

TRADE MARKS ORDINANCE (Cap. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300169650

MARK :



CLASS : 43

APPLICANT : SHEUNG WAN FUNG SHING RESTAURANT LIMITED

OPPONENT : MONGKOK FUNG SHING RESTAURANT CO. , LTD.

STATEMENT OF REASONS FOR DECISION

Background

1. On 2 March 2004, Sheung Wan Fung Shing Restaurant Limited (the “applicant”) filed an application under the Trade Marks Ordinance, Cap 559 (the “Ordinance”) for registration of the mark, which is represented above (the “suit mark”), in Class 43, in respect of “services for providing food and drink”.
2. Particulars of the subject application were published on 24 June 2005. Mongkok Fung Shing Restaurant Company Limited (“the opponent”) filed a notice of opposition on 10 September 2005 and later re-filed it on 17 November 2005.
3. The opposition hearing took place before me on 4 June 2010. At the hearing, Mr. Philips B.F. Wong, counsel, instructed by Messrs. Wilkinson & Grist, appeared for the opponent. The applicant did not appear at the hearing.

Grounds of opposition

4. The original statements filed with the notice of opposition have since been replaced with the Amended Grounds of Opposition dated 6 December 2006, in which

grounds of opposition based on sections 3(1), 11(1)(a), 11(4), 11(5), 12(1), 12(3), 12(4) and 12(5) of the Ordinance were pleaded.

5. The opponent states at paragraph 2 of the Amended Grounds of Opposition that it and/or its predecessors and/or its associated companies have been providing restaurant services and services for the provisions of food and drinks under the name “鳳城酒家” and “FUNG SHING RESTAURANT” in Hong Kong since 1954.

6. A long history of events concerning the opponent’s dealings of its marks containing the Chinese characters “鳳城” was pleaded, ended with the application for registration of the suit mark by the applicant in respect of “services for providing food and drink”. The suit mark is alleged to be identical or similar to the opponent’s marks and should be refused registration by virtue of the pleaded sections of the Ordinance.

Counter-statement

7. The applicant filed a counter-statement on 20 February 2006, denying all the grounds of opposition. It is averred that the applicant is the owner of the suit mark which was first used by it in Hong Kong in the year 1954.

8. It is further averred that the applicant has used the suit mark on the services of providing food and drink at 62-68, Java Road, North Point, Hong Kong and No. 7, On Tai Street, Sheung Wan, Hong Kong “over three years”.

The opponent and its evidence

9. The opponent’s evidence comprises a statutory declaration of Tam Kwok Hop made on 17 November 2006 and a statutory declaration of Ho Wai Ling made on 20 November 2006, as evidence in support of opposition under Rule 18 of the Trade Marks Rules, Cap 559A (the “Rules”). No evidence in reply under Rule 20 of the Rules has been filed.

Tam Kwok Hop’s statutory declaration

10. Mr. Tam Kwok Hop is a director of the opponent, which is a limited

company incorporated under the laws of Hong Kong on 22 December 1983. He claims to have made the statutory declaration according to his “own personal knowledge or are gleaned from books and records of the opponent or its predecessor or associated companies to which [Mr. Tam] has free access”.

11. Mr. Tam in his statutory declaration gives a detail account of the history of a group of restaurants in Hong Kong which were featured by the Chinese characters “鳳城” (which appears on evidence of both parties to have been invariably transliterated into English as “Fung Shing”), and the people and corporate entities operating behind them. The following (paragraphs 12 to 18) is a summary of what Mr. Tam had deposed.

