

Application No. 10267 of 2000

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

AND

IN THE MATTER of an application for
the registration of the trade mark: -

STORMTECH

in Part A of the register in Class 25 by
Oceanic Trading Company Limited

AND

IN THE MATTER of an opposition by
Sun 99 Limited

**DECISION
OF**

Miss Lavinia Chang acting for the Registrar of Trade Marks after a hearing on
21 May 2004.

Appearing : Mr Ling Chun Wai of counsel, instructed by Messrs Ruby
Yeung & Co of the opponent, Sun 99 Limited.
: No appearance recorded by applicant, Oceanic Trading
Company Limited. (Agent : JSM)

On 15 May 2000 (the “application date”), Oceanic Trading Company Limited (the “applicant”), a limited liability company organised and existing under the laws of Canada, applied to register the trade mark STORMTECH (the “suit mark”) pursuant to the provisions of the Trade Marks Ordinance, Cap 43 (the “Ordinance”), in Part A of the register. The application is made in Class 25 and the goods intended to be covered by the registration comprise “clothing, footwear, headgear; outer clothing, jackets and coats” (the “specified goods”). The mark was accepted for registration in Part A of the register and was advertised on 11 August 2000 in the Hong Kong Special Administrative Region Government Gazette for the purpose of opposition.

Pleadings and evidence

2. On 11 January 2001, a notice of opposition was filed by Sun 99 Limited of 365 Euston Road, London NW1 3AR, England, a limited liability company incorporated under the laws of the United Kingdom (the “opponent”). The opponent pleads, *inter alia*, that it is the registered proprietor of the trade mark “STORM” (the “opponent’s mark”) in respect of “articles of clothing, none being waterproof” in Class 25 under registration no.199402727. It has a second registered mark also in Class 25 under no. 200001920 in respect of “headgear, footwear, none being waterproof” (the “opponent’s goods”) in Hong Kong. Variations of the opponent’s marks such as “STORM OF LONDON” and “STORM Device” are registered in a number of countries in various classes.

3. The opponent pleads extensive use of the suit mark in relation to its registered goods since 1993 in Hong Kong. The opponent claims it has built up a reputation in its mark through use both in the trade and among the purchasing public worldwide and in Hong Kong, and that the mark STORM has become distinctive of and identified with the opponent and its goods.

4. The grounds of opposition as pleaded are sections 9 and 10 by reason that the suit mark and the opponent’s mark are closely similar and

neither adapted to nor capable of distinguishing the applicant's goods from those of others in the course of trade; section 12 by reason that any use of the suit mark would be likely to deceive or cause confusion among the purchasing public with the opponents in the course of trade as to the source of goods and any such use would be disentitled to protection in a court of justice; and that registration should be refused in the exercise of the Registrar's discretion. The opponent seeks costs against the applicant.

5. The applicant filed a counter statement on 15 March 2001. Save that it admits the opponent is the registered proprietor of the mark STORM under registration number 199402727 in Class 25 in Hong Kong, it denies the allegations in the grounds of opposition. It seeks registration and an award of costs.

6. Both parties filed evidence: for the opponent, two statutory declarations of Steve Sun in his capacity as Managing Director of the opponent with exhibits, and for the applicant, a statutory declaration of Blake Malcolm Annable as President of the applicant with exhibits.

7. The opponent's evidence is that it deals in the manufacture and trade of non-waterproof clothing. It has registered the mark "STORM" in Class 25 in relation to the same goods in Hong Kong and elsewhere. It has also registered STORM in Hong Kong for non-waterproof headgear and footwear (collectively the "opponent's goods"). It has registrations of variations of it such as "STORM OF LONDON" and "STORM Device" (the "related marks") in various classes in a number of countries. The opponent's mark has been used since 1993 in Hong Kong in relation to the opponent's goods. The opponent's annual turnover in respect of clothing in Hong Kong for the period 1994 to 1999 is given as follows:

Year	Annual Turnover for clothing in Hong Kong (HKD)
1999	110,000
1998	450,000
1997	1,200,000

1996	1,800,000
1995	1,200,000
1994	960,000

Promotional expenses between 1994 and 1999 were given. These reached a peak at HK\$120,000 in 1996 dwindling to HK\$15,000 in 1998 and HK\$5,000 in 1999.

