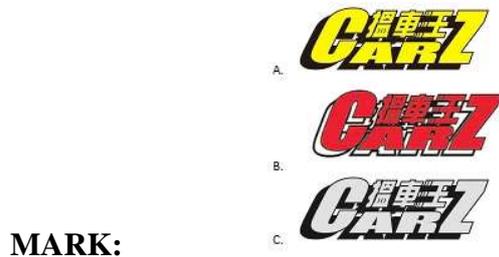


TRADE MARKS ORDINANCE (Cap. 559)

OPPOSITION TO TRADE MARK APPLICATION NO.: 302979433



CLASS: 16

APPLICANT: Z PUBLISHING CO., LIMITED

OPPONENT: PERFECT FLOW ASSETS LIMITED

STATEMENT OF REASONS FOR DECISION

Background

1. On 29 April 2014, Z Publishing Co., Limited (“the Applicant”) filed an application (“the subject application”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) for the registration of the series of marks



2. Registration is sought in respect of “Periodical magazines; paper and paper articles, card and cardboard articles; newspapers; periodicals; magazines; books; reference paper works; stationery; printed matters; photographs; manuals;

catalogues; advertising materials of paper; bulletins; all included in Class 16” (“the subject goods”).

3. Particulars of the subject application were published on 1 August 2014. On 30 October 2014, Perfect Flow Assets Limited (“the Opponent”) filed a notice of opposition to the subject application together with a statement of grounds of opposition (“Notice of Opposition”). In response to the Notice of Opposition filed, a counter-statement (“Counter-statement”) was filed by the Applicant on 29 January 2015.
4. As evidence in support of the opposition, the Opponent filed under rule 18 of the Trade Marks Rules (Cap.559, sub. leg.)(“the Rules”) a statutory declaration made by Mok Lau Wing Yee, the Chief Executive Officer of the magazine group of Sing Tao News Corporation Limited (“the ST Corporation”) of which the Opponent is a subsidiary, together with exhibits (“Mok’s 1st SD”). The Applicant filed under rule 19 of the Rules a statutory declaration made by Chan Hoi Yan, the Managing Director of the Applicant in support of its application, together with exhibits (“Chan’s SD”). And the Opponent filed under rule 20 of the Rules a second statutory declaration made by Mok Lau Wing Yee together with exhibits (“Mok’s 2nd SD”).
5. Before the hearing, the Opponent pointed out that the number of pages as shown on the cover of exhibits CHY-4 and CHY-6 to Chan’s SD was different from the actual number of pages served on the Opponent. The Applicant explained that they have filed with the Registrar an original copy each of the Applicant’s and the Opponent’s magazines (both dated January 2016) but only served on the Opponent copy extracts which were referred to in Chan’s SD. It was confirmed by the Applicant’s solicitors that they would not use or rely on any parts of the evidence that have not been served on the Opponent. The Applicant’s counsel also confirmed at the hearing that he would proceed on the basis of the evidence that have been served on the Opponent.
6. The Opposition hearing was fixed to be heard on 4 January 2018. The Opponent was represented by Ms. Ma On Ki, Counsel, instructed by the Opponent. Mr. Sebastian Hughes, Counsel, instructed by Ruby Yeung & Co. appeared for the Applicant.

Grounds of opposition

7. The grounds on which the Opponent opposes registration of the subject marks as stated in the Notice of Opposition are under sections 11(1)(a), 11(4)(b), 11(5)(b), 12(3), 12(4) and 12(5)(a) of the Ordinance. The Opponent seeks to rely on its



mark “  ” (“the Opponent’s Mark”) registered for goods in class 16 and services in class 41 (“the Opponent’s Goods and Services”) (see Annex) as an earlier mark and makes a comparison between the subject marks and the Opponent’s Mark.

8. The grounds under sections 11(1)(a) and 11(4)(b) are abandoned by Ms. Ma at the hearing.

Counter-statement

9. The Applicant sets out in the Counter-statement its history and business briefly and makes a detail comparison of the marks and magazines of the Applicant and the Opponent.
10. Apart from the admission that the Applicant is seeking to register the subject marks, the Applicant denies or does not admit all grounds pleaded in the Notice of Opposition.

