

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION FOR REVOCATION OF TRADE MARK NO. 199502711

MARK :



CLASS :

34

APPLICANT :

ANNELISE CONNELL

REGISTERED OWNER : PHILIP MORRIS PRODUCTS S.A.

STATEMENT OF REASONS FOR DECISION

Background

1. Annelise Connell (“the Applicant”) filed an application on 22 September 2006 for the revocation of the registration of Trade Mark No. 199502711 (“the subject mark”) in respect of “cigarettes” in Class 34 under the Trade Marks Ordinance (Cap. 559) (“Ordinance”). The application was amended and re-filed on 11 December 2006. A representation of the subject mark is as follows:



As stated in the amended application for revocation, the Applicant seeks to revoke the registration of the subject mark with effect from 17 August 2006 and the ground of revocation is that set out in section 52(2)(c) of the Ordinance.

2. The subject mark has been registered as of 27 May 1991 in the name of Philip Morris Products S.A. (“the Registered Owner”). The registration is subject to a few conditions, including one which requires the subject mark to be used in relation only to cigarettes yielding not more than 10 mgs of tar per cigarette. Another condition is the disclaimer of the word “LIGHTS” which means that the registration of the subject mark

shall give no right to the exclusive use of that word.

3. The hearing of this application for revocation is held before me on 12 May 2011. Ms. Connell appeared in person and Ms. Ling Ho of Clifford Chance appeared on behalf of the Registered Owner.

Statutory Provisions

4. The relevant parts of section 52 of the Ordinance are set out below:

“(2) The registration of a trade mark may be revoked on any of the following grounds, namely –

...

(c) that in consequence of the use made of it by the owner or with his consent, in relation to the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services: or ...

(7) Where the registration of a trade mark is revoked to any extent, the rights of the owner shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation; or

(b) if the Registrar or the court is satisfied that the grounds for revocation existed at an earlier date, that earlier date.”

Material Date

5. As is noted in section 52(7) of the Ordinance, revocation of the registration of a mark can take effect as from the date of application or an earlier date. Since the Applicant seeks for revocation of the subject mark as from a date earlier than the date of the amended application for revocation, that is 17 August 2006 rather than 11 December 2006, the Applicant is required under section 52(7)(b) to prove to my satisfaction that the grounds for revocation existed as at 17 August 2006 (“Material Date”).

Evidence filed by the Applicant

6. A statutory declaration made by Ms. Connell herself on 22 August 2007 (“Connell Declaration”) was filed as evidence in support of the application. There are

nine exhibits in total, numbered as Exhibits A to I. A brief description of what these exhibits are is set out below:-

- Exhibit A an undated article entitled “SACTob Conclusions on Health Claims Derived from ISO/FTC Method to Measure Cigarette Yield”
- Exhibit B internal memo of Philip Morris Asia Incorporated dated 27 July 1987
- Exhibit C Document of Philip Morris entitled “Marlboro Lights Review in 20 Worldwide Markets” dated January 1994
- Exhibit D Article entitled “Use of and beliefs about light cigarettes in four countries: Findings from the International Tobacco Control Policy Evaluation Survey” dated December 2004
- Exhibit E Article entitled “What do Marlboro Lights smokers know about low-tar cigarettes?” dated 2004
- Exhibit F Extract from website of Health Canada about “Smoking in Canada: Perceptions, Attitudes and Beliefs”, with information on Canadian Tobacco Use Monitoring Survey 2000
- Exhibit G Extract from website of Health Canada about “Canadian Tobacco Use Monitoring Survey 2001”
- Exhibit H Undated article entitled “Public Understanding of Risks and Reasons for Smoking Low-Yield Products”
- Exhibit I Hong Kong YAMS Study 1993 Philip Morris Asia Inc.

7. The Connell Declaration is short, with only one page to it. The gist of what was averred to by Ms. Connell is (1) that the word “lights” in the subject mark is likely to create an erroneous impression or wrongly suggests that Marlboro Lights are less harmful than Marlboro Red or other Marlboro cigarettes not containing the descriptor “lights”, and (2) that there is medical finding that light cigarettes are no less harmful and that the perception amongst smokers is that Marlboro Lights cigarettes are less

harmful. According to the Connell Declaration, the positions as declared have been established by the materials in the exhibits. At the hearing, both parties quoted extensively from the contents of some of these exhibits and I shall refer to them in detail below.

Evidence of the Registered Owner

8. The evidence filed by the Registered Owner is a statutory declaration made by Chan Ching Yee, Tammy (“Chan Declaration”), the General Manager of Philip Morris Asia Limited, which, like the Registered Owner, is a subsidiary company of Philip Morris International Inc.

9. According to the Chan Declaration, the subject mark had been used in Hong Kong from 1963 to 2007 in relation to the goods for which it is registered. Chan stressed that the term “Lights” had always been associated with or had always referred to the lower yield of tar in cigarettes, which differentiates the strength of taste and flavour of cigarettes sold under the subject mark from other cigarettes.

10. Chan particularly pointed to one of the conditions for the registration of the subject mark, that is, as referred to in paragraph 2 above, the subject mark has to be used in relation only to cigarettes yielding not more than 10 mgs of tar per cigarette and the imposition of the same or similar condition upon the registration of other trade marks that contain the term “Lights” in relation to cigarettes. Reference was also made by Chan to the health warnings that have to be applied to all cigarettes packs of all types of cigarettes sold in Hong Kong since 1982. She further mentioned that no distinction, in terms of such health warnings, had ever been drawn between tobacco products producing lower tar yields and others.

11. The exhibits to the Chan Declaration are samples showing use of the subject mark in various years from 1998 to 2007, copies of trade mark records of registration of various mark containing the term “Lights” in relation to cigarettes and samples of cigarette packs of different brands sold in Hong Kong showing the health warnings over the years between 2005 and 2007.

Authorities of the parties

12. Before dealing with the substantive issues in this case, I have to first deal with a point about the authorities submitted by the Applicant. About a week prior to the

hearing of the case, the Applicant filed a copy of her skeleton argument with the Registry, with three authorities attached which are (1) an extract of the Framework Convention on Tobacco Control (“FCTC”) of the World Health Organization (“WHO”); (2) an extract from the Trade Marks Work Manual of the Trade Marks Registry; and (3) an extract of the opinion of the United States District Court for the District of Columbia in a case with the United States of America as plaintiff, a few associations as intervenors and Philip Morris USA, Inc. and others as defendants.

