

Application No. 4557 of 1999

IN THE MATTER of the Trade Marks
Ordinance (Cap. 43)

AND

IN THE MATTER of an application for
registration of



In Part A of the register in Class 30 by
Oriental Food Industries Sdn. Bhd.

AND

IN THE MATTER of an opposition by
A. Locker A.G – S.p.A.

**DECISION
OF**

Ms. Maria K. Ng acting for the Registrar of Trade Marks after a hearing on 9 May 2005.

Appearing : Mr. Kim Nicholson of Marks & Clerk on behalf of the Applicant
 Mr. Anthony Evans of Robin Bridge & John Liu on behalf of the
 Opponent

1. On 14 April 1999, Oriental Food Industries Sdn. Bhd., a Malaysian corporation (the “Applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance, Cap. 43 (the “Ordinance”), in Part A of the Register, in Class 30, the trade mark, a representation of which appears below:



(the “suit mark”)

2. The goods intended to be covered by the registration were “flour and preparations made from cereals, confectionery, bread, cookies, cakes, biscuits, wafer biscuits, cream filled wafer biscuits of strawberry-flavoured, chocolate-flavoured, milk-flavoured, orange-flavoured and cocoa milk-flavoured; chocolate coated wafers, wafer rolls, chocolate products, candy, sweets, breakfast cereals, corn flakes and snack food; all included in Class 30” (the “specified goods”). The Registrar of Trade Marks (the “Registrar”) accepted the suit mark for registration in Part A of the Register subject to the condition that the registration shall give no right to the exclusive use of the words “Wafer” and “CUBE” and the device of wafers. It is a further condition that the blank space in the mark shall, when the mark is in use, be occupied only by matter of a wholly descriptive and non-trade mark character. The trade mark application was advertised in the Hong Kong Government Gazette on 2 June 2000.

Notice of opposition

3. On 2 November 2000, a notice of opposition to the application was filed in the name of A Loacker S.P.A. (the “Opponent”) based on sections 2(1), 9, 10, 12(1), 13, 20 and 23 of the Ordinance. The name of the Opponent was subsequently changed to A Loacker A.G. – S.p.A. in the amended notice of opposition filed on 26 August 2002. The Opponent’s agent confirmed that both names referred to the same entity. The Opponent is a company incorporated in Italy. The facts alleged in the amended notice of opposition to support the grounds of opposition are that the Opponent owns and has used the trade marks “Loacker” and “Loacker Quadratini” for goods in class 30 (collectively referred to as “Loacker marks”)

and has acquired a substantive and valuable goodwill in connection therewith. The Loacker marks are registered in Hong Kong (TM nos. 199402669 and 199802812) in class 30. They are also registered in numerous other territories. The goods covered in the application of the suit mark are the same as the goods of interest to the Opponent or goods of the same description. The suit mark so nearly resembles the Loacker marks that it is likely to deceive or cause confusion. Use of the suit mark by the Applicant in relation to the specified goods would be disentitled to protection in a court of justice and contrary to law. Furthermore, it was alleged that the Applicant cannot lawfully claim to be the bona fide proprietor of the suit mark in that the mark does not differ materially from the Loacker marks. The Opponent requests that the opposition be allowed with costs against the Applicant.

The Counter-statement

4. On 3 January 2001, the Applicant filed its counter-statement. Apart from certain factual information about the Opponent and the application of the suit mark, the Applicant denies all allegations pleaded in the notice of opposition and puts the Opponent to strict proof of the same. The Applicant requests that the opposition be refused with costs awarded against the Opponent.

Opponent's evidence in chief

5. The Opponent's evidence in chief comprised a statutory declaration of Ms. Christine Maria Zuenelli, the president of the management committee and legal representative of the Opponent. Ms. Zuenelli declared that the Opponent is a very well known Italian company that specializes in the production and sale of fine confectionery, and especially wafer-based specialities, all of which are sold and marketed in numerous countries, including Hong Kong, under trade marks that comprise or contain the name "Loacker". The Opponent's business commenced in Italy in 1925. The business proved to be very successful and has subsequently expanded over the years not only in Italy but also in numerous other countries throughout the world. The Opponent is the registered proprietor or applicant for registration of various trade marks that comprise the name "Loacker" in more than 90 countries.

6. The Opponent's products, all bearing the mark "Loacker", are presently sold and distributed in more than 50 countries. The approximate worldwide annual sales turnover (including Italy) of the Opponent's products with the mark "Loacker" increased from US\$ 35,522,000 in 1995 to US\$ 66,364,247 in 1999.

7. In Hong Kong, products with the "Loacker Quadratini" mark have been sold and

marketed since at least 1997. The annual sales turnover of Loacker Quadratini products sold by the Opponent to its distributor in Hong Kong for the years from 1997 to 1999 is provided by the Opponent in Lira. For easy reference, the turnover is converted to US dollar below at the exchange rate of US\$ 1 = 2280 Lira.

Year	Annual sales turnover (in US\$)
1997	411,389
1998	270,147
1999	141,884

Sample invoices evidencing sales of Loacker and Loacker Quadratini products from the Opponent to its Hong Kong distributor are annexed in Exhibit “H”.

