

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION NO.: 300106280AB

MARK: 山莊

APPLICANT: PROVENT HOLDINGS LTD.

CLASS: 43

STATEMENT OF REASONS FOR DECISION

Background

1. On 5 November 2003, Provent Holdings Ltd. (“the applicant”) applied, pursuant to the provisions of the Trade Marks Ordinance (Cap. 559) (“the Ordinance”), to register the following mark (in series):

A. 山莊

B. 山庄

(“the subject mark”) in classes 28, 34, 41 and 43.

2. At the examination stage, no objection had been raised in respect of classes 28 and 34. In respect of class 41, objection was initially raised against the subject mark but it was subsequently accepted in class 41 along with classes 28 and 34. The application was then divided into two separate applications upon request of the applicant. The application for classes 28, 34 and 41 proceeded to publication and the application in respect of class 43 was further examined.
3. In the application of class 43, the applicant applied for registration of the use of the subject mark in relation to the following services:

Class 43: club services for the provision of food and drink; country club services (provision of food, drink and temporary accommodation); night club services (provision of food); social clubs (provision of accommodation); social clubs (provision of food); hospitality services (accommodation); hospitality services (food and drink); cocktail lounge services; bar services; restaurant services incorporating licenced bar facilities; all included in Class 43.

4. Objections were initially raised under section 11(1)(b) and (c) of the Ordinance for the entire classes of 41 and 43 but were subsequently limited to

“country club services (temporary accommodation); social clubs (provision of accommodation); hospitality services (accommodation)” in class 43 (“the objected services”). The basis of objections was that the subject mark consists exclusively of a sign which may serve, in trade or business, to designate the characteristic of those specified services, and is devoid of any distinctive character in respect of such services.

5. On 24 March 2005, the applicant requested a hearing on the registrability of the subject mark in respect of the objected services in class 43.
6. The hearing took place before me on 1 June 2005 at which Ms Li Chung Nam of Messrs Robertsons appeared on behalf of the applicant and made an oral submission. The applicant did not file evidence of use of the subject mark and I therefore have only the *prima facie* case to consider. I reserved my decision at the conclusion of the hearing.

The Ordinance

7. The absolute grounds for refusal of an application for registration are contained in section 11 of the Ordinance. Section 11(1) reads as follows:

“(1) Subject to subsection (2), the following shall not be registered-

- (a)
- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services; and
- (d)

Decision

The subject mark

8. The subject mark comprises of plain Chinese characters “山莊” and “山庄” (the simplified characters of “山莊”) which according to Lin Yutang Chinese English Dictionary of Modern Usage means “a mountain lodge; a country villa”. A mountain lodge or country villa is often used to refer to a country

house or mansion. There is no stylisation of the subject mark or any other additional element.

Section 11(1)(c) of the Ordinance

9. Section 11(1)(c) of the Ordinance excludes registration of trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services.
10. The objected services are “country club services (temporary accommodation); social clubs (provision of accommodation); hospitality services (accommodation)” in class 43. In essence, the services in question are accommodation provided as part of the country club, social club or hospitality services.
11. Accommodation in the rural or sub-urban areas of Hong Kong could be provided in a country villa. Other types of premises in which accommodation services are available include, for example, low rise apartments or buildings. The Chinese characters “山莊” are apt to describe the type or nature of the premises where accommodation is provided. The type or nature of the premises where accommodation is available for guests or patrons is one of the characteristics of accommodation services. In the context of accommodation provided as part of the country club, social club and hospitality services, I consider that the subject mark consists exclusively of words that may serve to designate the characteristic of the objected services.
12. Ms. Li submitted that country club, social clubs and hospitality services do not necessarily involve the provision of accommodation and in particular, a mountain lodge or country villa is not commonly used as premises for a country club or social club. Relying on the cases of *The Oilgear Company’s Application* (Case R 36/19982) (Office for Harmonisation in the Internal Market (Second Board of Appeal)) (“*OILGEAR*”) and *Proctor & Gamble Co. v OHIM* (Case C-383/99P) (European Court of Justice) (“*BABY-DRY*”), Ms. Li submitted that the subject mark is merely allusive or suggestive of the objected services and is not commonly used to describe the objected services. As such, Ms. Li submitted that the subject mark should be registrable.
13. In the cases “*OILGEAR*” and “*BABY-DRY*” the interpretation of Article 7(1)(c) of the Regulation No. 40/94 was considered. Subsequently the ECJ clarified the approach to Article 7(1)(c) of the Regulation No. 40/94 in cases such as

Wm. Wrigley Jr. Company v OHIM (Case-191/01 P) (the ‘*DOUBLEMINT*’ case) and Article 3(1)(c) of the First Council Directive 89/104/EEC in the case of *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (Case C-363/99) (the ‘*Postkantoor*’ case). These two Articles are effectively identical to each other and are broadly similar to section 11(1)(c) of the Ordinance. The relevant principles are as follows:

“In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provisions itself indicates, that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.”: the ‘*DOUBLEMINT*’ case at paragraph 32.

“For the purposes of determining whether Article 3(1)(c) of the [First Council Directive 89/104/EEC] applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services mentioned in the application for registration or that the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary.”: the ‘*Postkantoor*’ case at paragraph 104.