Relevant date

11. The relevant date for considering the opposition is 29 April 2014, that is the filing date of the subject application for registration.

The Opponent's evidence

12. It is deposed in Mok's 1st SD that the Opponent is a subsidiary of the ST Corporation and the Opponent has authorized the ST Corporation and its subsidiaries (which are collectively referred to as "the Opponent's Group") to use the Opponent's trade marks. The ST Corporation has a history dating back to 1938 and is a content and service provider and publisher of newspapers, magazines, recruitment media, books and electronic contents. Its flagship Chinese newspaper Sing Tao Daily has been in existence for 76 years and is now available in 16 overseas editions in over 100 cities worldwide.
13. The Opponent is the owner of the Opponent's Mark which was devised by the Opponent's Group's internal design team in mid June 2002. Exhibit LWY-2 contains a copy of the registration certificate of the Opponent's Mark.
14. The Opponent's Group first used the mark "CAZ BUYER" on issue no. 1 of its biweekly magazine ("the Opponent's Magazine") on 15 November 2002 in Hong Kong. The Chinese words "車買家" have been added to the mark since 19 May 2004. The biweekly magazine has become a weekly magazine since 5 January 2005 and the Opponent's Group has modified the previous trade mark and started using the Opponent's Mark since then. Exhibit LWY-1 to Mok's SD contains copy extracts of the Opponent's Magazine published in 2002 to 2005 and 2014.
15. The Opponent's Mark has been used by the Opponent's Group continuously in Hong Kong since 5 January 2005. Exhibit LWY-3 includes a copy cover of the Opponent's Magazine dated 5 January 2005, printouts of the said magazine's website, facebook page, iPhone App, and copy articles of a joint seminar and a charity fund-raising dinner related to the said magazine. Exhibit LWY-8 also contains copy extracts of the Opponent's Magazines and other promotional materials showing use of the Opponent's Mark in respect of the Opponent's Goods and Services in Hong Kong.
16. The Opponent's Magazines sold by the Opponent's Group in Hong Kong under the Opponent's Mark ranged from more than 300,000 copies in 2009 to about 200,000 copies in 2014. The magazine market in Hong Kong has been affected by online media in recent years. Exhibit LWY-4 contains copy sales report

summary certified by the distributor for the Opponent's Magazine. Exhibits LWY-5 and LWY-6 include a list of locations of convenience stores and newsstands offering the Opponent's Magazine for sale and a list of stores distributing the said magazine for free. The Opponent's Magazine has also been sold through newsstands and convenience stores in Macau since 2008.

17. The advertising revenue generated by the Opponent's Goods and Services in Hong Kong ranged from about HKD 7 millions in 2009 to about HKD 13 millions in 2014. Exhibit LWY-7 contains a summary of advertising revenue from 2009 to 2014 in Hong Kong certified by the Accounts Department of the Opponent's Group and copies of advertising service contracts in 2014.
18. The Opponent's Group has promoted the Opponent's Goods and Services through advertisements in magazines, newspapers, websites and outdoor billboards, organizing seminars, car-exhibitions, free distribution and other promotions. Exhibit LWY-8 includes copy advertisements and promotional materials in 2002 to 2015. It is asserted that the Opponent's Mark has acquired substantial reputation in Hong Kong by virtue of such extensive use, registration, sales and promotion of the Opponent's Goods and Services.
19. It is alleged that the Applicant's use of the subject marks has caused actual confusion among the business partners of the Opponent's Group which have sought clarification from and requested the Opponent's Group to take action against such use. Exhibit LWY-9 includes emails or letters from the said business partners which include car dealers and advertising agencies.
20. Mok's 2nd SD sets out the Opponent's reply to Chan's SD. In reply to Chan's assertion in relation to the 2014 Hong Kong Classic Car & Vintage Festival, Mrs. Mok replied that the Opponent's Group was not interested in and thus did not participate in the said festival which was merely a profit making commercial activity. Mrs. Mok also referred to the Applicant's collaborations with the Right Hand Drive Motors Association and Hundred Union Group and pointed out that there was lack of any evidence as to the status and/or background of the said entities. She asserted that the said participation and collaborations could not establish the Applicant's alleged substantial presence in Hong Kong.
21. Mrs. Mok denied that the purpose of the present opposition proceedings was to