8. Ms. Zuenelli opines that by reason of the extensive sales and promotion of the Opponent’s Loacker products in Hong Kong and elsewhere, the mark “Loacker” has become extremely well-known.

9. Samples of the Opponent’s and the Applicant’s packaging of their products are attached to Exhibits “I” and “J” respectively. Ms. Zuenelli compares the marks, the pictorial representations and the designs on the packaging in detail. She opines that the overall impression created by the Applicant’s mark and packaging is similar to that of the Opponent’s and would cause a substantial number of customers to be confused between the Applicant’s and the Opponent’s products.

10. She concludes with a challenge to the bona fides of the Applicant. This is expressed as a belief that the Applicant was aware of the Opponent’s mark and packaging and purposely selected a packaging design that resembles the Opponent’s packaging in material respects.

The Applicant’s evidence

11. The Applicant’s evidence comprises a statutory declaration of Mr. Son Chen Chuan, managing director of the Applicant. Mr. Son declared that the Applicant is Malaysia’s foremost manufacturer of snack foods and confectionery products. Its business began in 1978 and has since grown into a major manufacturer and retailer of confectionery and snack foods.

12. The Applicant is the registered proprietor of the trade mark consisting of or

incorporating the word “Jacker” in classes 29 and 30 in a number of Asian countries.

13. The Applicant first used the suit mark in Taiwan in 1998. Products bearing the Applicant’s trade mark are sold in 17 countries and territories including Hong Kong.

14. A breakdown of the sales figures of the products under the suit mark in Hong Kong from 1999 – 2002 are provided at Exhibit “E”. Mr. Son opines that through significant use of the suit mark, it has become well known in Hong Kong.

15. Mr. Son further declared that the Applicant independently created the suit mark and the packaging in relation to which the suit mark is used. He did not however go further to elaborate on how the suit mark was created or selected. He referred to a wide range of other products manufactured and sold by the Applicant in Exhibit “F” and pointed out that stripes and ribbon style labels are commonly used in the packaging of its products.

16. The Applicant has used the suit mark in Hong Kong since at least 1999 and, to the best of Mr. Son’s knowledge, has not caused any confusion in the market place.

17. Finally, Mr. Son referred to opposition proceedings instituted by the Opponent against registration of the suit mark in Taiwan. The Applicant defeated the opposition and a copy of the decision is attached to Exhibit “G”.

The Opponent’s evidence in reply

18. The Opponent’s evidence in reply consisted of the second statutory declaration of Ms. Christine Maria Zuenelli. The statutory declaration contains mainly matters of submission and not evidence.

Hearing

19. The matter came before me at a hearing fixed on 9 May 2005. At the hearing, Mr. Evans on behalf of the Opponent, abandoned its opposition based on sections 2(1), 9, 10, 13(1) and 23 and proceeded on the basis of sections 12(1), 20(1) and 13(2) of the Ordinance.

20. Although the hearing took place after the commencement of the Trade Marks Ordinance (Cap. 559), by virtue of sections 1(4) and 10(1) and (2) of Schedule 5 to Cap. 559, the application and opposition hereto remain to be determined under the provisions of the Ordinance.

Section 12(1) of the Ordinance

21. The parties' submissions were mostly focused on section 12(1) of the Ordinance. I therefore start by considering the opposition under this ground.

22. Section 12(1) provides as follows:

“It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or would be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design.”

Reputation of the Opponent's mark

23. Before an opponent can mount an opposition under this section, it must first establish that its mark is known to a substantial number of persons in Hong Kong (*Re Arthur Fairest Ltd.'s Application* (1951) 68 RPC 197 at 200). The date at which this reputation in the mark is to be established is the date of the application for registration of the suit mark (i.e. 14 April 1999) (*NOVA Trade Mark* [1968] RPC 357 at 360). If the opponent discharges this burden, the onus shifts to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception arising among a substantial number of persons if the mark sought to be registered proceeds to registration (*Eno v. Dunn* (1890) 15 App. Case 252 at 261).

24. There is no evidence before me of any advertising or promotion activities conducted in Hong Kong in relation to the Loacker marks. The catalogues, brochures and advertising materials depicting the Loacker marks attached to Exhibit “F” of Ms. Zuenelli's declaration are all undated. Furthermore, these materials are printed in either English or Italian. There is no evidence before me to show that these promotional materials were circulated in Hong Kong prior to the date of application of the suit mark.

25. However, sample invoices attached to the statutory declaration of Ms. Zuenelli show that Loacker Quadratini products were imported to Hong Kong as early as 1995. The invoices show that over 13,000 cases of Loacker Quadratini wafer products were imported into Hong Kong in 1996. Coupled with the substantial annual sales turnover of the Loacker Quadratini products from 1997 to 1999 (see paragraph 7 above), I am satisfied that “Loacker Quadratini” has acquired the necessary reputation for the Opponent to mount an opposition under section 12(1) of the Ordinance.

