

IN THE MATTER of the Trade Marks Ordinance

AND

IN THE MATTER of an Application by Hua Yuan Company to register the trade mark "FRIENDSHIP, 友誼 and Device" in Class 16

AND

IN THE MATTER of an Opposition thereto by Montblanc-Simplo GmbH.

D E C I S I O N

of

Mr. L.S. Shum acting for the Registrar of Trade Marks.

Hearing on 22nd June 1982.

Mr. Y.W. Yu of Messrs. Ford, Kwan & Company, appeared for the Applicants.

Mr. N.D. Baker of Messrs. Deacons, appeared for the Opponents.

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On 19th October 1979, Li Ying Min, Law Keung Chung and Tai Hsueh Chung, trading as Hua Yuan Company of Nos. 8-12 Stewart Road, Wanchai, Hong Kong (hereinafter referred to as "the Applicants") submitted through their agents, Messrs. Ford, Kwan & Company, an application to the Registrar of Trade Marks (hereinafter referred to as "the Registrar") for the registration in Part A of the Register the trade mark "FRIENDSHIP, 友誼 and Device" in Class 16 in respect of "all kinds of drawing instruments, paper and paper articles, artists' materials, pens, fountain pens, pencils, ball point pens, adhesive materials, typewriters, playing cards, tissue, napkins, toilet paper". A specimen of the mark applied for is shown hereunder



The supporting statutory declaration made by Mr. Li Ying Min, one of the partners of the Applicants, on 17th October 1979 stated that the trade mark had been used by his firm in Hong Kong in respect of the goods mentioned in that application since 1979.

On 16th November 1979 the Registrar wrote to Messrs. Ford, Kwan & Company granting consent to advertise the application in the Gazette and the mark was duly advertised in the Gazette of 14th December 1979, page PN2356.

On 17th April 1980 Montblanc-Simplo GmbH, a corporation organised and existing under the Laws of the German Federal Republic with a principal place of business situate at 2000, Hamburg 6, SchanzenstraBe, 75/77, West Germany (hereinafter referred to as "the Opponents") filed a Notice of Opposition through their agents, Messrs. Deacons. The grounds of opposition were :

1. We are the proprietors of Registered Trade Marks Numbers 493 of 1962 registered in Class 16, 247 of 1964 registered in Class 16, 679 of 1964 registered in Class 34 and 1028 of 1964 registered in Class 14 all of which registered trade marks comprise inter alia the device of a rounded six-pointed star within a circle.
2. The Applicant is seeking to register a trade mark consisting of the word "Friendship", Chinese characters (the English transliteration of which is "YAU YI" translated as "Friendship") and a device, the subject Application herein in Class 16 in respect of "all kinds of drawings instruments, paper and paper articles, artists' materials, pens, fountain pens, pencils, ball-point pens, adhesive materials, typewriters, playing cards, tissue, napkins, toilet paper".
3. The alleged mark which the Applicant has applied to register so resembles our said Registered Trade Marks as to be likely to deceive and/or cause confusion.
4. The alleged mark which the Applicant has applied to register so resembles our said Registered Trade Marks as to be likely to lead the public into believing that the goods in respect of which the Applicant has applied to register its said mark are our goods.
5. The use by the Applicant of the mark which it is seeking to register will constitute an infringement of our rights in our said Registered Trade Marks.
6. By reason of the matters set forth the mark sought to be registered by the Applicant is not a registrable trade mark within the meaning of

the Trade Marks Ordinance.

7. The Registrar should exercise his discretion adversely to the Applicant and we ask that Application No. 2341D of 1979 be refused with costs against the Applicant."

The Counter-Statement filed on 29th September 1980 by the Applicants set out the grounds on which the Applicants relied as supporting their application, as follows :

- "1. Paragraph 2 of the Notice of Opposition is admitted.
2. Paragraph 3 of the Notice of Opposition is not admitted and the opponent is put to strict proof thereof.
3. Paragraph 4 to 7 inclusive of the Notice of Opposition are denied.
4. The mark which we are seeking to register is not liable to be confused with the opponent's registered trade mark No.493 of 1962 in Class 16 for the following reasons :
  - (a) The goods for which the opponent's mark is registered are not the same goods as those for which we are on this application to register.
  - (b) The opponent's mark consists of MONTBLANC, rounded six-pointed star within a circle.
  - (c) the English word "MONTBLANC".
  - (d) a rounded shape device.

of these elements, the coin shape is the most prominent part of the mark.

5. Our mark on the other hand consists of 3 elements :-

- (a) The Chinese characters "友誼".
- (b) The English words "FRIENDSHIP".
- (c) Five-petalled flower shape.

It can be seen from the analysis in the opponent's mark that the only feature common to both marks is only a circle.

It is obvious that the opponent's mark consist of MONTBLANC and rounded six-pointed star within a circle and our mark consists of "友誼 FRIENDSHIP and five petalled flower shape device".

There is not any petalled shape or other device on the circumference of the circle of the opponent's mark.

The centre of the rounded six-pointed star of the opponent is blank while the circle within our 5 petalled flower design is crisscrossed forming irregular square shapes.