13. Ms. Ho was very concerned that the Applicant was trying to introduce the authorities as new evidence in the case, especially in regard to the judgment of the US case. She put forward strong arguments urging me not to allow the materials to be adduced, emphasizing that the authorities have not been adduced by way of a statutory declaration, as required by rule 79 of the Trade Marks Rules (cap. 559A), nor has the Registered Owner been given an opportunity to respond to them.

14. Specifically in relation to the US judgment, Ms. Ho pointed out that the extract submitted contained only 25 pages¹ out of the 1,682 pages forming the entire judgment. That being the case, she stressed that I would not be able to have the full picture and what the Applicant referred to from the judgment could be taken out of context. In particular, Ms. Ho said that there were passages in that US opinion that had not been exhibited by the Applicant but which would show that to the extent there was any confusion or deception, such confusion or deception was caused by parties other than the Registered Owner. Furthermore, she submitted that the US case did not discuss trademark law as it was actually a regulatory case. She was also at pains to point out that the case is about the perception of US consumers, and it has nothing to do with what Hong Kong consumers think.

15. The Applicant categorically denied any attempt or intention to use the authorities as evidence. However, the explanation she gave about the relevance of the authorities does not tally with such denial. According to the Applicant, the US opinion was given in 2006 and so it shows the position around the time of the Material Date. More importantly, the US case relates specifically to the subject mark and although the US has not ratified FCTC, the court there came to the absolute conclusion that “lights”, as a descriptor, was deceptive. Since it is open to me to have regard to the decision of other courts, the Applicant suggested that if I found it appropriate to consider the US decision, then it would also be open to me to look at the finding of facts which led to the decision.

¹ There are 26 pages to my count.

16. The procedural defect of not having filed the additional materials by way of a statutory declaration cannot be cured by putting them in as authority. It is therefore clear that I cannot accept them as evidence. However, in the case of the extract of the US opinion, it has no value even as submissions. From the 26 pages provided, I cannot tell what evidence has been filed in that case for examination by the court there, nor can I ascertain what issues had been considered by the judge or judges in the case. The submissions of Ms. Ho may be able to fill in some of the missing blanks about the US opinion, but they are just as unsubstantiated by evidence as the submissions made by the Applicant. It would not only be impossible, but also dangerous and irresponsible, for me to take into account the contents of any of the extracted portions of the US opinion in deciding the dispute in this case. I therefore find it inappropriate for me to take the US opinion into consideration.

17. As regards the two other items in the authorities submitted by the Applicant, the provisions of FCTC and the Trade Marks Work Manual are publicly available information which the Registered Owner should be fully aware of. In any event, I do not think the Registered Owner will be prejudiced by the Applicant's reliance on them. I have no qualms about taking into account the position as set out in the two documents.

18. The authorities submitted by the Registered Owner have not met with similar fundamental challenges by the Applicant. Nevertheless, in respect of the various paragraphs extracted by the Registered Owner from *Kerly's Law of Trade Mark and Trade Names* (14th Edition) ("Kerly"), the Applicant has shared with me her views on their application to the present case. Where there is any need to address the points raised by her, I will deal with them in the discussions below.

Decision

19. As noted in paragraph 2 above, the subject mark has been registered since 1991. This means that, as of the Material Date, the registration of the subject mark had been in force for over 15 years. To appreciate why the Applicant seeks revocation so many years after the subject matter had become registered, I need to mention a change in the law that occurred in 2006.

20. On 11 October 2005, FCTC was ratified by China. The pertinent part is Article 11 of FCTC, which deals with packaging and labeling of tobacco products. The extract below shows the relevant provisions in Article 11:

“1. Each Party shall, within a period of three years after entry into force of this Convention for that Party, adopt and implement, in accordance with its national law, effective measures to ensure that:

(a) tobacco product packaging and labeling do not promote a tobacco product by any means that are false, misleading, deceptive or likely to create an erroneous impression about its characteristics, health effects, hazards or emissions, including any term, descriptor, trademark, figurative or any other sign that directly or indirectly creates the false impression that a particular tobacco product is less harmful than other tobacco products. These may include terms such as “low tar”, “light”, “ultra-light”, or “mild”; and ...”

21. In Hong Kong, to give effect to this provision of FCTC, section 10 of the Smoking (Public Health) Ordinance (Cap. 371) (“Smoking Ordinance”) was amended and subsections (3) and (4) of the section now read as follows:

“(3) Any manufacturer of tobacco products or his agent, or any wholesale distributor of tobacco products, who sells, offers for sale or possesses for the purpose of sale any tobacco product to which section 8 or 9 applies commits an offence if any packaging of the product (including any packet, retail container, wrapping, and any label attached to or printed on the packaging or the product) –

(a) bears any term, descriptor, trademark, figurative or any other sign that is likely to create an erroneous impression that the product is less harmful to health than other tobacco products the packaging of which does not bear such term, descriptor, trademark, figurative or sign; or

(b) promotes the product by any means that is false, misleading, deceptive or likely to create an erroneous impression about its characteristics, health effect, hazards or emissions.

(4) A person who commits an offence under subsection (3) is liable on summary conviction to a fine at level 5.”

The above amendment of the Smoking Ordinance took effect on 27 October 2006.

22. While the legislative amendment of the Smoking Ordinance was underway, a review of the practice of the Trade Marks Registry in assessing the registrability of a trade mark was also undertaken. This resulted in a revision of the examination practice as reflected in a change made to the Trade Marks Work Manual (at http://www.ipd.gov.hk/eng/intellectual_property/trademarks/registry.htm). In the chapter on “Absolute grounds of refusal”, which sets out how the ground of objection to the registration of a trade mark under section 11(4)(b) of the Ordinance is applied by examiners of the Registry, the following paragraph was added in March 2006:

“Special consideration should be applied in relation to applications for trademarks for tobacco products under Class 34. Marks may be refused on the grounds that they are false, misleading, deceptive or likely to create an erroneous impression about the product’s characteristics, health effects, hazards or emissions, including any term, descriptor, figurative or any other sign that directly or indirectly creates the false impression that a particular tobacco product is less harmful than other tobacco products. These may include terms such as “low tar”, “light”, “ultra-light”, or “mild”.”

23. It is necessary to point out here that section 11(4)(b) only sets out a ground that may be used to block the registration of a trade mark. With a trade mark that has become registered, like the subject mark, the applicable grounds for revocation are those set out in section 52 of the Ordinance, including section 52(2)(c). Although there may be similarity in terms of the policy behind the two provisions, the differences between the ways the ground for refusal of registration under section 11(4)(b) and the ground of revocation under section 52(2)(c) are phrased are important. For the purpose, I shall set forth the wording of section 11(4)(b) below:

*“(4) A trade mark shall not be registered if it is –
...
(b) likely to deceive the public.”*

24. Already notable at first sight is the fact that registration can be refused under section 11(4)(b) merely if there is a likelihood of the public being deceived, whereas registration can only be revoked under section 52(2)(c) if, in addition to a liability to mislead the public, the liability is a consequence of the use made of the trade mark by the owner or with his consent, in relation to the goods or services for which it is registered.