Burden of proof

26. The onus now shifts to the Applicant to satisfy me that there is no reasonable likelihood of deception arising among a substantial number of persons if the suit mark proceeds to registration. The test under section 12(1), adapted to this application, is: having regard to the reputation of the mark “Loacker Quadratini”, is the Registrar satisfied that the mark applied for, “Jacker Wafer Cube” and device, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons? (*Smith Hayden & Co.’s Application* (1946) 63 RPC 97 at 101).

27. The standard of proof required under the above test is best explained by Lord Upjohn in *BALI* [1969] RPC 472. It was held in that case that it is not necessary to prove that there is an actual probability of deception leading to passing off or an infringement action. It is sufficient if the result of the registration of the mark would be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. That said, the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which is sought to be registered is put on the register.

Notional fair use and actual use

28. It is well established in *Smith Hayden & Co.’s Application* that in determining whether there is a reasonable likelihood of deception or confusion, the Opponent’s mark must be considered precisely as it has in fact been used and the Applicant’s mark should be considered in fair and notional use.

29. Representation of the “Loacker Quadratini” mark in actual use is attached to Ms. Zuenelli’s declaration and is reproduced below:



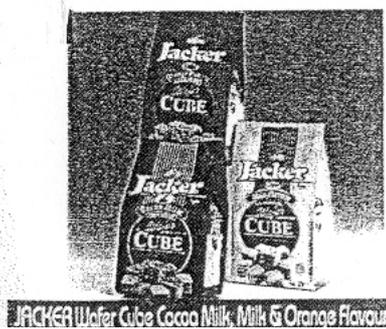
30. Mr. Evans submitted that

material times used its “Loacker

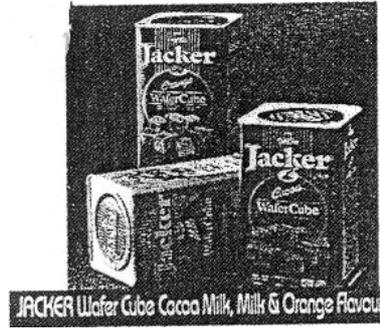
Quadratini” mark in Hong Kong on a particular type of packaging. The packaging used is an upright bag sealed at the top, a representation of which with the “Loacker Quadratini” mark applied is shown below:



31. Although the suit mark should generally be considered in notional fair use, Mr. Evans submitted that I should have regard to the get-up and general appearance of the suit mark and packaging in actual use in the present case. The suit mark is, in actual use, applied to two types of packaging, the representations of which are set out below:



A



B

32. Mr. Nicholson, on the other hand, submitted that the packaging of the products should not be taken into account in the comparison. Even if one has to look at the get-up, the packaging used by the Opponent and the Applicant in this case is merely common packaging.

33. Mr. Nicholson drew my attention to *Kerly’s Law of Trade Marks and Trade Names 12th edition paragraph 10-04* where the following is said about “notional use”:

“The marks must be supposed to be used precisely as registered; but the effect of the use by either party of any particular packaging or get-up is wholly irrelevant.”

34. However, the above comment must be read in the context of *Hack* (1940) 58 RPC 91 referred to in the footnote. This case concerns an application for registration of the words “Black Magic” in respect of “medicated preparation in solid form for human use as laxatives” in class 3. The application was opposed by the proprietor of the trade mark “Black Magic” registered in class 42 in respect of, *inter alia*, “chocolate and chocolates”. It was proved that chocolate was used as a flavouring for certain laxatives and that in many cases chocolates and laxatives were sold in the same shops. The packaging used by the applicant for its laxatives differed from that used by the opponent for its chocolates. When considering the principles to be applied under section 11 of the Trade Marks Act 1938 (largely similar to section 12 of the Ordinance), Morton J. said the following:

“In the fourth place, the effect on the public of the use of any particular get-up or mode of presentation of the product is not the question which has to be determined by the court upon the application. The true test is whether the use of the mark by itself, in any manner which can be regarded as a fair use of it, will be calculated to deceive or cause confusion. In the present case Mr. Hack, the applicant, has so far made up his laxative in small glass tubes – tubes through which it is possible to see the contents, I must not, in considering the case, have regard only to that mode of presentation of the goods, but, as I have said, to the use of the mark in any manner which can be regarded as a fair use of it.” (emphasis added)

35. Furthermore, it is stated in *Kerly’s Law of Trade Marks and Trade Names 12th edition paragraph 10-4 (last paragraph)* as follows:

“If in fact it is known what use an applicant intends to make of a mark, that use cannot be excluded.”

In *Grundig* [1968] RPC 89, evidence that the “shamrock” mark was actually used coloured green was admitted.

36. In view of the above, I conclude that the Opponent’s mark must be considered in precisely the form in which it has been used or applied to the relevant packaging. On the other hand, the suit mark should be considered as being used in the ordinary course of business in a normal and fair manner upon the specified goods in common place packaging/get-up as well as the type of packaging which the suit mark is applied in actual use.