The visual difference in the two marks are obvious.

6. The mark "友誼 FRIENDSHIP and Device" has been used continuously and extensively by us on goods manufactured and sold by us since 1979.

7. Since 1979 the products of our firm bearing the mark have been sold both overseas and in local retail outlets specializing in good quality goods : " 文友公司 "

As far as we are aware, the opponent's goods have never been sold side by side with my products in this retail store, and we submit that this shows the opponent's mark caters for a different market altogether.

8. In the circumstances, we submit that the mark we are applying for is sufficiently different and distinct from the opponent's mark to avoid any probability of deception or confusion, the quality of the goods and markets for them being totally different, and alternatively, that the Registrar should exercise its discretion under Section 22 of the Trade Marks Ordinance in favour of our application."

The Opponents' evidence consists of two statutory declarations, one of which was made on 14th April 1980 by Mr. Johann Staub, Manager of the Opponents and the other by Mr. Lee Hung Jau, Managing Director of William S.T. Lee & Co. Ltd., on 15th April 1981. In his statutory declaration Mr. Staub referred, inter alia, to the Opponents' registered mark No. 247 of 1964 in Class 16 in respect of "fountain pens, fountain pens with tube for filling, all kinds of pencils (with filling), ball-point pencils, ink". Trade Mark No. 247 of 1964 consists of a rounded six-pointed star within a circle and appears as follows :



Mr. Staub also stated that the Opponents first used the trade mark consisting of a rounded six-pointed star within a circle in Hong Kong prior to 1960 and the said trade mark had been in continuous use in Hong Kong since then. He exhibited copies of certain advertisements of the Opponents' products sold under the Opponents' device mark in magazines and newspapers circulating in Hong Kong. Mr. Lee Hung Jau stated in his

statutory declaration that his company had acted as the exclusive sales and distribution agent in Hong Kong of the Opponents since 1960 and he gave the following relevant sales and advertising figures :

Montblanc Annual Sales (approximate)

April 1977 - March 1978	HK\$3.1 million
April 1978 - March 1979	7 million
April 1979 - March 1980	7 million

Montblanc Advertising Expenditure

April 1977 - March 1978	HK\$277,260
April 1978 - March 1979	301,150
April 1979 - September 1979	101,970

Mr. Lee also exhibited copies of certain advertisements of the Opponents' products sold under the Opponents' device mark in certain English and Chinese newspapers published and circulating in Hong Kong in 1967.

The Applicants' evidence consists of a statutory declaration made on 20th November 1981 by Mr. Law Keung Chung, one of the partners of the Applicants, in which he denied that the mark applied for was similar to the Opponents' mark and gave his reasons for such denial.

The Applicants claimed in the statutory declaration in support of the application, the Counter-Statement and the statutory declaration of Mr. Law Keung Chung, that the Applicants had used the mark applied for since 1979. But no evidence of user has been filed by the Applicants. Accordingly, in the absence of any evidence of user and for the purposes of this opposition I must proceed on the basis

that as at the date of the application the mark applied for had not been used by the Applicants. It follows that the Applicants' request in paragraph 8 of the Counter-Statement that the Registrar should consider the application on the basis of honest concurrent use under section 22 of the Trade Marks Ordinance cannot be entertained.

On the evidence filed by the Opponents I am satisfied that the Opponents' mark was at the date of the application for registration known to a substantial number of persons in Hong Kong, having regard to the Opponents' user of their mark. The Opponents' mark is registered in the form of the device shown above and in other forms with or without the device. Accordingly the opposition will be considered under section 12(1) and section 20 of the Trade Marks Ordinance.

For the purpose of section 20, the goods of the Opponents and of the Applicants must be the same goods or description of goods. I am satisfied that some of the Opponents' goods covered by their registered mark No. 247 of 1964 and some of the Applicants' goods (i.e. fountain pens and pencils) are the same goods or description of goods.

It is common ground that that part of the Applicants' mark consisting of "FRIENDSHIP 友誼" does not resemble any of the Opponents' marks. This was agreed by Mr. Baker at the Hearing. The Opponents contended that the device in the Applicants' mark so resembled the Opponents' device as to be likely to deceive or cause confusion.

The questions to be answered under sections 11 and 12(1) of the Trade Marks Act 1938 (corresponding to sections 12(1) and 20 of the Trade Marks Ordinance) were authoritatively summarised in Smith Hayden & Co. Ltd.'s Application (1946) 63 RPC 97 by Evershed J. at page 101 and are reproduced in "Kerly's Law of Trade Marks and Trade



Names", Tenth Edition (hereinafter referred to as "Kerly"), section 10-02.

Kerly states at 17-03 :-

"(1) On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of section 11 and of section 12(1).

In such cases the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not reasonably likely to deceive or cause confusion, so that refusal to register does not involve the conclusion that the resemblance is such that either an infringement action or a passing-off would succeed. In cases in which the tribunal considers that there is doubt as to whether deception is likely the application should be refused."

The rules for comparison of two marks alleged to have a deceptive resemblance are set out in Chapter 17 of Kerly.