deter small up and coming competitor. She stressed that the Opponent would not expend such a considerable amount of time and resources in the present proceedings if not for the striking similarity between the subject marks and the Opponent's Mark and the actual confusion caused as explained in her 1st SD.

22. In reply to the accusation that the Opponent has not been using the Opponent's Mark as registered, Mrs. Mok answered that the alleged modification in the Opponent's Mark is insignificant and the additional words “升級版” denoting “upgraded version” are merely indistinctive. She also indicated that the redacted emails illustrating instances of actual confusion already contained the names of the complainants and un-redacted version of the said emails or letters were available for inspection by the Applicant.
23. With regard to the Applicant's allegation that the Opponent's Magazine has no substantial contents or in depth articles, Mrs. Mok replied that there were feature articles in the Opponent's Magazine, as shown in Exhibit CHY-6, and both the Applicant's and the Opponent's Magazines were highly similar and related to automobile and contained substantial commercial advertisements.
24. Mok's 1st and 2nd SD also set out in detail the reasons for opposing registration of the subject marks and the replies to other matters or allegations raised in the Counter-statement and Chan's SD, which are in fact in the nature of submission instead of evidence. I will discuss them if and when appropriate in the latter part of the decision.

The Applicant's evidence

25. According to Chan's SD, the Applicant was incorporated in Hong Kong on 16 April 2014 and its founders, namely Z Publishing Co., had been in the publishing business since 2006. Exhibit CHY-1 to Chan's SD contains copies of the Certificate of Incorporation and Business Registration Certificate of the Applicant and exhibit CHY-2 contains a copy of the Business Registration Certificate of the Applicant's predecessor.
26. The subject marks have been applied on the magazine published by the

Applicant or its predecessor (“the Applicant’s Magazine”) since November 2013. It is asserted that the Applicant’s Magazine is superior in terms of contents and print quality as compared to the Opponent’s Magazine. From its very first publication, the Applicant’s Magazine has consistently featured celebrities in its cover stories, used perfect binding, glossy art paper for the inside pages and glossy art paper with glossy lamination for the front cover. But the Opponent used ordinary newspaper type paper and saddle stitching before the Applicant came onto the market and only started to use a glossier finish for the Opponent’s Magazine since February 2014. Exhibit CHY-4 contains copy extracts of the Applicant’s Magazines in 2013 to 2016. Exhibits CHY-5 and CHY-6 contain copy extracts of the Opponent’s Magazines of 14 February 2014 and 22 January 2016 respectively.¹ It is said that the Opponent’s Magazine, even after updating its print quality, is still of inferior quality and its contents and overall image cannot compare to that of the Applicant’s Magazine.

27. The Applicant’s Magazine has different sections such as the “NEWZ” section for cover story featuring the car(s) and celebrities of the month, the “Mastermind” section featuring interviews with acclaimed car experts, the “USED” section on second-hand vehicles and the “CHANGED” section on car parts, as well as monthly lifestyle feature stories and special articles on toy cars etc. It is said that advertisements for second-hand vehicles would only appear in the second-hand car section of the Applicant’s Magazine whereas such advertisements are sprinkled throughout the Opponent’s Magazine. It is also stated that the Applicant’s second-hand car stories are much more insightful as it groups second-hand cars by categories and gives detailed specifications, including making recommendations for beginners, whereas the Opponent’s second-hand car section is a random selection of second-hand cars.
28. The Applicant has been advertising and distributing its magazine for free at salons, clinics, the Tai Tam Tunnel, numerous car-related events and car parks in Hong Kong. Exhibit CHY-7 contains copies of various promotional materials.
29. The Applicant’s Magazine has been appointed by the Right Hand Drive Motors Association and Hundred Union Group as their exclusive media and exclusive

