

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION NO.: 300106299AB

MARK: 套房

APPLICANT: PROVENT HOLDINGS LTD.

CLASSES: 41 & 43

STATEMENT OF REASONS FOR DECISION

Background

1. On 5 November 2003, Provent Holdings Ltd. (“the applicant”) applied to register the mark “套房” in classes 28, 34, 41 and 43 (“the subject mark”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”).
2. At the examination stage, no objection was raised in respect of classes 28 and 34. The application was subsequently divided into two separate applications upon request of the applicant. The application for classes 28 and 34 proceeded to publication and the application in respect of classes 41 and 43 was further examined.
3. In the application of classes 41 and 43, the applicant applied for registration of the use of the subject mark in relation to the following services:

Class 41: casino facilities [gambling] (providing-); gambling services; gaming; gaming machine entertainment services; gaming services for entertainment purposes; bingo hall services; club services [entertainment or education]; club recreation facilities (provision of-); club sporting facilities (provision of-); club (cabaret) facilities (provision of); club (dining) facilities (provision of); betting on horses; night clubs; night club services (entertainment); cruise ship entertainment services; entertainment; entertainment services relating to amusement machines; entertainer services; provision of entertainment facilities; providing on-line electronic publications (not downloadable); publication of electronic books and journals on-line; operating of lotteries; organization of sports competitions; electronic games services provided by means of the Internet; Internet games (non-downloadable); provision of games by means of a computer based system; all included in

Class 41.

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 raised under section 11(1)(b) and (c) of the Ordinance initially for the entire classes of 41 and 43 but were subsequently limited to “*cruise ship entertainment services*” in class 41 and “*country club services (temporary accommodation); social clubs (provision of accommodation); hospitality services (accommodation)*” in class 43. The basis of objections was that the subject mark consists exclusively of a sign which may serve, in trade or business, to designate the characteristics 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 classes 41 and 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 “套房” which according to Lin Yutang Chinese English Dictionary of Modern Usage means “suite of rooms, hotel suite or suite”. A suite refers to a number of connected rooms forming one living unit. Very often, the term is used to describe accommodation which consists of a bedroom and a bathroom. There is no stylisation of the subject mark or any other additional element.

Class 41

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. Having considered Ms. Li’s submissions, I do not consider that the subject mark is used to describe cruise ship entertainment services. The subject mark therefore does not consist exclusively of a sign that may designate the characteristic of such services. Objection under section 11(1)(c) is hereby waived. I now consider whether the subject mark is devoid of any distinctive character under section 11(1)(b), which operates as a separate and independent ground of objection from section 11(1)(c) of the Ordinance.
11. Section 11(1)(b) of the Ordinance excludes from registration marks which are devoid of any distinctive character.
12. 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?”

13. The test of registrability under the equivalent of section 11(1)(b) was further discussed in *Nestlé 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.”

14. It is also well established that objections under sections 11(1)(b) and 11(1)(c) of the Ordinance should be considered separately. Mummery LJ in *Nestlé SA's Trade Mark Application (Have a Break)* [2004] F.S.R. 2 (at paragraph 42) discussed section 3(1)(b) and 3(1)(c) of the Trade Marks Act 1994 of the UK that are broadly similar to section 11(1)(b) and 11(1)(c) of the Ordinance and held the following:

“The two grounds, although they no doubt overlap to some extent, are independent grounds for refusing registration. They have to be separately examined and considered. A mark may not be exclusively descriptive of the relevant goods or services and so not fall foul of s.3(1)(c) [of the Trade Marks Act 1994], but it may nevertheless be “devoid of any distinctive character” and so fall foul of s.3(1)(b) [of the Trade Marks Act 1994].”

15. 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.
16. Cruises normally refer to trips by sea in liners for pleasure. To my mind, cruise ship entertainment services seldom exist independently but often are provided in conjunction with other services available on board. Packages of services that include accommodation on board, food and beverages, tour arrangements at destinations en route and entertainment services are generally offered to guests on board the cruises. As for accommodation on board, a suite of rooms is a common type of accommodation available.

17. Customers of cruise ship entertainment services are the general public seeking holiday packages on board a cruise ship. It is likely that the subject mark will be used in advertisements and promotional materials for promoting the services of the applicant. Given that entertainment services and accommodation on board are often offered as a package by cruise operators and accommodation services could be provided in the form of a suite, the customers are likely to see the subject mark first and foremost as referring only to the type of accommodation provided on board a cruise. They are unlikely to perceive the subject mark as an indication of a trade origin identifying cruise ship entertainment services as originating from a single undertaking.
18. Based on the above reasons, I find that the subject mark is devoid of any distinctive character in respect of “cruise ship entertainment services” in class 41 under section 11(1)(b) of the Ordinance.

Class 43

19. The objected services in class 43 are “country club services (temporary accommodation); social clubs (provision of accommodation); hospitality services (accommodation)”. In essence, the services in question are accommodation provided as part of the country club, social club or hospitality services.
20. Accommodation in Hong Kong is commonly provided in a suite of rooms. Other types or nature of premises in which accommodation is provided include, for example, apartments and studio flats. The Chinese characters “套房” are apt to describe the type or nature of the premises where accommodation is provided. The type or nature of 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 in class 43.
21. Ms. Li submitted that country club, social club and hospitality services do not necessarily involve the provision of accommodation. Moreover, Ms. Li claimed that accommodation is not necessarily provided in a suite of rooms. 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 in class 43. As such, Ms. Li submitted that the subject mark should be registrable.

22. 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.

23. 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 services 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 20 above, the reference by the mark “套房” to the characteristic of the objected services in class 43 as the type or

nature of premises where accommodation is provided is direct and clear. As such, Ms. Li's submissions do not assist.

24. Ms. Li also submitted that all 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 services in question.
25. I am not persuaded by Ms. Li's argument. The subject mark "套房" is not exclusively used for private and luxurious residence or permanent accommodation in Hong Kong. For example, there are plenty of hotels or hostels in Hong Kong that use the mark "套房" to denote suites of rooms that are available for rental on a short term basis.
26. On the basis of my finding that the Chinese characters directly designate the type of premises where the specified services in respect of "country club services (temporary accommodation)", "social club (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 kind or characteristics of those services. The subject mark is therefore debarred from registration under section 11(1)(c) of the Ordinance in respect of the objected services in class 43.
27. I now turn to consider whether the subject mark is devoid of any distinctive character under section 11(1)(b) of the Ordinance by applying the legal principles set out in paragraphs 11 to 15 above.
28. In this application, the subject mark merely consists of the plain Chinese characters "套房" meaning suite of rooms. The subject mark contains common dictionary words in everyday use. There is no added element or stylisation.
29. 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.
30. Given that the subject mark is apt to describe the type or nature of premises in which accommodation is provided, 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 in class 43. Their first impression of the subject mark is that the objected services are available in suites of rooms that are usually furnished and equipped with basic amenities. They are not likely to perceive the subject mark as an indication of trade origin of such services.

31. 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 in class 43 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.
32. 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 mark is thus also precluded from registration in respect of the objected services in class 43 under section 11(1)(b) of the Ordinance.

Conclusion

33. 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 be devoid of any distinctive character under section 11(1)(b) of the Ordinance in respect of "*cruise ship entertainment services*" in class 41. The subject mark was also 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.
34. 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 classes 41 and 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 classes 41 and 43.

Sarah Li
for Registrar of Trade Marks
23 August 2005