The first question is : "Who are the people whom the mark must be calculated to deceive". In Kerly, 17-05, the answers given by the Courts in past cases are summarised as "All of those who are likely to become purchasers of the goods upon which the marks are used, provided that such persons use ordinary care and intelligence".

At 17-06 Kerly states :

"It is clearly not enough to show that retail dealers buying goods for resale would not be deceived, since they might themselves fraudulently or carelessly make use of the ambiguous character of the trade mark to deceive their customers, the ultimate purchasers."

In this case, I do not think that there is any likelihood of the retail dealers in fountain pens or pencils being confused by the two marks.

As for the public, it is quite clear to me the potential purchasers will range from school children to adults of both sexes and of all nationalities. In short, I think the vast majority of the public are potential purchasers.

Mr. Law Keung Chung submitted in his statutory declaration that the mark applied for is sufficiently different and distinct from the Opponents' mark to avoid any probability of deception or confusion, the quality of the goods and markets for them being totally different. The Applicants' specification of goods is not limited to any particular quality, nor could it be and is also not limited to any specific markets so that there is nothing to prevent the Applicants to operate in the same price and quality ranges aimed at the kind of people who form the clientele for the Opponents. Therefore, in considering whether the mark applied for would be likely to deceive or cause confusion I could not take into account the fact (yet to be established by evidence) that the quality of the Applicants' goods and the markets for them are different from the Opponents'.

It is stated in Kerly at 17-08 :

"Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Thus

for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade-marked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in details might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons of their own.

When the question arises whether a mark applied for bears such resemblance to another mark as to be likely to deceive, it should be determined by considering what is the leading characteristic of each. The one might contain many, even most, of the same elements as the other, and yet the leading, or it may be the only, impression left on the mind might be very different. On the other hand, a critical comparison of two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same. Thus it is clear that a mark is infringed if the essential features, or essential particulars of it, are taken. In cases of device marks, especially, it is helpful before comparing the marks to consider what are the essentials of the plaintiff's device; with word marks, the court is apt to be more impressed by the dangers of giving the plaintiff what amounts to a monopoly in a large class of words."

In the case of "Imperfect recollection" Kerly states at 17-23 :

"It is clear that the tribunal ought not to look at the marks as they stand side by side, for, from the nature of the case, they will not be so put before any customer whom it is sought to deceive by means of either of them. He can only contrast the mark upon the goods offered to him with his recollection of the mark used upon those he is seeking to buy, and allowance must be made for this in estimating the probability of deception. Any other rule would be of no practical use. It has to be borne in mind that the ordinary purchaser has only "an ordinary memory".

"The question is not whether if a person is looking at two trade marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed trade mark in the absence of the other trade mark, and in view only of his general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark before him is the same as the other, of which he has a general recollection."

The Applicants argue that the two marks were different because the Opponents' mark consisted of a rounded six-pointed star within a circle and the device in the Applicants' mark consisted of a five-petalled flower design with a circle inside which was crisscrossed forming irregular square shapes. I think that if the two marks are considered side by side then, as the Applicants claim, various differences can be seen. But I must consider the idea or essential features of the marks and the case of imperfect recollection. I think <sup>that</sup> that the Opponents' mark is a star and the device in the Applicants' mark is a petalled flower design is only a matter of calling at

the choice of an individual person. In my opinion, both devices may be called 'stars' or 'petalled designs'. Indeed, there is no evidence to show that the Opponents' device is called 'star' device and the Applicants' device called 'petalled design'. In my view the essential feature in both devices is the 'star' (or 'petalled design' if one prefers to call it that), which gives the same impression of a 'star' (or 'petalled design'). The general idea is the same. The 'crisscrossed irregular square shapes' in the Applicants' device and the other matters stated in the Counter-Statement would not make much difference if allowance is made for imperfect recollection. Also in the case of imperfect recollection, the fact that the 'five petals' in the Applicants' device would not, in my view, be much different from the 'six points' in the Opponents' device.

In these circumstances, I have come to the conclusion that there is a real likelihood of confusion between the device part of the mark applied for and the registered trade mark. As is pointed out in Kerly at 17-03, the onus is on the Applicants to satisfy me that the mark applied for is not reasonably likely to deceive or cause confusion and that where I consider that there is doubt as to whether deception is likely I should refuse the application. "The onus is heavier on an applicant when a mark is new and no trade has been established in it provided, at least when the opponent's mark is old" (Kerly, 10-06). I cannot accept that the Applicants have discharged the onus that the mark applied for is not reasonably likely to deceive or cause confusion and accordingly I refuse this application.

The Opponents have not, as far as I am aware, objected at any time and Mr. Baker at the Hearing did not object, to the word "FRIENDSHIP" and the Chinese characters "友誼". It seems to me that the word and the Chinese characters are acceptable for registration.

I find that the Opponents are entitled to an award of costs and any representations which either party may wish to make as to the amount of those costs will be considered if received within one month from the date of this decision and that failing such representation, or subject to any representation calling for special treatment, costs will be calculated on the usual scale.



( L.S. Shum )  
Deputy Principal Solicitor  
22nd June 1982