¹ The Applicant has filed with the Registrar an original copy each of the Applicant’s Magazine and the Opponent’s Magazine at exhibits CHY-4 and CHY-6 to Chan’s SD, but only served copy extracts of the magazines on the Opponent. See paragraph 5 above.

media sponsor. Exhibit CHY-8 contains copies of the relevant promotional materials. The Applicant has been invited to participate in and report on the BANGSAEN Thailand Speed Festival 2015. The Applicant's Magazine has a wide distribution network and exhibit CHY-9 includes a list of convenience stores and newsstands in Hong Kong that offer the Applicant's Magazine for sale.

30. It is claimed that the Applicant has expended substantial amount of money and efforts in promoting and providing top quality finish for the Applicant's Magazine and the Applicant's Magazine is more superior to the Opponent's Magazine both in terms of print quality and contents as well as trade recognition; and the subject marks have acquired substantial reputation and goodwill in the subject goods by virtue of the extensive use.
31. Exhibit CHY-10 includes a copy of the front and back cover of the Opponent's Magazine, screenshots of the Opponent's Facebook page and the Opponent's website showing the marks as used, which are said to be deviated from the Opponent's Mark as registered.
32. Chan's SD also sets out in length her replies to Mok's 1st SD and reiterates the averments made in the Counter-statement, including a detailed comparison of the marks and magazines concerned, which are in fact in the nature of submission instead of evidence. I will discuss them if and when appropriate in the latter part of the decision.

Opposition under section 12(3) of the Ordinance

33. 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.”

34. 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.
35. 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. 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.”

36. 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 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 marks and the Opponent’s Mark and the goods and services covered, and whether they would combine to create a likelihood of confusion.

37. The Opponent seeks to rely on the Opponent’s Mark registered in classes 16 and 41 in Hong Kong (see Annex) in support of its opposition under section 12(3) of

the Ordinance. The Opponent's Mark is an earlier mark under section 5(1)(a) of the Ordinance in relation to the subject marks as it has a date of the application for registration earlier than that of the subject marks.

Distinctiveness of the Opponent's Mark

38. The Opponent's Mark consists of the words "CAZ BUYER" and "車買家". The word "CAZ" does not have any dictionary meaning but as its pronunciation and spelling is similar to that of the word "Cars", the average consumer may associate it with "Cars" especially when reading it together with the English word "Buyer" and the Chinese characters "車買家" of the mark. When using on the Opponent's Goods and Services, the Opponent's Mark means that they are targeted at buyers of cars. Taking into account the invented word "CAZ" and the stylized representation of the mark, I find the Opponent's Mark has an average level of inherent distinctiveness.
39. It is the Opponent's case that the distinctiveness of the Opponent's Mark has been enhanced through use by the Opponent's Group. As deposed in Mok's 1st SD, the Opponent is a subsidiary of the ST Corporation and has authorized the Opponent's Group to use the Opponent's trade marks and that the Opponent's Group has started using the Opponent's Mark at least since 5 January 2005 (issue no. 58).
40. On the other hand, the Applicant submitted that there is no evidence to support the Opponent's said authorization of use, nor is there any evidence as to which (if any) subsidiaries of the Opponent's Group have been authorized to use and have made any actual use of the Opponent's Mark. Mr. Hughes argued that there is no evidence of a general or exclusive licence having been signed in writing by the Opponent, as required by section 33(3) of the Ordinance,² and no licence (being registrable transactions under section 29(2)(b) of the Ordinance) has been registered in respect of the Opponent's Mark. He also submitted that there is no evidence as to which entity is responsible for the publication of the Opponent's Magazine and there is no company record to show what entities are within the Opponent's Group. He pointed out that the exhibited summary of

² Section 33(3) provides that "A licence is not effective unless it is in writing and is signed by or on behalf of the grantor."

advertising revenue and advertising contracts were signed by Sing Tao Magazine Group Ltd which is different from the ST Corporation and such exhibits could not prove the said authorization.