Likelihood of deception

37. The “Loacker Quadratini” mark was applied in actual use on wafer products. The suit mark is sought to be registered in respect of a variety of confectionery products including wafers. There is no contention between the parties that the specified goods and the Opponent’s goods are the same or closely related or goods of the same description.

38. Before a comparison is made between the Opponent’s mark and the suit mark, I need to determine the effect of the disclaimer on the suit mark. Does the disclaimer on the words “Wafer” and “Cube” and the device of wafers have any effect when comparing the marks. The prevailing view is that set out in *Fountain Trade Mark* [1999] RPC 490 where the Appointed Person Mr. Geoffrey Hobbs QC held that objections under section 12(1) of the Trade Marks Act 1938 (similar to section 20(1) of the Ordinance) are not in point of law, restricted to the residue that is left after disclaimers have been taken into account. A disclaimed element must neither be ignored nor given less significance than it deserves when due allowance has been made for the degree to which it is non-distinctive of the relevant goods. I would add that the same principle should equally apply when considering an objection under section 12(1) of the Ordinance.

39. The Opponent’s mark, Loacker Quadratini, is applied in actual use on an upright bag. The word “Loacker” is displayed near the top of the bag with the pictorial representation of a mountain range appearing immediately below. The word “Quadratini”, arranged in an arc shape, is placed underneath the mountain range. A description of the flavour of the wafer cubes appears below the arc. Finally, a pictorial representation of wafer cubes is shown at the bottom part of the packaging.

40. On the other hand, the Applicant’s mark is applied in actual use to either an upright bag similar to that used by the Opponent or a rectangular tin. The word “Jacker” is displayed prominently at the top in relatively large fonts when compared to other words printed on the packaging. The housemark of the Applicant “Oriental” and device, appears in much smaller prints immediately above the word “Jacker”. Below the word “Jacker” is a space in arc shape for inserting the flavour of the wafer cubes. Underneath the arc is a large circle in which the words “Wafer Cube” appear. At the bottom of the circle is a pictorial representation of wafer cubes.

41. When comparing composite marks with a variety of elements as in the present case, the idea of each mark should be regarded. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. 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 the leading characteristic of each (*Kerly's Law of Trade Marks and Trade Names 12th edition paragraph 17-08*).

42. I also reminded myself of the imperfect recollection test in *Sandow Ltd.'s Application* (1914) 31 RPC 196. Marks should not be compared side by side. Instead, the question is whether the person who sees the suit mark in the absence of the Opponent's mark, in view only of his general recollection of what the nature of the Opponent's mark was, would be liable to be deceived and to think that the suit mark before him is the same as the Opponent's mark which he has a general recollection.

43. The general impression which consumers have about a particular mark are generally the leading characteristics of such mark. Such characteristics should be determined by reference to the consumers of the relevant products. The target consumers of confectionery products are the general purchasing public. He or she is of average intelligence and power of observation. That person has an average command of English and would exercise average care in selecting confectionery products.

44. I will first determine the leading characteristics of the marks without reference to the bag/container in respect of which the wafer products are packed. I will return to the impact of the bag/container on the general impression of consumers at a later stage.

45. To a consumer with the above characteristics, the leading features of the Opponent's mark are likely to be the word "Loacker" which is placed near the top of the bag and the representation of the mountain range appearing immediately beneath it. Of less importance are the word "Quadratini" arranged in an arc shape and the pictorial representation of the wafer cubes.

46. Apart from the word "Loacker", I consider that the mountain range device to be of some importance in the mark. The representation conveys the message of purity, freshness and serenity. Whilst pictorial representations of mountain ranges might be commonly applied to products like mineral water or hiking equipment, it constitutes a more distinctive element when used on confectionery products and is likely to be left in the minds of consumers. Such impression is reinforced by the positioning of the device which appears immediately underneath the word "Loacker" when applied in actual use.

47. "Quadratini" is a not English word and it carries no meaning to an average consumer. Coupled with the fact that the word has more than four syllables, it is unlikely that general consumers will have any recollection of it.

48. I also consider that the pictorial representation of wafer cubes has a much lower degree of significance when compared with other parts of the mark for essentially two reasons. Firstly, it is trite law that words are more readily recalled than devices. Secondly, pictorial representations of the confectionery products are commonly applied on the packaging of these products probably because they appeal to the appetite of customers. Where elements commonly used in the trade are incorporated as part of a mark or applied on the packaging together with the mark, consumers will tend to pay more attention to other parts of the mark that will enable them to distinguish one product from another (*Broadhead's Application* (1950) 67 RPC 209 and *Harrods* (1935) 52 RPC 65).

49. On the whole, I take the view that the impression left in the mind of an average consumer is "Loacker". The product will be referred to by consumers as "Loacker" wafer cubes. Possibly to consumers that are relatively more observant, they will also recall the mountain range device appearing below.

50. Given the above general recollection of the Opponent's mark, would consumers on seeing the suit mark be liable to be deceived into thinking that the Applicant's goods are those of the Opponent's or are otherwise connected with the Opponent?

