

**TRADE MARKS ORDINANCE (CAP. 559)**

**OPPOSITION TO TRADE MARK APPLICATION NO. 300066672**

**MARK :** 易維特

**CLASS :** 5

**APPLICANT :** ELI LILLY AND COMPANY

**OPPONENT :** VITA GREEN HEALTH PRODUCTS COMPANY LIMITED

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 21 August 2003, Eli Lilly and Company (the “Applicant”) filed an application (the “subject application”) for registration of the mark above (the “subject mark”) in respect of “pharmaceutical preparations” (the “subject goods”) in Class 5 under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”).
2. Particulars of the subject application were published on 5 December 2003. Vita Green Health Products Company Limited (the “Opponent”) filed a notice of opposition to the subject application on 3 May 2004.
3. The opposition hearing took place before me on 19 December 2007. Mr. Colin Shipp instructed by Messrs. Baker & McKenzie appeared for the Applicant. Mr. Andrew Liao, S.C. and Mr. Philips B. F. Wong instructed by Messrs. Wilkinson and Grist appeared for the Opponent.

**Grounds of opposition**

4. Although a number of grounds were pleaded, at the hearing, the Opponent only relied on the grounds of opposition under section 12(3) and 12(4) of the Ordinance.

## **The Opponent's marks**

5. The Opponent is the owner of the following marks:
- (a) 維特健靈 (Trade Mark No. 199611689) (the “Opponent’s Class 5 mark”) registered in respect of “medicated herbal extracts in the form of capsules, tablets, liquid concentrates, powder and crystals, dietetic substances adapted for medical use, vitamin and mineral supplements included in Class 5, dried herbs for medical use; all included in Class 5” (the Opponent’s Class 5 goods”); and
  - (b) 維特健靈 (Trade Mark No. 199611690) (“the Opponent’s Class 32 mark”) registered in respect of “honey syrup, soft drinks, powder for shakes, fibre drinks; all included in Class 32” (the “Opponent’s Class 32 goods”),
- (collectively, the “Opponent’s Marks”). The representations of the Opponent’s Marks are identical, each being comprised of the four Chinese characters “維特健靈”. The representation of each of the Opponent’s Marks is referred to below as the “Opponent’s Mark”.
6. Each of the Opponent’s Marks has a date of application for registration earlier than that of the subject mark. According to section 5(1)(a) of the Ordinance, each of them is an earlier trade mark in relation to the subject mark.

## **Counter-statement**

7. The Applicant filed a counter-statement on 4 October 2004 in response to the Opponent’s notice of opposition.

## **Opponent’s evidence**

8. The Opponent’s evidence consists of:
- (a) a statutory declaration of Chan, Hei Ling Helen declared on 28 June 2005 (“Chan’s First Declaration”); and

(b) a second statutory declaration of Chan, Hei Ling Helen declared on 19 October 2006 (“Chan’s Second Declaration”).

9. According to Ms. Chan, the Opponent was first incorporated in Hong Kong in 1991, and adopted the mark “維特健靈” in 1993. The Opponent manufactures and trades in a range of products, in particular, medicated herbal products and health food. Chan’s First Declaration gives certain details in relation to the Opponent’s goods and the use of some marks by the Opponent. Chan’s Second Declaration mainly responded to the Applicant’s evidence and provided some supplemental information. I will return to the Opponent’s evidence of use of the Opponent’s Mark below.

### **Applicant’s evidence**

10. The Applicant’s evidence consists of a statutory declaration of Robert E. Lee, Jr. declared on 21 February 2006 (“Lee’s Declaration”). According to Mr. Lee, the Applicant is a pharmaceutical company founded in 1876, with more than 46,000 employees worldwide. Lee’s Declaration mainly consists of arguments in response to Chan’s First Declaration. There is no evidence of use by the Applicant of the subject mark.