41. It is further submitted that much of the purported evidence of use does not depict the use of the Opponent's Mark as registered and the Opponent's Mark has only been used since February 2014 together with the Chinese characters “升級版”. Mr. Hughes hence submitted that in considering the likelihood of confusion, the Opponent's Mark should only be considered in its black and white version.
42. In reply to the Opponent's arguments, Ms. Ma pointed at section 52(2)(a)³ of the Ordinance and submitted that consent from the trade mark owner is sufficient for authorizing use of a mark and there is no requirement under the Ordinance that a licence must be granted. While section 33(3) of the Ordinance provides that a licence is not effective unless it is in writing and is signed by or on behalf of the grantor, I agree with Ms. Ma that consent from the trade mark owner is sufficient for authorizing or permitting the use of a mark and there is nothing under the Ordinance which requires that a licence in writing must be granted. As Mrs. Mok in the capacity of the Chief Executive Officer of the magazine group of the ST Corporation has clearly deposed in her SD, which was filed on behalf of the Opponent, that the Opponent is a subsidiary of the ST Corporation and has authorized the Opponent's Group to use the Opponent's trade marks, I accept that the use of the Opponent's Mark by the Opponent's Group, including the publishing of the Opponent's Magazine under the Opponent's Mark by Sing Tao Magazine Limited,⁴ has attributed to use by the Opponent.
43. I note from exhibit LWY-1 to Mok's SD that the mark “CAZ Buyer” was first used on its magazine in November 2002 and the Opponent's Mark, in the registered form, actually appeared on its magazine since at least from 5 January 2005 (issue no. 58). The Opponent's Mark has been continuously used by the Opponent in its magazines and promotional materials since then, although in

³ Section 52(2)(a) provides that “(2) The registration of a trade mark may be revoked on any of the following grounds, namely – (a) that the trade mark has not been genuinely used in Hong Kong by the owner or with his consent, in relation to the goods or services for which it is registered, for a continuous period of at least 3 years, and there are no valid reasons for non-use (such as import restrictions on, or other governmental requirements for, goods or services protected by the trade mark); ...”

⁴ Sing Tao Magazine Limited is shown as the publisher on issue no. 242 of the Opponent's Magazine at exhibit LWY-8.

some occasions the marks used were slightly different from the Opponent's Mark in some immaterial aspects which do not alter its distinctive character. For example, the marks used were sometimes without border and/or shadow around the words or with the word "Buyer" in larger size or with the additional words "升級版". I also take note of, *inter alia*, the large number of magazines sold under the Opponent's Mark, the large number of outlets where the Opponent's Magazines were sold or distributed, the various kinds of promotional activities and materials, and the substantial advertising revenue generated by the said magazine and services under or by reference to the Opponent's Mark in the past years. I accept that the distinctiveness of the Opponent's Mark has been enhanced through its extensive and long period of use and promotion in Hong Kong. Moreover, I note that the Opponent's Mark has very often been used in the colour combination of red (for the English words) and yellow (for the Chinese words).

Comparison of marks

- 44 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).
- 45 I bear in mind that an average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, and rarely has the chance to make direct comparisons between marks but must instead rely upon the imperfect picture of them he has kept in his mind. I also take note that 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.
46. Mr. Hughes submitted that as regards comparison of composite marks, the relevant marks must be evaluated and compared as a whole, without dismemberment or excision (*Novartis Seeds BV's Application* [2006] ETMR 82); in considering "similarity" the task is not to locate the respective "dominant" or "essential" features of the registered trade mark and the signs of the defendant,

disregarding the significance of the other matters (*TWG Tea Co Pte Ltd v Tsit Wing (Hong Kong) Co Ltd (No 2)* (2016) 19 HKCFAR 20). I find his submissions are consistent with the above principles.