25. The differences between the two provisions are also discussed in Kerly, in paragraph 10-119, which reads:

“There are two differences of significance between ss.3(3)(b)² and 46(1)(d)³. The first relates to the date at which the position is assessed. As an absolute ground for refusal (and invalidity), s.3(3)(b) requires the position to be assessed at the date of application for the mark. Section 46(1)(d) requires the position to be assessed as at the date of application for revocation⁴. The second concerns the cause of the deceptiveness. Under s.3(3)(b), the cause does not matter: a deceptive mark shall not be registered. Section 46(1)(d) only operates if the deceptiveness has been caused by the use which has been made of the mark by the proprietor or with his consent. In other words it is deceptiveness for which the proprietor is responsible, although there is no requirement to prove “blameworthy conduct” as under the 1938 Act. In these respects, s.46(1)(d) has a narrower ambit than s.3(3)(b) and a wider ambit than s.11 of the 1938 Act.”

26. Hence, for the Applicant to succeed in the present case, she has to establish the existence of two elements as of the Material Date:

- (a) the use of the subject mark by the Registered Owner or with its consent in relation to cigarettes was liable to mislead the public; and
- (b) the liability to mislead was the consequence of the use so made of the subject mark.

27. Kerly, in paragraph 10-125, suggests that in relation to the assessment that I have to make, certain principles can be deduced from the decisions of the European Court of Justice (ECJ) on the interpretation of the expression “liable to mislead the public” as used in the legislation of the European Community in the field of consumer protection. Although not all of the decisions referred to in Kerly relates to the use of the term in Article 12(2)(b) of the European Trade Marks Directive⁵, they offer helpful

² The section in the UK Trade Marks Act 1994 that corresponds with section 11(4)(b) of the Ordinance.

³ The section in the UK Trade Marks Act 1994 that corresponds with section 52(2)(c) of the Ordinance.

⁴ The discussion has not taken into account the effect of s46(6) of the UK Trade Marks Act 1994 which provides to the same effect as section 52(7) of the Ordinance, as quoted in paragraph 2 above.

⁵ Article 12 of the European Trade Marks Directive 89/104/EEC of 21 December 1988 provides –

“A trade mark shall also be liable to revocation if, after the date on which it was registered,

...

(c) in consequence of the use made of it by the proprietor of the trade mark or with his consent in

guidance⁶. According to those cases, for a mark to be liable to mislead, it must be established, having regard to the opinions or habits of the consumers in question, that there is a real risk of their economic behaviour being affected, and that there must be the existence of actual deceit or a sufficiently serious risk that the consumers will be misled. Furthermore, the court must take into account the presumed expectation of the average consumer who is deemed to be reasonably well-informed and reasonably observant and circumspect. With these in mind, I shall now turn to consider the relevant issues.

The erroneous belief

28. Central to the dispute is the belief that cigarettes with the descriptor “lights” used on them (“lights cigarettes”) are less harmful to health than cigarettes sold without such a descriptor (“regular cigarettes). The evidence shows that it all started with a test devised for the purpose of measuring the nicotine and tar inhaled through smoking cigarettes. The following paragraph from Exhibit A of the Connell Declaration gives a clear picture of how the seed for the erroneous belief came to be planted, sprout and then spread:

“The United States Federal Trade Commission (FTC) adopted standardized testing methods for the measurement of tar and nicotine yields of cigarette smoke in the 1960s and for carbon monoxide in 1981, mandating the disclosure of these ratings in cigarette advertising. Under the International Organization for Standardization [ISO] method, similar testing methods were adopted in Europe and many other countries.”

29. The test results were put to use by the public health authorities, as is indicated by the following passage in Exhibit E of the Connell Declaration:

“Based on the assumption that less tar would produce less cancer, public health authorities in the 1950s and 1960s encouraged smokers who persisted in smoking to switch to filtered and low-tar cigarette brands.”

respect of the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.”

⁶ Cases referred to are *Verbraucherschutzverein eV v Sektkellerei G. C. Kessler GmbH und Co* [1999] E.C.R. I-513, *Consorzio per la Tutela del Formaggio Gorgonzola v Kaserei Champignon Hofmeister and Eduard Bracharz* [1999] 1 C.M.L.R. 1203, *Verband Sozialer Wettbewerb* [1994] E.C. R. I-317, *Mars* [1995] E.C.R. I-1923 and *Graffione* [1996] E.C.R. I-6039, and only in the case of *Consorzio per la Tutela del Formaggio Gorgonzola v Kaserei Champignon Hofmeister and Eduard Bracharz* was the discussion directed to the interpretation of the provisions in the European Trade Marks Directive 89/104/EEC.

How the belief first became implanted in people's mind is therefore not hard to see. Nevertheless, when it was first induced, nobody knew about its falsity.

30. According to the Applicant, the theory behind the machine test method is that the tar and nicotine measured from the smoke in the machine environment would be the same as that delivered to the actual smoker. As can be expected, human beings do not behave like machines and real smokers of light cigarettes can actually suck in more smoke than that detected by the machine, resulting in the inhalation of more toxic substances. Unfortunately, not knowing the limitations of the machine testing method when it was first developed, public health authorities had already sent out the message that low-tar cigarettes are less harmful to health. This much is supported by the materials in the exhibits of the Connell Declaration. For example, Exhibit D of the Connell Declaration has this to say:

“In the 1950s and 1960s, ignorant of the lack of relationship between yield and exposure, some experts suggested that smokers who were unwilling to quit consider switching to low-tar brands. This advice began to be given on an official basis in 1966, when the US Public Health Service stated: “The preponderance of scientific evidence strongly suggests that the lower the ‘tar’ and nicotine content of cigarette smoke, the less harmful would be the effect.””

31. Then, whether due to more scientific studies being done or otherwise, the validity of communications made to consumers on the basis of the machine test methods regarding the delivery of carcinogens and other toxins from different types of cigarettes began to be questioned. The following passage from Exhibit D of the Connell Declaration tells of the change of attitude:

“...there have been three phases of public health authority/expert advice to smokers concerning lower yield cigarettes, running from relative confidence in reduced risks, through increasing uncertainty in the 1980s and 1990s to dismissal within the past few years”.