### **Relevant date**

11. The relevant date for considering this opposition is 21 August 2003, the filing date of the subject application.

### **Opposition under section 12(3) of the Ordinance**

12. Section 12(3) of the Ordinance provides as follows:

*“A trade mark shall not be registered if –*

*(a) the trade mark is similar to an earlier trade mark;*

- (b) *the goods or services for which the application for registration is made are identical or similar to those for which the earlier trade mark is protected; and*
- (c) *the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”*

13. According to section 7(1) of the Ordinance, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.

14. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994 which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1988 of the Council of the European Communities. In determining the issue under section 12(3), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. According to these cases:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors (*Sabel BV v Puma AG*);
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question (*Sabel BV v Puma AG*), who is deemed to be reasonably well informed and reasonably observant and circumspect – but who rarely has the chance to make direct comparison between different marks and instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*);
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*);
- (d) the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*);

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*);
  - (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either *per se* or because of the use that has been made of it (*Sabel BV v Puma AG*);
  - (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Article 4(1)(b) (*Sabel BV v Puma AG*);
  - (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense (*Marca Mode v Adidas*);
  - (i) but if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).
15. Section 12(3) essentially prohibits the registration of a trade mark which would be likely to cause confusion on the part of the public as a result of its being similar to an earlier trade mark and because it is to be registered in respect of goods or services the same as or similar to those the subject of the earlier trade mark. I must therefore consider whether there are similarities between the subject mark and each of the Opponent's Marks and the goods covered, and whether they would combine to create a likelihood of confusion.

#### *Comparison of goods*

16. Guidance on the approach to be adopted in comparing goods and services is given in *British Sugar v James Robertson and Sons Ltd* [1996] R.P.C. 281, in which Mr. Justice Jacob (as he then was) considered, at page 296, the following factors to be relevant in determining whether or not there is similarity:

- (i) The respective uses of the respective goods or services;
- (ii) The respective users of the respective goods or services;
- (iii) The physical nature of the goods or acts of service;
- (iv) The respective trade channels through which the goods or services reach the market;
- (v) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
- (vi) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

17. It is also stated in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, at paragraph 23, that in assessing the similarity of the goods or services concerned, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users<sup>1</sup> and their method of use and whether they are in competition with each other or are complementary.
18. The subject goods are “pharmaceutical preparations”. It is not in dispute that “pharmaceutical preparation” is defined in The New Shorter Oxford Dictionary as a “medicinal drug”; and that a “medicinal drug” is something that treats or prevents or alleviates the symptoms of disease (Dictionary.com). The subject application therefore covers medicinal drugs or things that treat or prevent or alleviate the symptoms of disease.
19. I refer to the Opponent’s Class 5 goods. These include, *inter alia*, medicated herbal extracts in the form of capsules, tablets, liquid concentrates, powder and crystals. To the extent that these treat, prevent, or alleviate symptoms of diseases, they may be considered as some kind of medicinal drugs. I have

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<sup>1</sup> It has been suggested at paragraph 56 of *Sergio Rossi SpA v OHIM* (Case T-169/03, Court of First Instance of the European Communities) that the term “end users” is an incorrect translation, and should be replaced by the term “intended purpose” instead. In any event, the users of the respective goods are among the factors referred to in *British Sugar v James Robertson and Sons Ltd*.

also considered the other of the Opponent's Class 5 goods. Having regard to all the relevant factors relating to the subject goods and to the Opponent's Class 5 goods, including all the factors referred to in paragraphs 16 and 17 above, I find that the subject goods and the Opponent's Class 5 goods are identical or similar.

20. I refer to the Opponent's Class 32 goods. The nature, uses and intended purpose of these goods are quite different from those of the subject goods, and they are unlikely to be competitive to each other. Although both the end-users of the Opponent's Class 32 goods and those of the subject goods may include members of the general public, they are likely to have different needs. The subject goods include both products only available by prescription and those available over the counter, whilst the Opponent's Class 32 goods are available over the counter. For those of the subject goods which may be selected by end-users from the shelves, they and the Opponent's Class 32 goods are likely to be found on different shelves. Having regard to all the relevant factors relating to the subject goods and to the Opponent's Class 32 goods, I find that the subject goods and the Opponent's Class 32 goods are not similar.

#### *Distinctiveness of the Opponent's Marks*

21. A mark may be particularly distinctive either *per se* or because of the reputation it enjoys with the public. The more distinctive an earlier mark, the greater will be the likelihood of confusion (*Sabel BV v Puma AG*, para. 24).
22. In determining the distinctive character of an earlier trade mark, I must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking;

and statements from chambers of commerce and industry or other trade and professional associations (*Windsurfing Chiemsee v Huber and Attenberger* [1999] E.C.R. I2779; *Lloyd Schuhfabrik Meyer v Klijsen Handel* [1999] E.T.M.R. 690).