47. I also agree with Ms. Ma that I must consider the notional (or normal) fair use of the subject marks and the Opponent's Mark in relation to their respective specifications and the fact that the Opponent's Mark has been often used in the colour combination of red and yellow, as shown in the Opponent's evidence, is an example of its use in a notional fair manner (*Kerly's Law of Trade Marks and Trade Names*, 15th Ed, para. 9-084). I bear in mind that the Opponent's Mark does not have any colour claim and the Opponent's exclusive right to use the Opponent's Mark is not limited to a particular colour.
48. The subject marks consist of a series of three marks and the Applicant claims the colour yellow and the colour red respectively as an element of mark "A" and mark "B" in the series. As pointed out by Ms. Ma, the two colour versions of the subject marks only differ from the monochrome version (mark "C") as to matters of a non-distinctive character which do not substantially affect the identity of the marks (section 51(3) of the Ordinance). Each of the subject marks consists of an English word "CARZ" in capital letters, with the letters "C" and "Z" in larger and the letters "A" and "R" in smaller font size, and a three-character Chinese phrase "搵車王" above the letters "A" and "R". The letter "Z" is adopted in place of "S" to make the entire word more distinctive (paragraph 28(m) and (s) of Chan's SD). Given the descriptiveness and smaller size of the Chinese phrase "搵車王", I find the English component "CARZ" is the dominant and distinctive element of the subject marks. The Opponent's Mark consists of two English words "CAZ BUYER", with the word "CAZ" in upper case and larger size and the word "BUYER" in mixed case and smaller size, and a three-character Chinese phrase "車買家" above the letter "A". Since both the English word "BUYER" and the Chinese phrase "車買家" are descriptive of the registered goods and services and smaller in size, I find the English word "CAZ" is the dominant and distinctive element of the Opponent's Mark.
49. Visually, the subject marks and the Opponent's Mark coincide in the capital letters "CA" and "Z" in the English component and the character "車" in the Chinese component. They are also similar to the extent that both Chinese

components consist of three characters and situate above the English components of the marks. The respective shadow and/or border effect of the words, in my view, also gives a similar three-dimensional visual impression in both marks, as opposed to the Applicant's submission that the subject marks and the Opponent's Mark have a three-dimensional and two-dimensional look respectively. The marks differ in the respective remaining English letters and Chinese characters as well as their overall length. The Applicant has highlighted the differences in the font type, size and position of the word components of the respective marks and the broken lines of the word “王” of the subject marks. However, I consider such differences could hardly catch the attention of the average consumer who normally perceives a mark as a whole and does not proceed to analyse its various details and rarely has the chance to make direct comparisons between marks. When the effect of imperfect recollection of marks is taken into account, I consider that there is a high degree of visual similarity between the subject marks and the Opponent's Mark given the identical letters or characters “CA”, “Z” and “車” as well as the similar layout and visual effect of the marks as a whole.

50. Aurally, the first English word “CAZ” of the Opponent's Mark may be pronounced as “ka:z” or “kæz” which is identical or highly similar to the pronunciation of “ka:z” or “ka:rz” of the English component “CARZ” of the subject marks. The character “車” in both Chinese phrases also have the same pronunciation. The marks differ in the pronunciation of the additional English word “Buyer” of the Opponent's Mark and the other Chinese characters. I consider that the subject marks are aurally similar to a high degree to the Opponent's Mark.
51. Conceptually, the Chinese components “搵車王” and “車買家” of the subject marks and the Opponent's Mark respectively convey the ideas of “the king of finding cars” and “the buyer of cars”. For the English component, as the word “CAZ” of the Opponent's Mark pronounces similarly to the word “Cars”, it would also give an association of “Cars” when reading together with the other English word “Buyer”. Similarly, the English component “CARZ” of the subject mark would convey the idea of “Cars”. Hence, both marks are related to cars and aimed at people who are interested in finding or buying a car. I consider the subject marks are highly similar to the Opponent's Mark conceptually.

52. Having regard to their visual, aural and conceptual similarities and differences and the effect of imperfect recollection of marks, when the marks are considered in their entirety bearing in mind their distinctive and dominant components, I find their differences are insufficient to counteract the similarities. Consequently, I consider that the overall impression created by the subject marks is highly similar to that created by the Opponent's Mark.