32. At the hearing, Ms. Ho referred to the period of use of the subject mark in Hong Kong as averred to in the Chan Declaration, that is, from 1963 to 2007. She submitted that the Registered Owner started to develop low tar cigarettes in response to the message of the health communities. Her submission makes sense and the timing of the events she referred to does match, that is, the production of a different category of

cigarettes could well be the result of a market demand for low tar cigarettes created by the communication of the mistaken belief. However, in the absence of substantiating evidence, I cannot accept her bare assertion that the birth of low tar cigarettes under the Marlboro brand was attributable solely to the communication by public health authorities of the message about the less harmful effect of such cigarettes.

Liability to mislead

33. Turning now to the main issue of whether, as of the Material Date, the use of the subject mark in relation to cigarettes was liable to mislead the public, it is necessary to distinguish the erroneous belief about the harmful effect of low tar cigarettes discussed above and the deceptive message alleged to be conveyed by the subject mark, that is, cigarettes sold under the subject mark were less harmful. The Applicant seemed to have equated the two and went to great lengths to impress upon me her conviction about the deceptiveness of the subject mark. The two should not however be confused as the parties are not actually in dispute about the existence of the former, but as regards the latter tenet, they are not *ad idem*.

34. As has been noted in paragraph 27 above, proof of actual deceit is not required and the Applicant only has to show a sufficiently serious risk that consumers would be misled. The assessment should also be carried out from the perspective of the average consumer who is deemed to be reasonably well-informed and reasonably observant and circumspect. I shall now consider the arguments put forward by the Applicant as relate to the alleged deceptiveness of the subject mark.

35. As is apparent from the title of the article in Exhibit E of the Connell Declaration, it discusses the perception smokers had about Marlboro Lights cigarettes. The Applicant referred specifically to the quotation in that article from a memo written by a Helmut Wakeman of the Registered Owner in 1967. The quotation reads as follows:

“In the smoking machine the puff volume is constant so that with dilution the quantity of “equivalent undiluted smoke” delivered to the Cambridge filter is reduced. Not so with the human smoker who appears to adjust to the diluted smoke by taking a larger puff so that he still gets about the same amount of equivalent smoke... The smoker is thus apparently defeating the purpose of dilution to give him less smoke per puff. He is certainly not performing like the standard smoking machine; and to this extent the smoking machine data

appear to be erroneous and misleading. It probably always has been so for diluted smoke cigarettes, whether dilution is obtained by porous paper or holes in the filter.”

36. In addition to the above, the Applicant pointed to the internal memo of the Registered Owner in Exhibit B of the Connell Declaration as support to her submission that the Registered Owner was well aware of the deceptiveness of the subject mark. The paragraph in that memo that is of particular interest to this case is set out below:

“There is definitely a growing health consciousness in the market due to regular Government anti-smoking campaign. However, customers currently have a poor knowledge of tar and nicotine. Research shows that Lights = Mild = Less Harmful”

37. The internal documents of Philip Morris in Exhibits C and I of the Connell Declaration were also particularly drawn to my attention. The document in Exhibit C shows the market strategy of Philip Morris in various countries worldwide, with three pages specifically about the market in Hong Kong. The position of Hong Kong is similar to that in other places and the misconception that Marlboro Lights cigarettes are less harmful was identified as one of the key purchasing motivations. In Exhibit I, concern for health is listed as one of the key purchasing motivations. The Applicant thus put it to me that the deception was worldwide and Hong Kong was not exempt.

38. Exhibits F and G of the Connell Declaration were also referred to by the Applicant. In the opinion of the Applicant, information about the two surveys done in Canada in 2000 and 2001 shows that year on year, the rate of people having the mistaken belief had not changed much.

39. The Applicant also sought reliance from the ratification of FCTC by China in 2006. In her view, that means that FCTC represents the official position of China, that China has declared that it accepts and agrees with the statement from WHO. There is therefore no further need to ask the consumers any more.

40. On the side of the Registered Owner, Ms. Ho argued that in the trade mark context, the term “quality” is specifically associated with the source or origin of the goods and not their health effects. Hence, in her opinion, the Applicant’s proposition that the term “lights” conveys the message that the cigarettes deliver a lower amount of tar and nicotine than regular cigarettes has no relevance when the message relates to the

health effect of light cigarettes generally and not the quality of cigarettes sold under or by reference to the subject mark.

41. According to Ms. Ho, the word “lights” has always meant lighter taste and lower tar and nicotine compared to the full-flavoured Marlboro cigarettes. She also stressed the importance to look at the subject mark as a whole and to determine whether the mark as a whole, and not a particular term or particular feature in the mark itself, is deceptive. In addition, Ms. Ho reminded me of the disclaimer of the word “lights” as a condition of the registration of the subject mark, which she considered to be indicative of the recognition by the Registered Owner as well as the Trade Marks Registry that the term is descriptive of cigarettes and is a common feature used by cigarette manufacturers in general as a within-brand descriptor to differentiate a brand of cigarettes with lower tar yield as measured by machine test methods when compared with the parent brand. As registration of the subject mark does not confer any exclusive right over the term “lights”, Ms. Ho submitted that the registration of the subject mark should not be revoked because of the inclusion of the non-prominent term “lights”. More importantly, it is Ms. Ho’s suggestion that the term “quality”, as used in section 52(2)(c) of the Ordinance, cannot be associated with the term “lights” because “lights” is a disclaimed element

42. To find support from the evidence filed, Ms. Ho referred me to the records of registration of the trademarks of other cigarette manufacturers with the term “lights” included as an element, which can be found in Exhibit CCYT-2 of the Chan Declaration. She pointed out that the same conditions of the disclaimer of the word “lights” and the restriction of use of the mark on cigarettes with specific limits on tar level were imposed. Hence, she submitted that on seeing the subject mark, consumers would associate the cigarettes to the standard of products of the Registered Owner, that is, the quality of the cigarettes would be guaranteed by the Registered Owner.

43. Ms. Ho also relied on the evidence filed by the Applicant. She pinpointed the listing of the guarantee of quality as one of the key purchasing motivation of Marlboro Lights in Exhibit C to the Connell Declaration. The following passages from Exhibits D and E of the Connell Declaration were quoted by Ms. Ho as well to show that the public has accepted that the term “lights” is associated with lighter flavor or low tar, while the industry has long been using “lights” as a within-brand differentiator for cigarettes with different tar level.