23. The Opponent's Mark consists of the Chinese characters “維特健靈”. Those characters as a whole are not descriptive of the goods referred to in paragraph 5. It is common ground between the parties that the Opponent's Mark as a whole is inherently distinctive of the Opponent's Class 5 goods and the Opponent's Class 32 goods.
24. The Opponent submitted that the distinctiveness of the Opponent's Marks had been enhanced through use by the Opponent, which the Applicant did not agree. The Opponent's case is that even if the distinctiveness of the Opponent's Marks has not been enhanced through use, the Opponent should still succeed in its opposition under section 12(3) of the Ordinance.
25. According to Chan's First Declaration, the Opponent adopted the mark “維特健靈” in 1993 as the Chinese equivalent of the English mark “VITA GREEN”. Exhibit “CHLH-3” to Chan's First Declaration includes copies of sales invoices issued by the Opponent from 1996 in respect of sales of goods of the Opponent in Hong Kong and overseas. The earliest invoice in respect of sales to customers in Hong Kong bears a date in 1997. The invoices mostly relate to the Opponent's Class 5 goods, with some relating to the Opponent's Class 32 goods. Only the English mark “VITA GREEN”, but not the Opponent's Mark, appear in the invoices, although both marks appear on copies of packaging materials exhibited to Chan's First Declaration. According to paragraph 15 of Chan's First Declaration, distribution channels of the Opponent's Class 5 goods and the Opponent's Class 32 goods include chain stores like Watson's and Mannings. The approximate gross sales figures in Hong Kong given at paragraph 10 of Chan's Second Declaration are quite substantial. However, these sales figures are in respect of goods sold under the Opponent's Mark “維特健靈” *together with its variants* (Chan's Second Declaration, paragraph 5). What these “variants” are is not defined. There is no breakdown of the gross sales figures for goods sold under the Opponent's Mark and goods sold under the “variants”. There is also no breakdown between sales relating to the Opponent's Class 5 goods and those relating to the Opponent's Class 32 goods.

26. The advertising and promotion materials included in Exhibit “CHLH-6” to Chan’s First Declaration include, *inter alia*, advertisements and articles in various Hong Kong newspapers and magazines, the earliest of those that are dated bears a date in 1993. There are also produced copies of various advertising leaflets, posters and other materials relating to goods promoted under the Opponent’s Mark. It can be gathered from the evidence that the Opponent has, before the relevant date, spent considerable efforts and resources in advertising the Opponent’s Class 5 goods and, to a lesser extent, some of the Opponent’s Class 32 goods under the Opponent’s Mark, although the actual advertising expenditure of the Opponent in promoting the Opponent’s Mark is not entirely clear<sup>2</sup>.
27. The Applicant submitted that, the Opponent’s Mark was never used alone, but was invariably used with a tree device and the English words “VITA GREEN”, and often with the product name. The following is an example of how the Chinese mark “維特健靈” appears in actual use with a tree device and the English words “VITA GREEN”:



28. Having considered the Opponent’s evidence, I find that there is some use of the mark “維特健靈” alone, although the composite mark appearing at paragraph 27 above is more often used. Moreover, in aural use, for example in some advertisements in the compact disc included in Exhibit “CHLH-6” to Chan’s First Declaration, there are references to the Opponent’s products as

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<sup>2</sup> By letter dated 11 December 2007 from the Trade Marks Registry, the Opponent had been asked to address the hearing officer at the hearing on 19 December 2007 on the fact that the gross advertising figures in Hong Kong for 2002 and 2003 appearing at paragraph 20 of Chan’s First Declaration were respectively higher than the approximate gross sales figures in Hong Kong for 2002 and 2003 appearing in paragraph 10 of Chan’s Second Declaration. At the hearing, it was confirmed on behalf of the Opponent that the advertising figures given at paragraph 20 of Chan’s First Declaration were gross advertising figures supplied by the Opponent’s advertising agent, which were subject to certain discounts. The actual advertising expenditure of the Opponent was therefore less than the figures given. There is no information as to how much these discounts were, and accordingly, the actual advertising expenditure of the Opponent in promoting the Opponent’s Mark is not clear.

“維特健靈” products i.e. the tree device and the words “VITA GREEN” are not referred to in those examples of aural use.