Comparison of goods

53. 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.

54. 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.”

55. The Opponent submitted that the subject goods are identical or highly similar to the Opponent's Goods and Services. While admitting in his skeleton submissions that the subject goods are similar to the Opponent's Goods, Mr. Hughes argued that the Applicant's high quality magazines, which contain feature articles, editorials, reviews and not just second-hand car listings and being sold on a monthly as opposed to a weekly basis, are quite different from the Opponent's basic and low cost advertising periodicals under the Opponent's Mark. He reiterated that, *inter alia*, the Applicant's monthly magazine is of more superior printing quality and focused on more upmarket car enthusiasts and is about 50% more expensive than the Opponent's advertising periodicals. It is submitted that the Applicant's Magazine and the Opponent's Magazine have been co-existing in the marketplace and they are entirely different publications aimed at different consumers.
56. Ms. Ma emphasized that there has never been peaceful co-existence of both magazines as the Applicant's Magazine under the subject marks has only been available since November 2013, that is less than four months before the relevant date, and the Opponent already received complaints from its customers.
57. As I have held in paragraph 47 above, it is the notional (or normal) fair use of the marks in relation to their respective specifications that I must consider. And a notional and fair use of the marks extends beyond the manners in which they have been used thus far. As a matter of law, the level of protection afforded to a registered trade mark should not be affected or restricted by the particular and specific market segment in which the mark has so far been traded. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd.* [2004] RPC 41 and such approach was endorsed by the Court of Appeal in *Roger Maier and Assos v ASOS* [2015] EWCA Civ 220: it is necessary to consider not just the actual use of the mark concerned but also a notional and fair use of the mark in respect of all the goods falling within the scope of the specification, and on a scale and in circumstances such that direct competition between the goods of the mark owner and those of the alleged infringer could more readily take place.
58. I find the subject goods "Periodical magazines; paper and paper articles; card and cardboard articles; newspapers; periodicals; magazines; books" and "printed matters; photographs" in class 16 are identical to the registered goods "paper,

cardboard and goods made from these materials, not included in other classes; printed matter; photographs; newspapers; magazines; periodicals; journals and books” in class 16 under the Opponent’s Mark and the subject goods “reference paper works; stationery; manuals; catalogues; advertising materials of paper; bulletins” in class 16 are highly similar to the registered goods “paper, cardboard and goods made from these materials, not included in other classes; printed matter” in class 16 under the Opponent’s Mark. There is no need for me to further consider if the subject services are also similar to the registered services in class 41 under the Opponent’s Mark.

59. In the circumstances, where the applied for goods and goods and/or services under the cited marks are essentially identical or similar, as in the present case, I consider it irrelevant that the applicant and cited marks owner have so far actually targeted at different market segments. In any event, after considering the respective copy magazines exhibited to Mok’s 1st SD and Chan’s SD, I find they are in fact very similar and would attract the same group of consumers.

Likelihood of confusion

60. Ms. Ma submitted that the Applicant, being in the same field of business, must have adopted the colour of yellow and red for the marks “A” and “B” in the series of subject marks with full knowledge of the fact that the Opponent has actually used yellow, red and the combination of yellow and red for the Opponent’s Mark in the market; given the adoption of the confusingly similar colour schemes for the confusingly similar marks in relation to the identical or highly similar goods, the Applicant must have intended to confuse the consumers and such intention is a strong factor in favour of a finding of likelihood of deception (*Cheung Yan v Yue Lung Sea Products Trading Co Ltd* [2005] 4 HKLRD). She added that there were actual instances of confusion between the subject marks and the Opponent’s Mark (see paragraph 19 above) and such evidence is likely to be very persuasive (*Kerly’s Law of Trade Marks & Trade Names*, 15th Ed, para 14-087). She emphasized that the business consumers would take more care when selecting advertising and marketing materials but were still confused.
61. Mr. Hughes reiterated that there is strong dissimilarity between the subject marks and the Opponent’s Mark and the Applicant’s high quality magazines are

different from the Opponent's basic and low costs advertising periodicals. It is also his submissions that the Applicant's Magazine and the Opponent's Magazine have been co-existing in the marketplace; the average consumer is not and would not be confused into thinking the second-hand car listings bearing the Opponent's Mark and the Applicant's Magazine under the subject marks come from the same or economically-linked undertakings; and there is no evidence of actual confusion by the end consumers. Mr. Hughes contended that the said emails or letters from the existing clients or business partners of the Opponent, which coincidentally dated from the one week period before the relevant date, were self-serving and lack of probative value and those clients were not average consumer of the relevant magazines.