From Exhibit D

“We use the term lights to refer to cigarettes characterized as light, mild or low in tar.” (at page 311)

“Light and mild brand descriptors, in particular, have arguably been highly effective as qualitative surrogates for tar and nicotine yields and also resonate with health messages such as for light food products” (at page 312)

“Light cigarettes are marketed in all four countries, with within-brand differentiation of strength relying predominantly on the terms light and mild in the U.S. and Canada, and to a lesser extent the U.K.” (at page 313)

From Exhibit E

“Marlboro Lights was the first cigarette brand to use the light descriptor to communicate its lower-tar feature.” (at page 9)

44. The Applicant has very different views on what is meant by the quality of cigarettes. Referring to paragraph 2-006 of Kerly, she stressed that the quality function of a trade mark is that the trade mark offers a guarantee to the consumer that the quality of the goods or services will be that to which the consumer has been accustomed. The subject mark was introduced in addition to the mark used on regular cigarettes of the Registered Owner and the Applicant argued that, in addition to the quality of the tobacco of the cigarettes sold under the subject mark, the consumers would expect the cigarettes to deliver lower tar and nicotine. They would therefore be misled since the smoke of light cigarettes would actually be more mutagenic. The quality of Marlboro Lights cigarettes was worse than what the customers had been accustomed to in the regular cigarettes of the Registered Owner. Therefore the subject mark was liable to mislead as to the quality of the goods.

45. Whilst I am not sure I can follow the logic of the Applicant’s arguments, I do not agree that a liability to mislead as to the quality of the goods under section 52(2)(c) of the Ordinance is limited to situations where the public is misled as to the trade origin of the goods. There is nothing in the legislation which suggests that the term “quality” should be interpreted so restrictively, nor has the Registered Owner shown me any authority to support such an interpretation. In the case of a product like cigarettes especially, a message about their health effects is likely to be one the smokers will be concerned about. This, we have seen, was the position at least in 1994 in Hong Kong when the effect on health was noted as a key purchasing motivation of Marlboro Lights

cigarettes in the document in Exhibit C of the Connell Declaration. The term “lights” could mean more than one thing to the consumers and so even if it also connoted lighter taste, that would not affect the conveyance of another message about the health effect of the cigarettes.

46. As for the disclaimer of the word “lights”, it has no effect on actual use or consumers’ perception. The same goes for the fact that similar disclaimer is made a condition of the registration of the marks of other cigarette manufacturers. It is true that the message conveyed by the mark as a whole should be looked at and not only a particular element. Nonetheless, when considered as a whole, I find the term “Lights”, as used in the subject mark, to be of sufficient prominence and is clearly noticeable, and any message about the quality of the cigarettes, whether in terms of health effects or the nature of the taste to the palate, which may be shown to have been conveyed by the evidence, would have been effectively communicated to the consumers.

47. As for the Applicant’s suggestion that there is no need to ask what the consumers think because China’s ratification of FCTC should be regarded as the official position, I cannot agree. FCTC is a convention about anti-smoking. It says nothing about trade mark laws and it has no effect on the interpretation of the provisions of the Ordinance. I cannot see how it can be a substitute for consumers’ perception of a trade mark in Hong Kong.

48. I still have to consider whether the subject mark was liable to mislead the public in Hong Kong as to the quality of the goods at the relevant time. The Applicant has indeed provided a lot of information on consumers’ perception, but only a very small portion of the materials relates to Hong Kong. It is not open to me to postulate that what was happening in another place can be taken to be the case in Hong Kong. In fact, the Applicant’s evidence warns against so doing.

49. On page 313 of the article in Exhibit D of the Connell Declaration, which studied the position in four different countries⁷, it is noted that:

“Across the four countries of the study, there are differences in products, marketing, public education and regulatory and legal action that could be reflected in differing beliefs about light cigarettes and relevant behaviours”.

It is also observed on page 319 of the same exhibit that:

⁷ The four countries studied are Australia, Canada, the United Kingdom and the United States.

“The other major limitation is that this study is restricted to four largely English-speaking and affluent countries, which have all had lights in various forms since the early 1970s at the latest. Care should be taken in generalizing these findings to other countries, with the degree of care being proportional to the magnitude of cultural and economic differences...”

With such caveat, I should be wary about accepting any proposition that there can be generalization of the existence of the misconception across all places in the world.

50. I also note that among the countries studied in the various projects recorded in the exhibits to the Connell Declaration, there are notable differences of the position in one place from that in another. For example, the number of people holding the mistaken belief that light cigarettes are less harmful was, at least in the years when the studies were undertaken, much lower in Canada and it would appear that the government there had been particularly diligent in educating her people about the harm of smoking⁸.

51. I should add that another problem with the Applicant’s evidence is that none of the information is about the position in 2006, the point of time for which revocation of the subject mark is now asked for. This is important since if the subject mark was only misleading at some point of time other than that at which revocation is sought, the application to revoke cannot succeed⁹. This temporal factor is of particular importance in the present case because, as has already been pointed out in paragraph 31 above, the veracity in the understanding about the harmful effect of light cigarettes has varied through time and the change of attitude recorded in the evidence has occurred for a span of time of more than half a century.

52. When the evidence of the Applicant is examined with the above concerns about its limitations in mind, only the information in Exhibit C can be considered as having some direct relevance to the present case. Hence, the Applicant has only managed to establish that around 1994, the term “lights” did convey the message that cigarettes with the descriptor were less harmful than regular cigarettes in Hong Kong. However, I have nothing before me about the position in Hong Kong in 2006, twelve

⁸ As noted from data of the study mentioned in Exhibit D of the Connell Declaration and the surveys done in Canada in 2000 and 2001 that are reported in Exhibits F and G of the Connell Declaration respectively.

⁹ As noted in the judgment of Lord Nicholls in paragraph 49 of *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7, “That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past.”

years after 1994, the closest point of time in respect of which I have information that can be relied on. For example, I have no information at all about the effectiveness of anti-smoking education campaign, if any, organized since 1994.

53. From the passage in Exhibit D to the Connell Declaration which I have already referred to in paragraph 31 above, it can be seen that doubts about the truthfulness of the tenet that low tar cigarettes are less harmful than full-flavoured cigarettes arose in the 1980s and 1990s, but it was dismissed a few years before the article was written. The article was written in 2004 and so dismissal probably occurred around 2000. What people knew at different points of time does vary and whether or not by 2006, the use of the term “lights” was deceptive is not clear. For this reason, I cannot conclude that the subject mark was liable to mislead the public as to the quality of the cigarettes sold in 2006. The Applicant has therefore failed to establish this factor as required by section 52(2)(c) of the Ordinance.