29. There is no breakdown in the Opponent’s evidence as to advertising expenditure for the Opponent’s Class 5 goods and the Opponent’s Class 32 goods.
30. There is no evidence as to the market share held by goods sold under the Opponent’s Marks. There is no independent evidence by way of consumer surveys or statements from the trade as to recognition of the Opponent’s Marks as identifiers of goods originating from a particular undertaking.
31. Having considered the evidence as a whole, it is difficult to assess the extent to which the Opponent’s Class 5 mark and the Opponent’s Class 32 mark have respectively been used, and hence the extent to which their distinctiveness has been enhanced through use. Doing the best I can from the evidence, it would appear that the Opponent’s main line of business relates to the Opponent’s Class 5 goods. The Opponent’s Mark is used more often in relation to those goods than in relation to the Opponent’s Class 32 goods. I consider that the distinctiveness of the Opponent’s Class 5 mark has, to some extent, been enhanced through use, although it is difficult to assess the extent. It is more doubtful that the distinctiveness of the Opponent’s Class 32 mark has been enhanced through use.
32. Even if the distinctiveness of the Opponent’s Marks has been enhanced to some extent through use, I do not agree with the observation at paragraph 11 of Chan’s First Declaration that the combination of characters “維特” *“has become identified with the Opponent and the Opponent’s goods and services exclusively”*. There is no single example in the Opponent’s evidence of the characters “維特” being used without the characters “健靈”. From the Opponent’s printed evidence, the four characters “維特健靈” are always used together in the same font in one line without any space between the character “特” and the character “健”. In aural use in the Opponent’s evidence, the Opponent’s Mark is always referred to as “維特健靈”, with no particular emphasis on “維特”. Accordingly, even if the distinctiveness of one or both of the Opponent’s Marks has been enhanced to some degree through use, there is nothing to support the claim that the combination of characters “維特” has become identified with the Opponent and the Opponent’s goods exclusively.

*Comparison of marks*

33. The Opponent's Mark consists of four Chinese characters “維特健靈”. The subject mark consists of three Chinese characters “易維特”.

34. Each of the Opponent's Marks is registered subject to the following disclaimer:

*“Registration of this Trade Mark shall give no right to the exclusive use of the Chinese characters “健” and “靈”.”*

35. The Opponent argued that the Chinese characters “健” and “靈” have been disclaimed in the registration of each of the Opponent's Marks, leaving the first two characters “維特” to be the most distinctive part of each of the Opponent's Marks. The Opponent referred me to the case of *PACO/PACO LIFE IN COLOUR TRADE MARKS* [2000] R.P.C. 451, a decision of Mr. A. James of the UK Trade Marks Registry.

36. In relation to disclaimers, section 15 of the Ordinance provides, *inter alia*, that:

*“(1) An applicant for registration of a trade mark, or the owner of a registered trade mark, may—*

*(a) disclaim any right to the exclusive use of any specified element of the trade mark;*

*...*

*(2) Where the registration of a trade mark is subject to a disclaimer, limitation or condition, the **rights in the registered trade mark conferred by this Ordinance** are restricted accordingly.” (emphasis added)*

37. Section 14 of the Ordinance provides, *inter alia*, that:

*“(1) The owner of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in Hong Kong without his consent.*

*(2) The acts constituting infringement of a registered trade mark, if done without the consent of the owner, are specified in section 18 (infringement of registered trade mark) but are subject to the exceptions specified in section 19 (exceptions to infringement), section 20 (exhaustion of rights conferred by registered trade*

*mark) and section 21 (use in advertising, etc.).”*

38. In the *PACO* case, application was made to register the following two marks in Class 25:

(a) PACO



39. The applications for registration of these two marks were opposed, *inter alia*, on the basis of the following earlier mark:



The registration of this earlier mark includes a disclaimer of any exclusive right to the use of the word “Paco”.

40. Section 9(1) of the UK Trade Marks Act 1994 provides that:

*“The proprietor of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in the United Kingdom without his consent.*

*The acts amounting to infringement, if done without the consent of the proprietor, are specified in section 10.”<sup>3</sup>*

41. The hearing officer in *PACO* noted that section 5(1), (2) and (3) of the UK Trade Marks Act (relative grounds for refusal of registration)<sup>4</sup> use substantially the same wording as section 10(1), (2) and (3) (infringement of registered trade mark)<sup>5</sup>; and it therefore appears that section 5 of the UK Trade Marks Act is intended to prevent the registration of trade marks which, in use, would be contrary to their equivalent provisions of section 10<sup>6</sup>.

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<sup>3</sup> Similar to section 14(1), (2) of the Ordinance.

<sup>4</sup> Similar to section 12(1), (2), (3) and (4) of the Ordinance.