12. It all started with a restaurant which commenced business at 26-28 Irving Street, Causeway Bay, Hong Kong in or about 1954. The restaurant was called “鳳城酒家 Fung Shing Restaurant” and run by a partnership of 18 people. The founders were allegedly Fung Moon (馮滿) and Loong Lik Kiu Thomas (龍力橋). Mr. Fung Moon is a relative of Mr. Tam Kwok Hop, and Mr. Tam himself (known as 譚俠 for short), his brother Tam Kwok King and Yu Yui Tseung were also partners of the restaurant business. The restaurant used a logo which is comprised of the two Chinese characters “鳳城” adapted to form into a circular shape. This logo, hereinafter referred to as the “鳳城 logo”, was allegedly devised by Loong Lik Kiu Thomas who besides being a partner of this restaurant was also an ex-director of the opponent incorporated later (see the following paragraph). The 鳳城 logo is graphically represented below:-



13. As the business of the restaurant in Causeway Bay was doing well, the partners decided to open another restaurant by the same name in North Point. A company called North Point Fung Shing Restaurant Company Limited (北角鳳城酒家有限公司) was incorporated on 22 November 1977, with Yu Yui Tseung and Loong Lik Kiu Thomas as subscribers. The company commenced business of a new restaurant by the name “鳳城酒家 Fung Shing Restaurant” at Ground Floor, No. 62 Java Road, North Point, Hong Kong on or about 8 March 1978.

14. With a view to further expanding the business, another company called Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司), which without doubt is the opponent in the present proceedings, was incorporated on 22 December 1983, with Yu Yui Tseung and Tam Kwok Hop as subscribers. This company operated a new restaurant also by the name “鳳城酒家 Fung Shing

Restaurant”, which commenced business at 1/F. and 2/F., European Asian Bank Building, 749 Nathan Road, Mongkok, Kowloon, Hong Kong on or about 18 January 1984.

15. In 1988, the first “鳳城酒家 Fung Shing Restaurant” at 26-28 Irving Street, Causeway Bay, Hong Kong ceased business. Mr. Tam Kwok Hop deposes that, according to his understanding, it was the intention that following the cessation of the business of this restaurant, which was all along a partnership business, all goodwill in the names or marks “鳳城酒家”, “Fung Shing Restaurant” and the 鳳城 logo were to be transferred to North Point Fung Shing Restaurant Company Limited and/or Mongkok Fung Shing Restaurant Company Limited. It is specifically pointed out that both Loong Lik Kiu Thomas and Fung Moon still owned shares in these two companies as at 1988.

16. Another company, Fung Shing Restaurant Limited (鳳城酒家有限公司), was incorporated on 21 May 2002, allegedly to take up all assets including the goodwill in the name or mark “Fung Shing Restaurant”, “鳳城酒家” and the 鳳城 logo owned by North Point Fung Shing Restaurant Company Limited.

17. The members of North Point Fung Shing Restaurant Company Limited then passed a Special Resolution on 22 August 2003 to wind up the company voluntarily.

18. Mr. Tam Kwok Hop has produced a number of exhibits to his statutory declaration to support the above evidence and other evidence I have not yet mentioned. I shall discuss in more details all of them in the latter part of this decision.

Ho Wai Ling’s statutory declaration

19. As to Ho Wai Ling’s statutory declaration, the only purpose of it is to state that the contents of Tam Kwok Hop’s statutory declaration, which is in English, had been interpreted to Mr. Tam in Chinese by Ms. Ho before Mr. Tam made that declaration on 17 November 2006. Ms. Ho is a partner of Messrs. Wilkinson & Grist, solicitors for the opponent in the present proceedings.

The applicant and its evidence

20. The applicant’s evidence comprises (i) a statutory declaration of Chiu Yuen Sun made on 26 April 2007; (ii) a statutory declaration of Ho Shing Biu made on 26

April 2007 with exhibits marked “HSB-1” to “HSB-5”; (iii) another statutory declaration of Ho Shing Biu also made on 26 April 2007 with exhibits marked “HSB-1” to “HSB-3”; (iv) a statutory declaration of Ng Ling made on 26 April 2007; and (v) a statutory declaration of Ho Shu Yam made on 26 April 2007, all filed as evidence in support of the application under Rule 19 of the Rules.

Chiu Yuen Sun’s statutory declaration

21. Mr. Chiu Yuen Sun is a director of the applicant, namely, Sheung Wan Fung Shing Restaurant Limited, which was incorporated on 30 August 2002.