51. The leading characteristic of the suit mark, when seen in actual use, is the word "Jacker" which is prominently placed at the top. The housemark of the Applicant "Oriental" and device is much smaller and not easily noticeable. The words "Wafer Cube" and the pictorial representation appearing below are merely descriptive and serve to indicate to consumers the nature of the product. Being descriptive and commonly used on the packaging of confectionery products, the term "Wafer Cube" and the pictorial representation would be accorded less weight by consumers. On the whole, it is likely that consumers will refer to the product as "Jacker" wafer cubes.

52. Having determined the leading characteristics of the marks, I am now in a position to compare the marks based on the general impression in the minds of consumers. The comparison will be between "Loacker" or "Loacker" and mountain range device in the Opponent's mark and "Jacker" in the suit mark.

53. Applying the test in *Pianotist Co. Ltd's Application* (1906) 23 RPC 774, I must judge the marks both by their look and by their sound. I must consider the nature and kind of customers who would be likely to buy those goods. In fact, I must consider all the surrounding circumstances.

54. Visual - Mr. Evans submitted that the two words “Loacker” and “Jacker” look visually similar. The spelling differs only by two letters; the letter “J” in the suit mark as opposed to the letters “Lo” in the Opponent’s mark. To the general purchasing public whose mother tongue is not English, Mr. Evans took the view that the two words would appear as visually similar.

55. I do not agree. Although both words end with “acker”, the visual impression of the two words is different. The first syllable of the words, namely “Lo” and “Jack” will be seen as the more prominent parts and will have a stronger impact in the memory of consumers. I accept that the mother tongue of the general purchasing public is not English. However, I consider that the differences between the two words are apparent to consumers with an average command of English.

56. Ms. Zuenelli opined in her statutory declaration that the horizontal line underneath the word “Jacker” have the visual effect of turning the letter “J” into “L”. I do not agree. It is obvious to me that the word in the suit mark is “Jacker”.

57. Aural - No evidence was adduced by either party as to how the two words will be pronounced by consumers. I consider it likely that the suit mark will be pronounced as “Jack-er”. As for “Loacker”, there could be a number of variations. It could be pronounced as “Lo-ker”, “Lo-ac-ker” or possibly “Loc-ker”. Since there is a general tendency for consumers to give more importance to the first syllable of a word, I consider that the two words are aurally dissimilar.

58. Meaning - “Loacker” is a surname. However, it is unlikely that the general purchasing public would be aware of this fact. “Jacker”, on the other hand, has no meaning. To general consumers of confectionery products, neither word carries any obvious meaning.

59. In view of the above analysis, the general impression which consumers have on the suit mark and the Opponent’s mark is one of dissimilarity. For those consumers who have a recollection of the mountain range device, the degree of dissimilarity will be even higher.

60. I now turn to the actual packaging upon which the suit mark and the “Loacker Quadratini” mark are applied and consider whether it affects the overall impression of the marks. No doubt, there is wide range of packaging that could be used for confectionery products including bags and containers of different shapes and sizes. The evidence shows that the suit mark was applied on two types of packaging. The Opponent takes issue on the

packaging in the form of an upright bag which is similar to that used for its products.

61. It is not uncommon for bags to be used in the packaging of confectionery products. Furthermore, I do not think that there is any feature in the upright bag which would affect the overall idea of the mark or the impression left in the minds of consumers.

62. Although the goods of interest to the Opponent and the Applicant are the same and the consumers and trade channels are the same, I am satisfied that that it is not reasonably likely that use of the suit mark on the goods applied for registration will cause deception amongst a substantial number of persons.

63. The second leg of the objection under section 12(1), namely disentanglement to protection in a court of justice would require evidence of the likely success of a passing-off action. The third leg under section 12(1) is “contrary to law”. Mr. Evans did not advance arguments on these two legs.

64. I therefore conclude that the Applicant has defeated the opposition under section 12(1) of the Ordinance.

Section 20(1) of the Ordinance

65. Section 20(1) provides, insofar as it relates to goods, as follows:

“Except as provided by section 22, no trade mark relating to goods shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a trade mark belonging to a different proprietor and already on the register in respect of

- (a) the same goods;*
- (b) the same description of goods; or*
- (c) ……………”*

66. Section 2(4) of the Ordinance, which relates to the definition of “nearly resembles”, provides that a near resemblance of marks is a resemblance “so near as to be likely to deceive or cause confusion”.

67. The Opponent relies on the following marks in class 30:

LOACKER QUADRATINI

- (a) in respect of biscuits, wafers, cakes, pies, tarts, snacks, baking products, bread, buns, cookies, crackers, pastry, confectionery, sweets, chocolates, bonbons; all included in Class 30.



- (b) in respect of biscuits, pies, tarts, panettoni (Milanese cakes); Italian Easter-cakes in the form of a dove, cakes and/or buns; baking products; confectionery, sweetmeats, sweets, bonbons; all included in Class 30.

