Taking into account all the relevant circumstances, I find that the subject mark is copied from the Applicants' Marks with an intention to deceive or mislead the public that the subject goods and services under the subject mark belong to or are associated with the Applicants, and the Registered Owner's decision to apply for registration of the subject mark in respect of the subject goods and services would be regarded as in bad faith by persons adopting proper standards. The ground for invalidation under section 11(5)(b) of the Ordinance is made out. I therefore declare the registration of the subject mark in respect of the subject goods and services invalid under section 53(3) of the Ordinance.
34. Since the subject application succeeds under sections 53(3) and 11(5)(b), I am not required to consider further the other grounds under other sections of the Ordinance.

Costs

35. As the subject application has succeeded, I award the Applicants 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

18 October 2021