54. One may ask whether a different finding can be arrived at in this regard on the basis of the change of law in Hong Kong subsequent to China’s accession to FCTC. Given that the Smoking Ordinance was amended in 2006 to ban the use of misleading terms on the packaging or labeling of tobacco products, could it not be inferred that the enactment was considered necessary because people were being misled at the time? I have grave reservations in so finding when what I am here to decide is whether a proprietary right of the Registered Owner should be taken away. Furthermore, the amendment to the Smoking Ordinance in 2006 could have been made merely to set the legislative position in Hong Kong in line with the requirements of FCTC. In addition, the legislation deals with the general position and not with the specific case of the Marlboro brands. That being the case, I should be slow in making any inference about the deceptiveness of the subject mark at that time when I do not have the full background to the change of the legal position.

55. The parties have also separately addressed me on the discussions in Kerly about the principles applicable in considering whether a trade mark should be revoked under the corresponding provisions in the UK Trade Marks Act 1994, such as how to answer the question through the eyes of the average consumer of the products who is reasonably well informed and reasonably observant and circumspect. In light of my finding above, there is no need for me to address those arguments.

In consequence of use of the mark

56. Lest I be wrong in finding the Applicant has failed to establish that the subject mark was, in 2006, liable to mislead the public as to the quality of the cigarettes sold under the mark, I shall now consider whether the alleged liability to mislead was a consequence of the use made of the subject mark by the Registered Owner or with its consent.

57. The Applicant's stand on this point is not absolutely clear. In the course of making her submissions, the Applicant suggested at various stages that the source of the misconception was not relevant. At one point, she suggested that it would be sufficient for her to establish that the Registered Owner was using the subject mark and that the consumers were being deceived; and these two elements alone were the key.

58. On the other hand, she submitted that the misconception was caused by the application of the subject mark by the Registered Owner to low tar cigarettes when the Registered Owner knew full well that the consumers had no concept of yield¹⁰ or the machine test method, but they relied on the number of the box as indicating the amount of toxin delivered to them. She acknowledged that the requirement to put the numbers of tar yield on the packaging of cigarettes was imposed by the Smoking Ordinance¹¹, but she was adamant that the Registered Owner knew when the subject mark was put together with such information on the packaging, the use of the subject mark would be deceptive.

59. The Applicant added that the labeling of tar yields might be mandated by the government, but the use of the term "lights" for a particular category of cigarettes was not. She emphasized that the Registered Owner could have chosen some other word to differentiate the cigarettes, and the term "lights" was not something forced upon the Registered Owner by the government. She considered it disingenuous for the Registered Owner to disclaim responsibility simply because the information about tar yield was a government requirement, when it knew that on seeing the information together with the subject mark, the consumers would be misled. In short, the Applicant considered that in choosing to put the subject mark on the products and

¹⁰ The amount of harmful substances in a cigarette as measured by the machine test method.

¹¹ The requirement is imposed under section 8 of the Smoking Ordinance which reads:

(1) No person shall sell, offer for sale or possess for the purposes of sale any cigarettes unless-

(a) they are in a packet of at least 20 sticks; and

(b) the packet thereof and, if the packet is within a retail container, the container also, bear in the prescribed form and manner-

(i) a health warning;

(ii) the tar and nicotine yields.

marketing them as low tar products to the public, the Registered Owner was responsible for the misconception.

60. The Applicant had elaborated a bit on what the Registered Owner knew too, pointing to Exhibits B and C of the Connell Declaration, the relevant parts of which have already been set out in paragraphs 36 and 37 above. Yet, in consensus with the Registered Owner, she accepted that it would not be necessary to establish blameworthiness on the part of the Registered Owner.

61. As for the stand of the Registered Owner on this point, Ms. Ho put forward a very clear case. To her, an application for revocation can only succeed if the trade mark owner is shown to be responsible for the deception. She was of the view that the Applicant had not particularized in her application, nor provided in the evidence, that it was indeed the Registered Owner who was responsible for any alleged deceptiveness of the subject mark. In her opinion, the evidence of the Applicant either does not mention the source of the deception or it suggests that someone else was responsible.

62. To illustrate her point, Ms. Ho shared her views on all the exhibits of the Connell Declaration, quoting from a number of them. In respect of Exhibit A, she pointed to the passage set out in paragraph 28 above, as well as the succeeding paragraph which reads as follows:

“For nearly three decades, the ISO/FTC methods were relied upon as meaningful predictors of the differences in exposure to tar, nicotine and carbon monoxide received by smokers of brands with different machine measured yields. This difference in exposure was expected to result in substantive differences in the health effect of smoking various types (low/high yield) cigarettes.” (first page)

Given that the use of the predictors referred to in the passage was imposed by governments on the industry, it is Ms. Ho’s submission that the Registered Owner was not the source of the message about the differences in the health effect of smoking low and high yield cigarettes.

63. In addition, Ms. Ho took the view that other passages in Exhibit A pointed to the failure of the consumers to understand the information on the package as the cause of the erroneous belief. These passages read as follows:

“The Health Education Authority in the UK and several other studies have revealed that the tar and nicotine ratings as they are displayed by the industry are not clearly understood by the consumers” (second page)

“...awareness levels among the general public about the limitations of the ISO/FTC test methods and the ratings based upon them are very low. The regulatory measures undertaken for the disclosure of this information have clearly proven ineffective.” (third page)

64. With reference to the relevant part of the memo in Exhibit B which has been extracted in paragraph 36 above, Ms. Ho put it to me that it only talked about the poor knowledge of the consumers but it did not show that the perception had been created by the Registered Owner or through the use of the subject mark. The few pages of Exhibit C that relate to Hong Kong stand on a similar footing. Ms. Ho did not challenge the statement about the association of health effects with low tar but she contended that that was only a statement of consumers’ belief, and it did not tell people about the source of the misperception.