22. Mr. Chiu avers that he worked at the Fung Shing Restaurant at 26-28 Irving Street, Causeway Bay, Hong Kong in 1969, and was the disciple of Fung Moon who, according to Mr. Chiu, was the founder of “Fung Shing Restaurant Limited” formed in 1954. Mr. Chiu further alleges that in 1969, he and Fung Moon established two restaurants in North Point and Causeway Bay, and his main duty was the “chief in-charge person” of the two restaurants.

23. According to Mr. Chiu, Fung Moon, before he passed away (it is not specified when), had instructed and authorized Mr. Chiu to operate and manage the restaurant for future expansion to let all people know the history of the restaurant. Mr. Chiu accepted the instruction and on or about 8 August 1978, he and many investors (he did not specify how many) invested more than 1.3 million Hong Kong dollars to establish a restaurant under the name “North Point Fung Shing” together with the following mark  which he printed out in his statutory declaration, at No.62-68 Java Road, North Point, Hong Kong, with Mr. Chiu being the “managing director, shareholder and [*chief-cook*] of the restaurant from 1978 to 1983”.

24. Mr. Chiu further avers that in order to expand his business and promote his logo, in 2002, he and Ho Shing Biu invested more than 300 thousand Hong Kong dollars to establish a new company to operate a new restaurant named Sheung Wan Fung Shing Restaurant. On or about March 2004, Mr. Chiu through his agent sought registration of his logo as a trade mark by filing an application with this Trade Mark Registry.

25. It is apparent from the above that the new company established in 2002 to operate the Sheung Wan Fung Shing Restaurant is in fact the applicant company in the present proceedings, and that the mark that Mr. Chiu printed out in the body of his statutory declaration (although the lower part of it contains some words which are barely legible) is the suit mark, registration of which is sought under the subject

application.

Ho Shing Biu's first statutory declaration

26. Mr. Ho Shing Biu, who made two statutory declarations for these proceedings, asserts in his first statutory declaration that he has been a director of the applicant since 2 September 2002.

27. In his first statutory declaration, Mr. Ho avers that he worked in the “North Point Fung Shing Restaurant” in 1979, was a disciple of Fung Moon and his main duty was to manage the kitchen in terms of quality control and development of the art of cooking skill.

28. Mr. Ho further avers that he and Chiu Yuen Sun invested in 2002 to operate the “Sheung Wan Fung Shing Restaurant” with the logo which, as I observe, looks like the suit mark¹, and the applicant has invested a lot of money to promote and attract public awareness of the restaurant and the said logo in many media.

Ho Shing Biu's second statutory declaration

29. In his second statutory declaration that was made on the same day as the first, Mr. Ho asserts himself to be the Managing Director and Chief Executive of the applicant, a position which he has held since 2002.

30. Mr. Ho avers in the second statutory declaration that the logo, which looks like the suit mark, was first used in Hong Kong “in the year 1954 by the applicant” (underline added as in the statutory declaration), and that the goods or services on which the mark “has been used, and the date of first use, are as follows: - Class 43: Services for providing food and drink”.

31. Mr. Ho further asserts that the logo mark has been used on the products in the following parts of Hong Kong, namely,

Sheung Wan Branch: No.7 On Tai Street Sheung Wan Hong Kong

¹ And that also means it looks the same as the one mentioned and appeared in Chiu Yuen Sun's statutory declaration.

Causeway Bay Branch: 2/F Pearl City Mansion No. 36 Paterson Street
Causeway Bay Hong Kong

Leighton Road Branch: G/F No.30 Leighton Road Causeway Bay Hong
Kong

Wham Poa Branch: 2/F Whampoa Gourmet Place Site 8 Whampoa Garden
Hung Hom Kowloon Hong Kong

Tsim Sha Tsui Branch: Shop 128 1/F Empire Crt. 68 Mody Road
Tsimshatsui Kln. Hong Kong

Tsim Sha Tsui Branch: Shop 148 1/F Empire Crt. 68 Mody Road
Tsimshatsui Kln. Hong Kong

Tsuen Wan Branch: 2/F Emperor Plaza No.55 Chung On Street Tsuen Wan
N.T. Hong Kong

32. Mr. Ho gives sales amounts of the Class 43 goods, commencing from the annual figure of about 6.5 millions Hong Kong dollars in the year 2002, progressing steadily to 150 millions Hong Kong dollars in the year 2006. The corresponding amounts spent on promotion are given in the range of 100 thousand to 360 thousand Hong Kong dollars.