68. The first question that arises for determination under section 20(1) is whether the Opponent's goods and the Applicant's goods are the same or of the same description. Mr. Evans submitted that there are substantial overlaps between the Opponent's goods and the specified goods. The rest of the specified goods are in relation to various types of snack food. He further submitted that for the purpose of section 20(1), it is enough that the Opponent can show that its registration extends to *any* goods, not necessarily all the goods specified in the application, or to any goods of the same description. The overlap between the parties' specifications suffices to invoke section 20(1). Mr. Nicholson did not contend otherwise.

69. I agree that most of the goods of interest to the parties are either the same or of the same description. Accordingly, I am satisfied that the first requirement under section 20(1) is fulfilled.

70. The second issue for determination is whether the suit mark "Jacker Wafer Cube" and device so nearly resembles either: (a) "Loacker" and mountain device or (b) "Loacker Quadratini" as to be likely to deceive or cause confusion should the marks be used in relation to the respective goods of interest.

71. The test to be applied is set out in *Smith Hayden & Co.'s Application* (supra) and could be adapted as follows in the present case:

"Assuming user by the Opponent of its marks "Loacker" and mountain device and "Loacker Quadratini" in a normal and fair manner for any of the Opponent's

goods, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion among a substantial number of persons if the Applicant also uses its mark “Jacker Wafer Cube” and device normally and fairly in respect of any of the specified goods in its proposed registration?”

72. Unlike the test under section 12(1) of the Ordinance, comparison is made between the Opponent’s mark and the suit mark in notional fair use under section 20(1). I must consider the marks as they are fairly and normally applied on the packaging of wafer and confectionery products in the ordinary course of business. The manner in which the parties have actually used their marks is irrelevant here.

73. The onus is upon the Applicant to show that, on balance of probabilities, there is no reasonable likelihood of a substantial number of persons being confused by the use of the suit mark and the Opponent’s marks on the goods of interest to them.

74. The factors to be taken into account in comparing the marks are similar to those considered above in relation to section 12(1) of the Ordinance. In particular, marks should be looked at as wholes and their ideas should be regarded. They are remembered by general impression and their leading characteristics should be considered. Furthermore, marks are not compared side by side. Instead the test of imperfect recollection should be taken into account.

Comparison of “Loacker” and mountain device and “Jacker Wafer Cube” and device

75. The “Loacker” and mountain device is different from “Jacker Wafer Cube” and device for similar reasons as those set out in relation to section 12(1). In short,

- the word “Loacker” and “Jacker” are the leading characteristics in the marks.
- the words “Loacker” and “Jacker” are visually and aurally different.
- the mountain device is also a distinctive element in the Opponent’s registration and will be recalled as forming part of the Opponent’s mark by those consumers who are more observant.
- pictorial representations of the actual products (wafer cubes in the suit mark) are commonly used on packaging of confectionery products and is less likely to remain in the minds of consumers.
- the term “Wafer Cube” is merely descriptive of the products and will be given less weight by consumers.

Comparison of “Loacker Quadratini” and “Jacker Wafer Cube” and device

76. “Loacker Quadratini” is a word mark consisting of two words. “Jacker Wafer Cube” and device is a composite mark, the leading characteristic of which is the word “Jacker” for reasons explained above.

77. Visually, “Loacker Quadratini” is different from “Jacker”.

78. It is true that the word “Loacker” is more readily recalled than “Quadratini” as it forms the first component of the mark and is shorter than “Quadratini”. Assuming that consumers, with imperfect recollection, are only able to recall the first word “Loacker”, I still consider the single word “Loacker” to be visually different from “Jacker”.

79. Aurally, “Loacker Quadratini” is different from “Jacker”. The different ways in which “Loacker” may be pronounced have been set out in paragraph 57 above. “Quadratini” would generally be pronounced as “Qua-dra-ti-ni”. Accordingly, the two marks sound dissimilar.

80. “Loacker” is easier to pronounce and remember than “Quadratini” as it is the first component in the mark. Also, “Loacker” comprises of two to three syllables (compared with four in “Quadratini”) and is easier to pronounce. Even on the basis that consumers could only recall “Loacker” in the Opponent’s mark, the single word “Loacker” is aurally different from “Jacker”.

81. As the two marks are aurally and visually different, I am satisfied that the suit mark does not so nearly resemble the Opponent’s marks as to be likely to deceive or cause confusion under section 20(1) of the Ordinance. It follows that the Applicant has defeated the opposition under section 20(1).

Discretion under section 13(2)

82. The Opponent has asked the Registrar to exercise his discretion under section 13(2) of the Ordinance to refuse registration of the suit mark. The discretion arises when the Opponent has failed in its objections under sections 12(1) and 20(1) of the Ordinance and the suit mark is registrable under either section 9 or 10 of the Ordinance.

83. Mr. Evans submitted that the Applicant has to prove to the Registrar’s satisfaction that the use of the suit mark is honest. It is not for the Opponent to establish that the Applicant has copied the Opponent’s marks. Mr. Evans referred me to the decision on *Last*

Minute issued by Ms. Fanny Pang for the Registrar on 20 September 2004.