8. The applicant is a Canadian limited liability company having a place of business at 2560 Boundary Road, Burnaby, British Columbia, Canada V5M 3Z3. It has registered the suit mark in Canada, the United States and the European Union. The applicant adopted and first used the suit mark in relation to the specified goods in 1992. However, the applicant gives no evidence as to when such use in Hong Kong commenced. The applicant's total worldwide annual sales figures for the years 1993 to 2002 are given (para 6 of B M Annable's statutory declaration). Approximately 83% of these sales are attributed to the sale of Class 25 goods, but there is no breakdown figure in relation to sales of such goods made in Hong Kong. Approximate annual global advertising expenditures worldwide are provided for the years 1993 to 2002 though again, with no breakdown figure of such expenditures for the Hong Kong market.

9. The name and address of a distributor of the applicant in Hong Kong are stated as Belle Sac Co, Room 20-21, 4/F, International Plaza, 20 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong. Random copies of invoices relating to sales that it made are exhibited.

10. The applicant admits that the opponent is the registered proprietor of trade mark registrations nos. 199402727 and 200001920 for STORM, and acknowledges the opponent's claim of proprietorship over unregistered marks STORM OF LONDON and STORM Device in Hong Kong.

Decision

11. 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 thereto remain to be determined under the provisions of the repealed Ordinance Cap 43.

12. The opposition came on for hearing before me on 21 May 2004. Prior to the hearing the applicant advised it would not attend the hearing and would be content to rely on the evidence filed. Mr Ling Chun Wai of Counsel appeared for the opponent. At the hearing Mr Ling indicated the opponent would proceed only on the basis of sections 12(1) and 20(1) of the Ordinance and abandoned the remaining grounds pleaded.

13. I pause to mention that the applicant has also met opposition by the opponent in respect of its application to register the suit mark in Class 18, under application no 10266 of 2000. Both oppositions were heard together on 21 May 2004, although each class retains its own identity and separate decisions are issued.

Under section 20(1) of the Ordinance

14. The opponent relies on its two earlier registrations for STORM for “articles of clothing; none being waterproof” and “headgear, footwear; none being waterproof” respectively.

15. The opponent has not pleaded section 20(1) of the Ordinance as a ground but the notice of opposition discloses details of its prior registrations. The applicant has admitted this fact in its counter-statement. I will proceed to consider the opposition under section 20(1) based on the opponent’s two prior registrations for STORM under nos.199402727 (date of registration 29 May 1991) and 200001920 (date of registration 9 June 1999).

16. Section 20(1), insofar as it relates to goods, provides 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) ...”

Section 2(4) of the Ordinance provides that a “near resemblance” of marks is a resemblance so near as to be likely to deceive or cause confusion.

17. Two questions arise for determination under section 20(1), firstly, whether the opponent’s goods and the applicant’s specified goods are the same or of the same description; secondly whether the marks STORM and STORMTECH so nearly resemble each other as to be likely to deceive or cause confusion should they be used in relation to the respective goods claimed.

18. There is complete overlap between the opponent’s goods and the specified goods, the applicant’s “clothing, footwear, headgear, outer clothing, jackets and coats” being broad enough to encompass all of the opponent’s non-waterproof articles of clothing, footwear and headgear. The first requirement under section 20(1) is accordingly satisfied.

19. The second enquiry, namely, the likelihood of confusion between the opponent’s trade mark STORM and the suit mark STORMTECH would determine the opposition. Adapting the time honoured test in *Smith Hayden & Co’s Application (1946) 63 RPC 97* to this case, I must ask myself the following question :

“Assuming user by the opponent of its mark STORM 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 STORMTECH normally and fairly in respect of any of the specified goods in its proposed registration?”

20. The principles by which a near resemblance of competing marks are assessed are well-established (*Pianotist Co's Application* (1906) 23 RPC 774 at 777). The authorities require me in such a case to look at the suit mark and the opponent's mark as a whole and see whether they are so similar as to lead to confusion (*Broadhead's Application* (1950) 67 RPC 209 at 215). The resemblance has to be determined as a question of fact by reference to the competing marks' appearance and their sound, by considering the kind of customer who would be likely to purchase the goods, and all the surrounding circumstances. The test is not whether a person looking at the two marks side by side there would be a possibility of confusion. The question is whether a person who sees the suit mark in the absence of the opponent's mark, and in view only of his general recollection of what the nature of the opponent's mark was, would be likely to be confused.

21. The two marks, are represented in a similar manner, both consisting of plain block capital letters. STORM is monosyllabic; STORMTECH has two syllables. The dictionary word “STORM” is common to both. It is Mr Ling's submission that the second part of the suit mark, “TECH,” will be understood either as a meaningless suffix or an abbreviation of “technology”. There is no evidence to suggest which of these is the more likely scenario. The Collins English Dictionary entry for “tech” reads, amongst other things:

“**tech.** *abbrev. for* 1.technical. 2.technology.”