14. These principles indicate that marks that are objectionable under section 11(1)(c) of the Ordinance do not have to be the typical way of describing the applied for goods or services and it is sufficient if at least one of the possible meanings of a mark designates a characteristic of the specified goods or services. As mentioned in paragraph 11 above, the reference by the mark “山莊” to the characteristic of the objected services as the type or nature of premises where accommodation is provided is direct and clear. Ms. Li’s submissions therefore do not assist.
15. Ms. Li also submitted that the accommodation in class 43 of this application referred to “temporary” accommodation even the word “temporary” was not mentioned explicitly in the specification as the heading in the Nice Classification refers to “temporary accommodation”. Ms. Li further

submitted that as the subject mark is more commonly used to describe private and luxurious residence in Hong Kong but not temporary accommodation, it cannot therefore be said to be descriptive of the objected services.

16. I am not persuaded by Ms. Li's argument. Mountain lodges and country villas are not exclusively used for private and luxurious residence or permanent accommodation. For example, there are many mountain lodges or country villas available for rental by holiday dwellers on a short term basis.
17. On the basis of my finding that the Chinese characters directly designate the type or nature of premises where the specified services in respect of "country club services (temporary accommodation)", "social clubs (provision of accommodation)" and "hospitality services (accommodation)" are provided, I conclude that the subject mark consists exclusively of a sign which may serve, in trade or business, to designate the characteristic of those services. The subject mark is therefore debarred from registration in respect of the objected services under section 11(1)(c) of the Ordinance.

Section 11(1)(b) of the Ordinance

18. I now turn to consider whether the subject mark is devoid of any distinctive character under section 11(1)(b) of the Ordinance.
19. Section 11(1)(b) of the Ordinance excludes from registration marks which are devoid of any distinctive character.
20. The approach of assessing distinctiveness was discussed in *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281 where Jacob J said, on page 306 :

"What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?"

21. The test of registrability under the equivalent of section 11(1)(b) was further discussed in *Nestle SA's Trade Mark Application (Have a Break)* [2004] F.S.R. 2 (at paragraph 23):

"The distinctiveness to be considered is that which identifies a product as originating from a particular undertaking. Such distinctiveness is to be considered by reference to goods of the class for which registration

is sought and consumers of those goods. In relation to the consumers of those goods the court is required to consider the presumed expectations of reasonably well informed, and circumspect consumers.”

22. Applying the above legal principles, I must assess the distinctiveness of the subject mark in relation to the specified services for which the applicant seeks registration. I must also have regard to the perception of a consumer who is reasonably well-informed and reasonably observant and circumvent.
23. In this application, the subject mark merely consists of the Chinese characters “山莊” which is a term used to describe a mountain lodge or country villa. The subject mark contains common dictionary words in everyday use. There is no added element or stylisation.
24. Customers of the services in question in class 43 are the general public who are seeking accommodation provided as part of the country club, social club or hospitality services. It is likely that the subject mark will be used in advertisements, promotional materials or websites for promoting the services of the applicant.
25. Given that the subject mark is apt to describe the type or nature of premises where accommodation is available, the customers are likely to perceive the mark immediately as a plain reference to the type or nature of premises where accommodation is provided as part of the country club, social club or hospitality services. Their first impression of the subject mark is that the objected services are available in a mountain lodge or country villa in an area with a pleasant surrounding. They are not likely to perceive the subject mark as an indication of trade origin of such services.
26. I am not persuaded by Ms. Li’s argument that the subject mark is distinctive to the expatriates in Hong Kong who do not read Chinese. There is no doubt that the majority of the Hong Kong population are Chinese. On the *prima facie* basis, there is no indication that the customers of the objected services are limited to English speaking people in Hong Kong who have no knowledge of Chinese. As such, Ms. Li’s submission is not of assistance.
27. Based on the reasons stated above, I am of the view that the relevant consumers are unlikely to perceive the subject mark as an indication of trade origin of “country club services (temporary accommodation)”, “social clubs (provision of accommodation)” and “hospitality services (accommodation)”, and the subject mark is therefore devoid of any distinctive character in respect of the objected services. The subject mark is thus precluded from

registration in respect of the objected services under section 11(1)(b) of the Ordinance.

Conclusion

28. In this decision I have considered all the documents filed by the applicant and all the arguments submitted in relation to this application. On a *prima facie* basis, the subject mark was found to consist exclusively of a sign which served to designate the characteristics of services and to be devoid of any distinctive character under sections 11(1)(c) and 11(1)(b) of the Ordinance in respect of “*country club services (temporary accommodation); social clubs (provision of accommodation); hospitality services (accommodation)*” in class 43. The subject application is accordingly refused under section 42(4)(b) of the Ordinance in respect of the objected services.
29. The application could, however, proceed to publication provided that the applicant files, on or before **23 September 2005**, an amendment on Form T5A to amend the specification by deleting the objected services in class 43 as set out in the above paragraph. If the applicant fails to do so on or before the above date, it shall be deemed to have abandoned this application in class 43.

Sarah Li
for Registrar of Trade Marks
23 August 2005