84. Mr. Evans went on to submit that the Applicant has deliberately chosen a packaging with a get-up and general appearance that is strikingly similar to those of the Opponent. The Applicant has acted in bad faith and it set out to mimic the Opponent's mark and other indicia. He indicated that by virtue of the substantial reputation of the Opponent's marks, the Applicant must have been aware of the Opponent's mark when selecting the suit mark and applying for registration. The Applicant has not provided any evidence to show that it devised the suit mark independently. It is thus reasonable to infer on balance of probabilities from the evidence available that the Applicant is unfairly seeking to take advantage of the goodwill and reputation of the Opponent's marks.

85. The discretion to refuse registration of a mark vested in the Registrar is a judicial discretion. Though the Registrar in exercising his discretion is not limited to any particular type of consideration, he must exercise it judicially on reasonable grounds which are capable of being clearly stated (*Kerly's Law of Trade Marks and Trade Names, 12th edition, paragraph 4-08*).

86. In *Minden International v. Fujian Provincial Native Products and Animal By-Products Import and Export Corp, Xiamen Branch* [1994] AIPR 468, Mr. MW Fox for the Registrar decided, *inter alia*, that honesty is a matter to be taken into account by the Registrar whenever he is called upon to exercise his discretion. The standard of honesty required is commercial honesty, which is no different from common honesty. Mr. Evans submitted that the Applicant is commercially dishonest by incorporating part of the Opponent's packaging (in particular the representation of wafer cubes) in the suit mark and seeking to register the same.

87. I agree with Mr. Evans that there is a high degree of similarity between the wafer cube representation displayed on the Opponent's packaging and that incorporated in the suit mark. The number of wafer cubes is the same – ten in each representation. Four of the cubes lie flat on their surface while the other six are placed vertically. There are nine cubes on the bottom layer with one cube placed on the top in the centre of the representation.

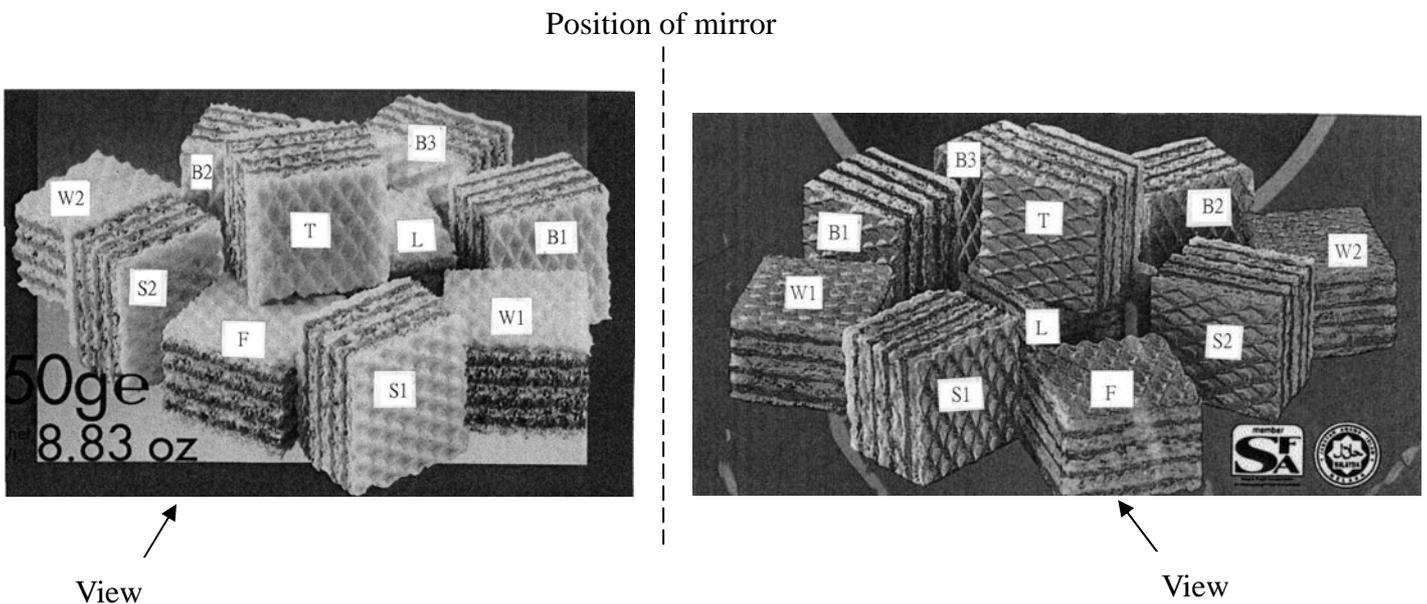
88. The striking similarity in spatial arrangement of the wafer cubes will become more obvious when one views the "Loacker Quadratini" representation at 45 degrees from the left and the "Jacker Wafer Cube" device at 45 degrees from the right of the representation. The basic arrangement of the cubes in both representations is as follows :

- One cube is placed horizontally in the front ("F") with two cubes standing

vertically on its two sides (“S1” and “S2”)

- Besides S1 and S2 are two cubes placed horizontally, one on the right and the other on the left of the representation (“W1” and “W2”)
- At the back of the device are three cubes standing vertically (“B1”, “B2” and “B3”)
- At the centre of the arrangement are two cubes with one placed on top of the other (“T” and “L”)

89. For easy reference, the cubes are labelled using the above letters in the representations below :



**Loacker Quadratini
wafer cube representation**

Jacker Wafer Cube device

90. Finally, if one looks at the two representations more closely, one will note that the Jacker Wafer Cube device is essentially a mirror image of the Loacker Quadratini representation (with the exceptions of the two cubes labelled “S1” and “B3”).