<sup>5</sup> Similar to section 18(1), (2), (3) and (4) of the Ordinance.

<sup>6</sup> *PACO*, paragraph 46.

42. Section 13(1) of the UK Trade Marks Act 1994 is similar to section 15(1), (2) of the Ordinance (see paragraph 36 above).

43. The hearing officer in the *PACO* case observed that the exclusive right disclaimed under section 13 of the UK Trade Marks Act 1994 extends to the use by another party as a trade mark of that which has been disclaimed. For the purpose of infringement proceedings, if the only point of similarity between an earlier registered mark and a later mark is the disclaimed element, use of the later mark would not infringe (*PACO*, paragraph 50).

44. The hearing officer went on to say that:

*“51. If I am right so far, it is difficult to understand how Parliament could have intended a disclaimer to be taken into account for infringement purposes but not when it comes to an application to register that which could lawfully be used as a trade mark.”*

45. It was held that:

*“For the reasons given above, I find that the scope of protection of a trade mark under section 5 may be affected by a disclaimer entered by the proprietor.”<sup>7</sup>*

46. So according to the *PACO* case, section 15(2) of the Ordinance means that where a mark is registered subject to a disclaimer, not only the registered owner’s rights to sue for infringement, but also his rights to oppose later applications for registration under section 5, are “restricted accordingly”.

47. As to how those rights are restricted, the hearing officer in *PACO* went on to say at paragraph 63:

*“It therefore appears to me that the entry of the disclaimer should be regarded as an admission by the proprietor that --- in any proceedings based upon the registration with the disclaimer --- the disclaimed matter is not to be regarded as **in itself** distinctive of the trade origin of the proprietor’s goods or services. In these circumstances, use of the disclaimed matter by another party, as a trade mark, cannot, without other similarities, be sufficient to give rise to a likelihood of confusion with the registered trade mark concerned.”* (emphasis added)

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<sup>7</sup> *PACO*, paragraph 61.

48. I refer to the relevant marks in the *PACO* case set out in paragraphs 38 and 39 above. The only point of similarity between the mark referred to in paragraph 39 and the applied-for marks referred to in paragraph 38 is the word “PACO”, which is the subject of disclaimer. Accordingly, it was held that opposition to those two applied-for marks on the basis of the earlier mark referred to in paragraph 39 failed.
49. The Applicant referred to the Opponent’s argument at paragraph 35 above, and submitted that it was a mis-use of the *PACO* case. The Applicant submitted that, what *PACO* decided was that an objection cannot succeed in a case where the resemblance between the marks in issue is attributable to nothing more than the presence in the earlier mark of an element for which the protection has been disclaimed (*TORREMAR Trade Mark* [2003] R.P.C. 4 at pages 97 – 98). The Applicant pointed out that the disclaimed characters “健” and “靈” in the Opponent’s Marks are not present in the subject mark.
50. What the Opponent seeks to argue is that, since the Chinese characters “健” and “靈” in each of the Opponent’s Marks have been disclaimed, the first two characters “維特” constitute the most distinctive part of each of the Opponent’s Marks.
51. In *NOVOPHARM* (BL No. O/532/01) (28 November 2001), a decision also of Mr. A. James of the UK Trade Marks Registry, the opponent in that case sought to rely, *inter alia*, on the registered mark “NovoNorm” to oppose application for registration of the mark “NOVOPHARM”. The opponent in that case submitted that following the *PACO* case, the effect of the disclaimer of “Norm” in the registered earlier mark “NovoNorm” was a “concession” by the registered proprietor that “Novo” was the distinctive part of the mark “NovoNorm”. That argument is not very different from the argument referred to in paragraph 35 above.
52. In response to that argument, the hearing officer stated that:

*“34. I believe that this submission is based upon a misunderstanding of the role of disclaimers and the reasons for my decision in the PACO trade mark case. Disclaimers operate negatively. They identify the elements of the mark that the proprietor admits are not distinctive. It would therefore be inequitable to allow a registered proprietor to assert that there is a likelihood of confusion with a later mark based solely upon the presence in the later mark of some feature which is the same or similar to the feature of the earlier mark that was disclaimed at the time of*

registration. Disclaimers do not have the positive effect of identifying the element(s) in a mark that are distinctive. Thus the disclaimer of “Norm” in NovoNorm does not have the effect of giving the proprietor an exclusive right in “Novo”. It simply means that he has no exclusive right in “Norm”. The proprietor has, of course, exclusive rights in NovoNorm.”