62. In making a finding of likelihood of confusion, I do not consider it necessary for me to rely on the purported instances of actual confusion. Mr. Hughes has rightly accepted in his skeleton submissions that it is trite law that the Registrar is entitled to make his own finding of fact regarding likelihood of confusion, even absent evidence of actual confusion. Yet he argued that on the issue of intention to deceive, the Opponent's Mark should only be considered in its black and white version.
63. The likelihood of confusion must be appreciated globally, taking account of all relevant factors all of which have a degree of interdependency. 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, the relevant consumers for the goods in question are members of the general public who would exercise an average level of care and attention when purchasing these goods.
64. I have already found in paragraphs 52 and 58 above that the subject marks are highly similar to the Opponent's Mark and the subject goods in class 16 are identical or highly similar to the goods registered under the Opponent's Mark in class 16.
65. Taking into account the combined effect of all of the above considerations, including the enhanced distinctiveness acquired through use of the Opponent's Mark, the high degree of similarity of marks, and the identity or high similarity of goods, when the subject marks are used in relation to the subject goods in

class 16, I consider that the average consumer would be confused into thinking that those goods and the goods offered under the Opponent's Mark come from the same or economically-linked undertakings. In arriving at such conclusion, I have not taken into account the fact that the Opponent's Mark has been used in the colour combination of yellow and red or the purported instances of actual confusion. And I find such likelihood of confusion would be even stronger if considering the fact that the Opponent's Mark has been very often used in the colour combination of red and yellow since at least 2005.

66. The opposition under section 12(3) therefore succeeds.

Opposition under other sections of the Ordinance

67. Since the opposition against the subject application succeeds under section 12(3), I am not required to consider further the other grounds of opposition under other sections of the Ordinance.

Costs

68. As the opposition has succeeded, I award the Opponent 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

11 June 2018

Annex

Trade Mark No.	Trade Mark	Date of Registration	Specification
300927919		6-8-2007	<p><u>Class 16</u> paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; newspapers; magazines; periodicals; journals and books; all included in Class 16.</p> <p><u>Class 41</u> publication of electronic books and journals on-line; arranging and conducting of conferences; arranging and conducting of congresses; arranging and conducting of seminars relating to computers, computer programs and computer software for educational and entertainment purposes; arranging and conducting of seminars; arranging and conducting of symposiums; arranging and conducting of training workshops; arranging and conducting workshops relating to computers, computer programs and computer software for educational and entertainment purposes; education information; educational services; entertainer services; entertainment information; entertainment; game services provided on-line from a computer network; impresario services relating to organization of shows; news reporters service and photographic reporting; organization of competitions relating to education or entertainment; organization of</p>

		<p>exhibitions for cultural or educational purposes; organization of sports competitions; party planning (entertainment); presentation of live performances; production and distribution of radio and television programmes in the fields of news reporting and analysis, weather information, sports events, sports information reports, pre-recorded music programs, feature coverage programmes of special events and activities for entertainment purpose; provision of information relating to education, entertainment, infotainment and recreation provided on-line from computer databases, computer networks, the Internet or by electronic means; provision of information relating to education, entertainment, infotainment and recreation, accessible via communication and computer networks; provision of interactive information relating to education, entertainment, infotainment and recreation provided on-line from computer databases, computer networks, the Internet or by electronic means; publication of books, journals, magazines, newspapers and periodicals; recreation information; training demonstration and instruction services relating to the use of computers; all included in Class 41.</p>
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