91. Notwithstanding the high degree of similarity, Mr. Son of the Applicant did not explain in his statutory declaration the circumstances leading to the adoption of the suit mark. He merely states in paragraph 9 of his declaration that the Applicant independently created the suit mark and the packaging upon which the suit mark is applied.

92. The question I need to ask myself is: based on the materials before me, can it be

inferred that the Applicant copied the wafer cube representation in the Opponent's packaging. The proper test to adopt in attempting to draw inferences from the evidence available is the balance of probabilities (*Lam Soon Marketing Services Ltd v. Lam Mei Hing (t/a Yat Hing Trading Co.* [1994] AIPR 317 at 324). If the answer to the first question is in the affirmative, I will need to go on to determine whether the Applicant's conduct could be considered as dishonest.

93. *Borsalini TM* [1993] 1 HKC 587 is a case concerning honest concurrent user under section 22 of the Ordinance. However, the observations of Godfrey J. about honesty is of relevance in these proceedings. Godfrey J. said at page 592:

"Except when the case is too plain for words, it cannot be right for any tribunal to decide questions of honesty or dishonesty on affidavit evidence untested by cross-examination. If cross-examination is not sought, inferences of a deponent's honesty ought not to be drawn, unless irresistible."

94. It is rare for direct evidence of copying to be available. Whether copying has been proved on a balance of probabilities has to be inferred, in most cases, from the circumstances prevailing. I mentioned earlier that the representation and arrangement of wafer cubes in the suit mark are strikingly similar to those contained in the Opponent's packaging. Although pictorial representations of the actual goods are commonly used on packaging of confectionery products, it would have indeed be a coincidence if the Applicant came up with a representation with so many similar characteristics entirely independent of any knowledge of the Opponent's packaging.

95. Given such a high degree of similarity between the wafer cube representations, it would only be reasonable for the Applicant to put forward some evidence (or at least an explanation) concerning the circumstances leading to the selection and adoption of the suit mark. The Applicant has decided to contest the opposition up to the substantive hearing. Mr. Son of the Applicant has provided detail information of the history of the Applicant, the packaging of its products in general, the sales turnover of its products and its overseas registration. However, no information whatsoever is given as to how the suit mark was adopted. The stance taken by the Applicant is regarded as even more unusual in view of the express challenge on the Applicant's bona fides made by Ms. Zuenelli in her statutory declaration. In face of the above challenges, the Applicant has chosen merely to assert that the suit mark was independently created without giving any further explanation whatsoever. What the Applicant has provided is in effect a bare statement that is unsupported by evidence. I would therefore place little weight on such statement.

96. Based on the above materials, I find that there is an irresistible inference that the Applicant copied the wafer cube representation in the Opponent's packaging and incorporated it in the suit mark.

97. I am now left to decide whether the act of copying is considered as dishonest in the circumstances. In *Minden International* (supra), the hearing officer decided that honesty means commercial honesty which is no different from common honesty. I would add that honesty is to be judged by an objective standard. Would traders generally regard such acts to be dishonest?

98. The suit mark (incorporating the wafer cube representation) is applied in actual use on the Applicant's wafer products which are identical to and likely to be in competition with the Opponent's products. The Applicant has copied a pictorial representation from its competitor's products, modified it slightly and incorporated it into its own trade mark. It then applied to register the suit mark with a view to obtaining a monopoly over the mark. In my view, such acts would not be considered as honest in the eyes of an ordinary person or trader.

99. It is true that the Applicant subsequently agreed to disclaim the device of wafers as a condition of registration. However, this is of no assistance as the representation, though disclaimed, still forms a part of the mark.

100. For the above reasons, I exercise my discretion under section 13(2) of the Ordinance in a manner adverse to the Applicant. The application to register the suit mark in class 30 in Part A of the Register in respect of the specified goods is hereby refused.

101. Finally, I wish to mention that the Applicant has submitted a decision of the Intellectual Property Office of Taiwan relating to an opposition lodged by the Opponent against registration of the suit mark in Taiwan for my reference. Without any understanding of the legal system and the trade mark laws of the jurisdiction concerned, I do not attach any weight on the decision. More importantly, I should decide the matter based on the provisions in the Ordinance.

Costs

102. The Opponent has sought costs and there is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that the successful party is

entitled to his costs. I accordingly order that the Applicant pays the costs of these proceedings.

103. Subject to any representations as to the amount of costs or matters calling for special treatment which either party may make within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part 1 of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, unless otherwise agreed between the parties.

Original signed

(Maria K. Ng)
p. Registrar of Trade Marks
22 June 2005