53. Applying the principles referred to in paragraphs 47 and 52 above, the entry of the disclaimer referred to in paragraph 34 above should be regarded as an admission by the Opponent that the Chinese characters “健” and “靈” are not to be regarded as in themselves distinctive of the trade origin of the Opponent’s Class 5 goods and the Opponent’s Class 32 goods. Use of the Chinese characters “健” and “靈” by another party as a trade mark cannot, without other similarities, be sufficient to give rise to a likelihood of confusion with the Opponent’s Marks. The common characters in the subject mark and each of the Opponent’s Marks are, however, not the Chinese characters “健” and “靈”, but the Chinese characters “維特”. The disclaimer referred to in paragraph 34 does not have the positive effect of identifying the characters “維特” in the Opponent’s Marks as distinctive. Thus the disclaimer of “健” and “靈” does not have the effect of giving the Opponent an exclusive right in “維特”. It simply means that the Opponent has no exclusive right in “健” and “靈”. The Opponent has, of course, exclusive rights in the mark “維特健靈” as a whole.
54. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*).
55. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in Case C-3/03 P *Matratzen Concord v OHIM* [2004] ECR I-3657, paragraph 32). It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (Case C-334/05 P *OHIM v Shaker di L. Laudato & C. Sas*

(ECJ, 12 June 2007)).

56. In the present case, the Opponent's Mark consists of four Chinese characters "維特健靈" presented in the same font in one line. Although the Chinese character "健" and the Chinese character "靈" are each indistinctive of the Class 5 and the Class 32 goods for which the Opponent's Marks are registered, the average consumer of these goods would perceive the mark "維特健靈" as a whole, and would not dissect the mark into "維特" and "健靈". The combination of the four characters "維特健靈" as a whole has no meaning in relation to the relevant Class 5 and Class 32 goods or their characteristics. The mark "維特健靈" will be perceived and remembered by the average consumer as a whole.
57. The subject mark consists of three Chinese characters "易維特". Although the character "易" can mean "easy", the words "易維特" as a whole has no meaning in relation to the subject goods or their characteristics. The average consumer of these goods would not dissect the mark into "易" and "維特", especially since the subject mark consists of only three Chinese characters. The subject mark would be perceived and remembered as a whole as "易維特".
58. Visually, the Opponent's Mark consists of four Chinese characters, whilst the subject mark consists of three. Although the Opponent's Mark and the subject mark have two common Chinese characters, namely, "維特", those characters occupy different positions in the marks: they are the first two characters in the Opponent's Mark and the last two characters in the subject mark. The structure of, and the overall visual impression created by, the Opponent's Mark is therefore different from the subject mark.
59. Aurally, the Opponent's Mark would be pronounced as four characters, whilst the subject mark would be pronounced as three characters. I do not agree with the Opponent's submission that there would be a tendency to slur the first character "易" in the subject mark. The Opponent referred me to *Aristoc v Rysta* [1945] A.C. 68 at 86. There Viscount Maugham stated that "the tendency to slur a word beginning with 'a' is, generally speaking, very common". On the other hand, neither of the Opponent's Mark nor the subject mark consists of an English word beginning with 'a'. That there is the tendency to slur an English word beginning with 'a' does not mean that there is a similar tendency to slur the first Chinese character in the subject mark. The subject mark consists only of three Chinese characters, and the

average consumer would read the mark as a whole and pronounce all three characters. Aurally, therefore, although the two marks share two common Chinese characters, the overall pronunciation of the two marks are quite different.

60. Conceptually, both marks would be meaningless to the average consumer of the relevant goods.
61. The average consumer rarely has the chance to make direct comparison between the marks, and has to rely upon the imperfect picture of them he has kept in his mind. The average consumer would not dissect the characters “健” and “靈” from the Opponent’s Mark “維特健靈”, dissect the character “易” from the subject mark “易維特”, and compare the marks “維特健靈” and “易維特” by taking the characters “維特” as the distinctive and dominant component. Having regard to the visual, aural and conceptual similarities and differences between the subject mark “易維特” and the Opponent’s Mark “維特健靈”, I find that the overall impressions created by them are very different, and that the degree of similarity between the two marks is very low.