65. As for Exhibit D, Ms. Ho drew my attention to what the authors said about the focus of the findings of the survey discussed in the article:

“In this paper we focus on smokers’ perceptions of light cigarettes, independent of the means by which they formed those perceptions.” (page 311)

66. That said, Ms. Ho also quoted the following discussions in the article from which can be discerned that the mistaken belief might have been prompted by government and their health authorities:

“In the 1950s and 1960s, ignorant of the lack of relationship between yield and exposure, some experts suggested that smokers who were unwilling to quit consider switching to low-tar brands. This advice began to be given on an official basis in 1966, when the US Public Health Service stated: “The preponderance of scientific evidence strongly suggests that the lower the ‘tar’ and nicotine content of cigarette smoke, the less harmful would be the effect.” Later, smokers would also be advised that low-tar cigarettes deliver less nicotine and thus might facilitate future quitting”. (pages 311-312)

“Between 1967 and 1972, the publication of tar tables commenced in the U.S.,

Australia, Canada and the U.K., enabling smokers to identify brands with lower machine-measured tar and nicotine yields.” (page 312)

“For most of the period when the above-described evidence was accumulating, smokers were advised that the balance of evidence remained consistent with relative health benefits from switching to low-tar cigarettes. However, during the 1980s and early 1990s there was increasing advice to low-tar smokers to avoid smoking more cigarettes per day, inhaling more deeply or otherwise undermining potential benefits.” (page 312)

67. Ms. Ho quoted further passages from Exhibit D to show that the consumers’ misperception could have been caused by their own experience with light cigarettes or that public education was the key to the matter. These passages are set out below:

“The belief that lights are smoother on the throat and chest was the strongest predictor of the LBS¹².” (page 316)

“Our finding that the relationship between the experience that light cigarettes are less harsh and irritating and beliefs that they are less harmful was as strong among smokers who were not currently smoking lights as it was among current lights smokers is notable.” (page 318)

“In consumers’ minds, less harshness and bite to the smoke is perceived as less harmful, even though scientific evidence shows this is not the case.” (page 320)

“These findings suggest that the impacts of campaign about the lights deception have been more limited than might have been hoped for, and much remains to be done.” (page 319)

68. The following parts of Exhibit E were also relied upon by Ms. Ho to show that the evidence pointed to public health authorities as being responsible for the misperception of the smokers:

“Based on the assumption that less tar would produce less cancer, public health authorities in the 1950s and 1960s encouraged smokers who persisted

¹² LBS is the term used in the article to represent the strength of smokers’ agreement or disagreement with statements about the benefits of light cigarettes.

in smoking to switch to filtered and low-tar cigarette brands.” [page 1]

“It was logical to assume that as tar levels fell, so would lung cancer rates and perhaps other smoking-induced diseases.” [page 1]

69. With so many passages from the Applicant’s evidence talking about the plausible causes of the belief held by smokers, Ms. Ho tried to convince me that the Registered Owner was not in any way responsible for any consumer deception in respect of the term “lights” or the subject mark itself. If any deception was caused or created, Ms. Ho argued that this had been contributed by messages that health communities conveyed to the public about the association of less harm with low tar and the few other causes mentioned.

70. At this juncture, I should perhaps relate the attempt of Ms. Ho to rely on another part of Exhibit E of the Connell Declaration which talked about the addition of an information insert on the packaging of Marlboro Lights cigarettes in the U.S. from around 2004. On page 3 of Exhibit E, there is mention that Philip Morris had begun to include an information insert on the pack of its light and ultra-light cigarette brands warning smokers not to assume that cigarette brands using descriptors such as ultra-light, light, medium, and mild are less harmful than full-flavoured cigarette. However, when I asked Ms. Ho whether the information insert had indeed been introduced in Hong Kong, she could not confirm the position. As none of the samples of packaging of Marlboro Lights exhibited to the Chan Declaration shows the inclusion of such information insert, I see no ground to accept the submissions of Ms. Ho in this respect.

71. On the Applicant’s suggestion that the source of the deception is not important, Ms. Ho expressed strong disagreement. She stressed that although it would not be necessary to show that the Registered Owner was to blame for the deception, the Applicant still had to prove that the Registered Owner was responsible for the message. As already explained, after combing through the evidence of the Applicant, Ms. Ho reiterated that not only did the evidence not indicate the source of the deception but more importantly, it did not indicate that the source of the deception was the Registered Owner. She also pointed out that even if consumers might not have a concept about the machine test method, how they were misled had to be attributable to the action of the Registered Owner

72. The fact that information about the tar yield of cigarettes is required by law to

be printed on the packs of cigarettes was also mentioned by Ms. Ho. As the Registered Owner was legally obliged to set out the information, Ms. Ho argued that this meant that it was not the Registered Owner who actually used the data about tar yield together with the subject mark to send the message into the market.

73. I have pointed out in paragraphs 23-25 above that the need to show that the deception is a consequence of the use of the mark in question is a specific requirement under section 52(2)(c) of the Ordinance. The suggestion of the Applicant that the source of the deception is not relevant is therefore untenable. Although there is no need to show blameworthiness on the part of the Registered Owner, the Applicant still has to demonstrate that it was the use of the subject mark which led to the public being misled.

74. Despite the painstaking efforts of Ms. Ho in drawing my attention to the various parts of the exhibits of the Applicant's evidence, I am no wiser as to the cause of the alleged deceptiveness of the subject mark. All that I can be certain of is the origin of the belief being the promulgation by health authorities of the message that low tar cigarettes are less harmful to health because they deliver less nicotine. Indeed government authorities, ignorance of consumers, past experience with light cigarettes and public education have all been identified as having contributed to the deceptive message, but the Registered Owner is not free from such finger pointing either. For example, the following passage can be found in Exhibit A of the Connell Declaration:

“Due to the advertising and packaging methods adopted by the industry, smokers see these terms not as technical descriptors but as implying health benefits.” (second page)

75. Yet, another passage in Exhibit E of the Connell Declaration suggests that the Registered Owner was not itself responsible, it just took advantage of an already existing misconception. It reads as follows:

“Despite knowing that lower-tar cigarettes did not mean that smokers would get less tar, Philip Morris aggressively marketed lower-tar cigarettes, recognizing that customers would perceive them to be safer than full-flavored cigarettes.” (page 2)

76. Although the parties have spared no efforts in identifying passages from the exhibits of the Connell Declaration which they think are in support of their respective

cases, I do not think any of those passages is really helpful. The subject matters of the articles quoted from are in the main studies about the misperceptions held by smokers. The discussions in those articles about the cause or causes of such mistaken beliefs are mere expressions of the personal opinions of the authors and not conclusions drawn from scientifically collected and analyzed data. The authoritativeness of one author's view is just as questionable or, whichever way one wishes to put it, just as reliable as that of the view of another author. There is simply no justifiable basis for me to accept any particular opinion proffered and discard the others; and since they present conflicting positions, no definitive conclusion can be drawn.

77. On top of this, I have the same concerns about the territorial and temporal limitations of the applicability of the articles in the exhibits as mentioned in paragraphs 48-53 above. Only Exhibits B, C and I of the Connell Declaration contain information that pertains to Hong Kong and the latest position that they relate to is 1994. Those exhibits however do not have information about the cause of the mistaken belief. In the absence of any proper justification for me to do so, I cannot simply regard the positions set out in the other exhibits as applicable to Hong Kong in 2006.