I am inclined to regard “TECH” as a common, familiar abbreviation of the word “technical” or “technology”.

22. Does the shared element “STORM” render the marks deceptively similar? In my view the answer is yes.

23. An element common to the competing marks will generally carry less weight in the assessment of similarity if it is descriptive or common to the trade. The applicant has in its evidence pointed to other marks registered in Class 25 which incorporate the word STORM (para 14, B M Annable's statutory declaration). These marks are not comparable as the "idea" of the marks is quite different. STORM is either used in a surnominal context as in PETER STORM, BARNES STORM or as a noun together with other distinctive element as in RED STORM, RED STORM ST JOHN'S UNIVERSITY and BRAIN STORM. There is no commonality of proprietorship among these marks, nor evidence that they are in use despite co-existence on the register.

24. In my view, the present case is not one where a common element prevalent in the trade renders it more likely that purchasers will distinguish between different marks by the other features present. The opponent's mark STORM has no particular meaning when used in relation to non-waterproof clothing, headgear and footwear, and I do not doubt that it has a strong identity and is adapted to distinguish the opponent's goods. Likewise, even though the suit mark STORMTECH must be considered as a whole, of its two syllables and components, the first syllable and component STORM- must be taken as the leading characteristic or the most prominent part of the mark. The presence of the suffix TECH, which has a well recognised meaning as an abbreviation, suggests to my mind that the goods are adapted by technology for specific uses.

25. In assessing whether there is no reasonable likelihood of deception or confusion arising if the applicant also uses its mark normally and fairly on the overlapping goods, I must not only compare the marks, but I must also consider the goods in question, the nature and kind of customer who would be likely to buy those goods and the surrounding circumstances of trade.

26. The question of likelihood of deception or confusion is considered by reference to the mind of the ultimate purchasers of the goods in question. I postulate the likely purchasers to be members of the general public as clothing, headgear and footwear are common everyday consumer products.

27. I have found the goods to be the same. By their nature as common consumer goods, the opponent's evidence of the goods it deals in, and the price range evidenced in the applicant's invoices I believe little more than average care is to be expected among purchasers in the selection process. I note that even though there is some evidence of use of the suit mark on the specified goods in Hong Kong (Exhibit B to B M Annable's statutory declaration), no evidence of actual instance of confusion has been adduced by the opponent. That said, the evidence produced of the use of the suit mark in Hong Kong before the date of application is very limited indeed. I shall return to this evidence later in my decision.

28. I am unable to make any finding as to the actual trade channels for the applicant's clothing, since Belle Sac Co's sales are of sample merchandise to individuals with no evidence on how the goods reach the consumer market. I do not think this evidence diminishes the likelihood of confusion in fair notional use. In those circumstances I must assume that both parties' goods will be sold through similar trade outlets to the same customers.

29. Unlike the enquiry under section 12(1) of the Ordinance, the question of whether two marks are so close as to be likely to deceive or cause confusion under section 20(1) is determined on the basis of normal and fair use of the respective marks on any item or goods covered by the respective specifications. The applicant's specification is broad enough to cover the opponent's goods. Even if there is no instance of actual confusion at present, notionally the marks would still be applied onto identical goods and the likelihood of confusion cannot be discounted.

30. Whilst the question of likelihood of direct visual and aural confusion between STORMTECH and STORM may be finely balanced, most important in this case is the likely perception of STORMTECH as being related to the opponent's STORM. In *John Fitton & Company Limited Application* (1949) 66 RPC 110 it was observed,

“... under [section 20(1)] the Registrar is required to postulate a

simultaneous use of the two marks under consideration whether or not one is already in use, and to assess to the best of his ability the likelihood of ensuing confusion or deception, and no limitation is, to my mind, placed upon the nature of the confusion or deception so envisaged, whether it be visual or phonetic confusion of the marks themselves, or what is termed contextual confusion, or confusion or deception as to the trade provenance of the goods.” (at 113)

31. On the reasoning in *Fitton*, if one assume s simultaneous notional use by the parties on identical goods, there is a strong likelihood that a substantial number of persons would assume that the two sets of goods sold under the marks have emanated from the same trade origin. Further, if the applicant should continue to supply weatherproof clothing, headgear and footwear to the Hong Kong market the likelihood that STORMTECH will be seen as the weatherproof line of STORM clothing, headgear and footwear will become greater. Even in relation to clothing, headgear and footwear not geared towards use in poor weather conditions, STORMTECH could still be perceived as a more technology-conscious, made-to-purpose, and sportier line of goods under the main brand STORM. Viewed in that light there is a tangible risk of confusion by perception of association with the opponent’s goods or source. This factor militates against registration of the suit mark.