#### *Likelihood of confusion*

62. The likelihood of confusion must be appreciated globally, taking account of all relevant factors. The matter must be judged through the eyes of the average consumer of the goods applied for who is deemed to be reasonably well-informed and reasonably observant and circumspect. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).
63. The Opponent submitted that the Applicant sought to register the subject mark in respect of pharmaceutical preparations, and that any slightest confusion on the part of the public in respect of the Applicant’s goods and the Opponent’s goods may have devastating effect and consequence.
64. In *MIRAGAN* (BL No. O/293/02) (5 July 2002) the Appointed Person in her decision referred to parts of the hearing officer’s decision under appeal, including the following:

“14. During the course of the hearing, submissions were made as to the approach I should adopt when considering opposition proceedings to trade marks covering pharmaceuticals. In summary, Mr Wilkinson argued that when considering such cases and assessing the likelihood of confusion between the trade mark the subject of the application and other trade marks, the registrar should adopt a cautious approach, taking into account the danger to the health of consumers in the event that two trade marks are confused. On the other hand, Mr Campbell suggested that the average consumer is more careful when purchasing pharmaceuticals and so trade marks that might otherwise be similar and lead to confusion could exist side by side when applied to pharmaceuticals.

15. This is not a new debate to trade mark law ....

16. It seems to me that the role of the registrar is to apply the Trade Marks Act 1994 and its subordinate legislation to the proceedings brought before her. Other provisions and authorities exist for the licensing of pharmaceuticals and in my view, it is not the role of the Trade Marks Registry to stray into these areas. Under the provisions of the Act and acting on behalf of the registrar I must consider whether there exists a likelihood of confusion if the applicants’ and opponents’ trade marks are used in respect of the goods for which they are respectively applied for and registered. I must find a likelihood of confusion not merely a possibility of confusion; *Reactor* at page 290.

17. Of course, in assessing the likelihood of confusion I must consider this matter through the eyes of the average consumer of the goods in question. Consequently, I have to take into account the way or ways in which the products in question reach the end consumer... Each case must be determined on its own facts and on the evidence that is presented to the registry....”

65. The Appointed Person then stated that she was unable to detect an error of principle in the hearing officer’s decision. The Appointed Person also referred to her earlier decision in *OROPRAM/SEROPRAM* (BL No. O/208/02) (8 May 2002), where she stated at paragraph 25, *inter alia*, as follows:

“I have arrived at this view without engaging in the debate whether a high or lower threshold needs to be reached before confusion can be established in conflicts between pharmaceutical trade marks. For my own part, I do not believe that different standards exist or are necessary to exist. The test of likelihood of confusion is flexible enough to allow each case to be judged according to its own peculiar facts....”

66. Having regard to the above principles, I would not dwell on the debate of whether a higher or a lower threshold needs to be reached before confusion can be established in conflicts between pharmaceutical trade marks. I would, however, approach the question of likelihood of confusion globally, taken account of all relevant factors. I must approach the question assuming normal and fair use of each of the Opponent's Marks and the subject mark in relation to the goods for which the marks are registered or sought to be registered.
67. The subject goods are "pharmaceutical preparations", which include those which may be available over the counter or by prescription. The average consumer may be medical professionals and/or the public at large. Handwritten prescription may or may not be involved. The public may be ordering or purchasing goods in the environment of a busy chemists shop. Although serious consequences may ensue if a consumer is confused by similar marks into taking the wrong pharmaceutical preparation, with the degree of seriousness depending on the nature of the particular pharmaceutical preparation, and notwithstanding that a consumer may have an ailment at the time, I consider that the average consumer is unlikely to be so careless in health issues that he or she will act in other than a reasonably circumspect and observant fashion.
68. In relation to the Opponent's Class 5 mark, I have already found that the subject goods and the Opponent's Class 5 goods are identical or similar (paragraph 19 above). I have also considered the distinctiveness of the Opponent's Class 5 mark (paragraphs 23 to 32 above). On the other hand, I find that the overall impressions created by the subject mark and the Opponent's Mark are very different, and that the degree of similarity between them is very low (paragraph 61 above).
69. Taking into account the combined effect of all of the above considerations, despite the distinctiveness of the Opponent's Class 5 mark and the fact that the subject goods and the Opponent's Class 5 goods are identical or similar, given that the overall impressions of the subject mark and the Opponent's Mark are so different, I consider that when the subject mark is used in relation to the subject goods, the average consumer would not be confused into thinking that those goods and the Opponent's Class 5 goods come from the same or economically-linked undertakings.