78. Despite the confusing positions as presented, one thing can reasonably be deduced from the evidence and that is, at different points of time, smokers could have been affected by different factors in forming the misconception or in the holding on to it. This reinforces my view that the relevance of the evidence on the cause of the deception has to be assessed with reference to the point of time at which the present revocation is sought. That being the case, it means that there is no relevant evidence that I can work on.

79. Although the case can already be disposed of on the grounds stated above, I would like to discuss briefly the indication in the exhibits of the Connell Declaration that the advertising methods of the industry were among the many causes for the deceptiveness of the subject mark. I note that by 2006, almost all forms of advertising of cigarettes were already banned under the Smoking Ordinance¹³. It is also not clear whether, back then in Hong Kong, tar and nicotine yields had to be disclosed in the advertising of cigarettes in addition to the packaging, as is suggested in the passage quoted in paragraph 28 above. As I do not have any information about the nature and extent of the advertising efforts of the Registered Owner around the relevant period of time at all, I cannot see how I can conclude that the advertising activities of the

¹³ As prohibited under the versions of sections 11, 12, 13, 13A and 13B of the Smoking Ordinance that were applicable in 2006.

Registered Owner were the cause of the misperception.

80. As regards the packaging methods of the industry, the exhibits clearly talk about the labeling of the yield on cigarettes packaging, as mandated by government authorities, as the root of the problem. In requiring the labeling of tar content, health authorities were actually doing smokers a disservice, when the figures did not give an accurate picture of the true amount of toxin inhaled. The Applicant has herself agreed that the misconception arose as a result of the use of the descriptor “lights” alongside the information on tar yields. That means the inaccurate message about the health effects of the cigarettes was inflicted upon the descriptor. It is true that the use of the term “lights” was not forced upon the Registered Owner but another word or sign adopted by the Registered Owner for within-brand differentiation purpose might equally have become deceptive through its use in conjunction with the display of the information about the tar yield.

81. In light of the above discussions, I find that the Applicant has failed to establish that the alleged deceptiveness of the subject mark was the consequence of the use made of it by the Registered Owner. The application to revoke the registration of the subject mark is therefore unsuccessful.

Public Interest

82. The Applicant has made it very clear that the application for revocation was made in the public interest and she made a number of submissions on the basis of the public interest in protecting smokers or potential smokers from the consequences of holding the mistaken belief. Some of the submissions were founded upon the deceptiveness of the subject mark, while some were not. As the Applicant has failed to establish deceptiveness of the subject mark, I will not go into the submissions that were based on the deceptiveness of the subject mark. As for the submissions not so based, to do justice to the Applicant’s case, I should explain why they are of no assistance.

83. It is noted that the word “lights” is not specifically mentioned in the Smoking Ordinance as amended. The Applicant sees that as a lack of any specific ban of the use of the term or a definitive decision on whether cigarettes can be sold under such a term. Although the term is referred to in the FCTC and the Trade Marks Work Manual, the Applicant is of the view that a decision of the Intellectual Property Department (“IPD”) that reinforces the message that “lights”, when used in relation to cigarettes, is a deceptive term would be important. In her opinion, with such a decision from IPD, the

Tobacco Control Office will have the additional authority they need to go to the market place and carry out consumer protection. Conversely, the Applicant suggested that if I were to allow the subject mark to stay on the register, it would mean that any misleading mark that has ever been registered is safe.

84. At the hearing, I explained to the Applicant that the revocation of the subject mark would not be a ban on the use of the subject mark, since use of a trade mark is not dependent on its registration. Registration of a trade mark is not mandatorily required by law and a person who has used an unregistered mark may still be able to stop others from using the mark under the law of passing off. Hence, if the subject mark is revoked, the Registered Owner may no longer be entitled to the protection conferred by the Ordinance, but there is nothing under the laws on trade mark that will prevent it from continuing using the subject mark. Of course, whether its right to use is curtailed by other laws, like the provisions of the Smoking Ordinance, is another matter.

85. It is also important for the Applicant to realize that the authority of the Tobacco Control Office to enforce the anti-smoking legislation does not come from a decision from IPD, nor will a ruling in such a decision affect the interpretation of the requirements imposed on manufacturers and sellers of cigarettes or the exercise of the powers granted to the enforcement agent under the Smoking Ordinance. Each piece of legislation has its own purpose to serve and any conclusions that I have drawn in this present case can only be taken as an interpretation of the relevant provision of the Ordinance. They will not have an iota of effect on the operation of the Smoking Ordinance.

86. The fact that this decision is only about the subject mark should also be borne in mind. Even if I were to revoke the registration of the subject mark, the registration of other marks which have incorporated the term “lights” or other similar terms will not be affected. It would therefore be absurd to suggest that the Tobacco Control Office has to wait until there is a decision from IPD in respect of each and every mark that has incorporated the term “lights” or other similar descriptors before it can perform its statutory duties under the Smoking Ordinance.

87. I also do not agree that if the subject mark is allowed to stay on the register, it will send off an undesirable message that any misleading mark that has ever been registered is safe. The requirements of section 52(2)(c) of the Ordinance are clear. The proprietary right of a trade mark owner cannot be taken away merely on the ground that the mark is liable to mislead, but it can and will be taken away if it can be proved

that the liability to mislead is a consequence of the use made of the mark by the owner or with its consent.

88. Further, leaving the subject mark on the register does not necessarily mean that it is safe. If the use of the subject mark is caught by the Smoking Ordinance, it is no longer safe and use of it may entail criminal liability on the part of the Registered Owner. I have no mandate to comment on the effectiveness of the relevant provisions under the Smoking Ordinance, nor do I have any intention to do so. Nevertheless, one may be tempted to speculate that the cessation of use of the subject mark by the Registered Owner since 2007 may well be a testimony of the effectiveness of the legislative amendment made to the Smoking Ordinance in 2006.

Costs

89. Both parties have addressed me on costs. On the part of the Applicant, reiterating that she has sought revocation purely for the sake of public interest, it was submitted that each party should be ordered to bear its own costs. From the perspective of a non-smoker like myself, the altruistic act of the Applicant is indeed admirable and praiseworthy. However, I cannot turn a blind eye to the plight of the Registered Owner. Notwithstanding the noble cause of the Applicant, the Registered Owner has been put through the inconvenience of having to defend the registration of its own mark. As the application for revocation has failed, I award the Registered Owner costs.

90. 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.

(Caroline Chow)
for Registrar of Trade Marks
31 October 2011