32. The onus is upon the applicant to show that, on the balance of probabilities, there is no reasonable likelihood of a substantial number of persons being so confused, on the assumption that STORM had been applied to the opponent’s goods. I am mindful that if I am in doubt whether registration of the suit mark would cause confusion with the opponent’s prior mark, the doubt must be resolved against the later entrant, that is, the applicant.

33. Taking into account that there is a significant degree of overlap between the goods, the fact that the customers are the same and the trade channels are the same, I am not satisfied that, assuming notional use by the opponent of STORM on its goods, that a substantial number of persons would

not, upon seeing or hearing STORMTECH applied to the same goods, be confused or be caused to wonder whether the applicant's goods are those of the opponent's or are otherwise connected with the opponent.

34. I must go on however to consider whether or not section 22 of the Ordinance applies for there is, in this case, some evidence of use of the suit mark concurrent with the opponent's mark. Section 22 provides:

“In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or of the Registrar make it proper to do so, the Court or the Registrar may permit the registration by more than one proprietor, in respect of –

- (a) the same goods or services;
- (b) ...
- (c) ...

of trade marks that are identical or nearly resemble each other, subject to such conditions and limitations, if any, as the Court or the Registrar, as the case may be, may think it right to impose.”

35. The relevant (i.e. pre-application date) evidence relates to certain invoices issued by Belle Sac Co, the applicant's distributor in Hong Kong. There are four invoices dated between 1997 and 2000 (before the application date) which were issued to individuals at what appears to be residential addresses in Hong Kong (the “Hong Kong invoices”). The rest of the invoices either post-date this application or relate to sales within Canada. The Hong Kong invoices show in total the sale of three STXL-1 jackets, three TPX-1 Parka jackets, three SVX-2 Suede Trim Vests and three RPX-1 Ripstop Parka jackets, all as sample merchandise. Altogether they amounted to US\$414 worth of sales.

36. The opponent's evidence of use fares little better, as I pointed out to Mr Ling at the hearing, for being highly ambiguous and unsatisfactory. Nevertheless this evidence has not been challenged. Even if I take 30 April

1997 to be the applicant's earliest proven date of use of the suit mark in Hong Kong, the applicant encounters the difficulty that this date is posterior to the date of the opponent's earliest use in Hong Kong by Mr Sun's evidence (i.e. 1993). Secondly, with no breakdown of sales volume attributed to the applicant's Hong Kong market, I am forced to rely on Belle Sac Co's invoices for an indication of the level of use of the suit mark. The amount of sales is almost negligible and certainly falls very far short of the level that the authorities on section 22 require in establishing honest concurrent use. That being so my conclusion under section 20(1) is undisturbed by section 22.

37. As the opposition succeeds under section 20(1), I need say no more on the alternative ground of section 12(1) than briefly the following. It is not at issue that the opponent's commercial activities as at the date of application sufficed for bringing an opposition under section 12(1). Based on the evidence, I find that the opponent has used its mark on various articles of clothing. It has used its mark in various forms but mostly in plain block letters.

38. Under section 12(1), evidence of the opponent's actual use of its mark is relevant, whereas the suit mark should be considered in notional fair use, that is, any normal and fair use that the applicant would be entitled to make of the suit mark as its proprietor. The suit mark is applied for in plain block letter form. Notional fair use of it would cover use in that form regardless of the form of the mark that may actually be used (such as in Exhibit C to B M Annable's statutory declaration). Given that the goods are the same or of the same description, the likelihood of confusion is heightened by notional fair use of STORMTECH on the specified goods. In my view, persons having only an imperfect recollection of the opponent's STORM merchandise will be put into a state of doubt or uncertainty or be caused to wonder whether the applicant's goods have come from the opponent or are in some way associated with the opponent as its more technology-conscious, sportier line of goods.

39. In the result the opponent also succeeds on the ground of likelihood of deception and confusion under section 12(1).

40. The opposition having succeeded on both sections 20(1) and 12(1), I need not consider whether grounds exist for exercising the Registrar's discretion under section 13(2). Indeed, even though the opponent alleges that the suit mark appears to have been copied or derived from the opponent's STORM series of marks, it appears to simply rely on the fact of its prior date of registration for STORM. Unsubstantiated by evidence, I am unable to accept this as anything more than speculation.

Costs

41. The opponent has sought costs. There is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that costs should follow the event. I accordingly order that the applicant pays the costs of and incidental to these proceedings.

42. 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 4) as applied to trade mark matters, with one counsel certified, unless otherwise agreed between the parties.

(Lavinia Chang)
p. Registrar of Trade Marks
27 September 2004