70. As the Opponent's Class 32 goods are not similar to the subject goods, and it is more doubtful that the distinctiveness of the Opponent's Class 32 mark has been enhanced through use, the Opponent's case based on the Opponent's Class 32 mark is no better than that based on the Opponent's Class 5 mark. I consider that when the subject mark is used in relation to the subject goods, the average consumer would not be confused into thinking that those goods and the Opponent's Class 32 goods come from the same or economically-linked undertakings.
71. The opposition under section 12(3) therefore fails.

#### **Opposition under section 12(4)**

72. Section 12(4) of the Ordinance provides as follows:

*"... a trade mark which is –*

- (a) identical or similar to an earlier trade mark; and*
- (b) proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,*

*shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."*

73. At the hearing, there was a lot of argument as to whether section 12(4) is applicable only where the goods or services proposed to be registered are not identical or similar to those for which the earlier mark is protected, or whether, on the basis of *Davidoff v Gofkid* [2003] E.T.M.R. 42 and *Adidas-Salomon v Fitnessworld* [2004] E.T.M.R. 10<sup>8</sup>, the section also provides protection where the goods or services proposed to be registered are identical or similar to those for which the earlier trade mark is protected.
74. That issue aside, it is clear that to succeed under section 12(4), the Opponent has to establish at least the following:

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<sup>8</sup> Discussed in *Kerly's Law of Trade Marks and Trade Names*, 14<sup>th</sup> Edition, para. 9-098 to 9-100.

- (a) that the subject mark is identical or similar to the Opponent's Mark;
- (b) that the Opponent's Mark is an earlier trade mark which is entitled to protection under the Paris Convention as a well-known trade mark; and
- (c) the use of the subject mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's Mark.

75. The protection conferred by section 12(4) is not conditional on a finding of a degree of similarity between an earlier trade mark which is entitled to protection under the Paris Convention as a well-known trade mark and the subject mark such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the earlier trade mark and the subject mark to have the effect that the relevant section of the public establishes a link between the subject mark and the earlier trade mark (*Adidas-Salomon v Fitnessworld*, paragraph 31).

76. I have already found that despite the fact that the subject mark and the Opponent's Mark have two Chinese characters in common, the overall impressions created by them are very different. The degree of similarity between them is very low. I am not satisfied that the degree of similarity is sufficient to have the effect that the relevant section of the public establishes a link between the two marks. The requirement referred to in paragraph 74(a) is not established.

77. I refer to the requirement referred to in paragraph 74(c). Section 12(4) does not have the sweeping effect of preventing the registration of a sign which is the same as or similar to a well-known earlier trade mark. It is also not intended to enable the owner of a well-known earlier trade mark to object as a matter of course to the registration or use of a sign which may remind people of his mark (*Premier Brands v Typhoon* [2000] F.S.R. 767). Detriment to and unfair advantage of distinctive character or repute must be provable by real, as opposed to theoretical, evidence and cannot be merely assumed from the fact that the earlier mark has a substantial reputation (*Creditmaster Trade Mark* [2005] R.P.C. 21).

78. The closer the similarity between the marks, the greater is the risk that unfair advantage will be taken (*Kerly's Law of Trade Marks and Trade Names* (14<sup>th</sup>

edn.) para. 9-114B).

79. The Opponent says that unfair advantage occurs when another undertaking exploits the distinctive character or repute of the earlier mark to benefit its own marketing efforts, using the renowned mark as a vehicle for generating consumer interest in its products. The stronger the earlier mark's distinctive character and reputation, the easier it will be to accept that unfair advantage has been taken (*Mango Sport System v Diknah* [2005] E.T.M.R. 5).
80. I have already found that the degree of similarity between the subject mark and the Opponent's Mark is very low. There is no evidence as to how, if at all, the Applicant exploits the distinctive character or repute of the Opponent's Marks to benefit its own marketing efforts. On the whole, I can find no real evidence to support a finding that use of the subject mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's Mark. The requirement referred to in paragraph 74(c) is not established.
81. As both the requirements in paragraph 74 (a) and (c) are not established, whether or not the Opponent is able to establish the requirement in paragraph 74(b), the opposition under section 12(4) of the Ordinance necessarily fails.

### **Costs**

82. As the opposition has failed, I award the Applicant costs. Subject to any representation 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.

(Finnie Quek)  
for Registrar of Trade Marks  
24 January 2008