Ng Ling's statutory declaration

33. Ng Ling's statutory declaration gives information that Ng Ling has been a long term customer of the Fung Shing restaurant for more than 37 years because the quality of food there is good. Ng Ling started having meals at the Causeway Bay Fung Shing Restaurant from 1970, and continued with the new restaurant in North Point which Ng Ling alleged was established by Chiu Yuen Sun and Ho Shing Bui with the logo that looks like the suit mark.

Ho Shu Yam's statutory declaration

34. Ho Shu Yam is the manager of the applicant. He avers in his statutory declaration that he worked in the Causeway Bay Fung Shing Restaurant in 1969 as supervisor, and that according to his knowledge, Chiu Yuen Sun and Ho Shing Bui

managed the restaurant with all their effort. In 1978, he was arranged to work in the restaurant “named as North Point Fung Shing” with the following mark  which he printed out in his statutory declaration.

35. Ho Shu Yam asserts in his statutory declaration that Chiu Yuen Sun and Ho Shing Biu established totally 7 branches and operate the business there with the said logo. The 7 branches are the same ones as those set out in Ho Shing Biu’s second statutory declaration (see paragraph 31 above).

36. There are various exhibits attached to these statutory declarations. I shall discuss them in the latter part of this decision.

Appraisal of the evidence

37. As I shall discuss below, the successful party in this case would be the one who can show that it has a better claim of entitlement to use the 鳳城 logo (which apparently is the dominant element of the suit mark and of any other marks that are of relevance in these proceedings), and that depends to a large extent on what had actually happened in the past. Both parties have filed evidence to support their side of the story of the history. Not surprisingly their stories differ, as each person tends to speak only from his own perspective.

38. Nonetheless, I do not find the task of establishing the true facts a difficult one in the present case, for it is apparent from the discussions below that one side’s evidence is much more accurate and reliable than the other side’s.

39. On the whole, I find Tam Kwok Hop’s statutory declaration gives the fullest and, I would say, the most credible account of the chain of events that are relevant to the core issues in these proceedings. The core issues I identified in this case are the following, namely, what restaurants were involved, who set them up and operated them, and what marks these restaurant used. I can find nearly total answers to these in Tam Kwok Hop’s statutory declaration, which is well supported by evidence contained in its exhibits. I list out below all the exhibits to Tam Kwok Hop’s statutory declaration:

- TKH-1 – copy Certificate of Incorporation of Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司).
- TKH-2 – copy Particulars of Directors or Managers of Mongkok Fung Shing Restaurant Company Limited.

- TKH-3 – copy partnership agreement in Chinese dated 1954 about setting up a 鳳城酒家 (Fung Shing Restaurant) at 28 Irving Street, Causeway Bay, Hong Kong.
- TKH-4 – copy advertisement announcing the opening of 鳳城酒家 (Fung Shing Restaurant) at 26-28 Irving Street, Causeway Bay, Hong Kong.
- TKH-5 – an original letterhead of 鳳城酒家(Fung Shing Restaurant) at 28 Irving Street, Causeway Bay, Hong Kong.
- TKH-6 – copy Certificate of Incorporation of North Point Fung Shing Restaurant Company Limited (北角鳳城酒家有限公司).
- TKH-7 – copy Memorandum and Articles of Association of North Point Fung Shing Restaurant Company Limited.
- TKH-8 – copy advertisement announcing the opening of 鳳城酒家 (Fung Shing Restaurant) in North Point.
- TKH-9 – copy extract of information relating to North Point Fung Shing Restaurant Company Limited on the business Register of the Business Registration Office in Hong Kong.
- TKH-10 – copy Return of Allotment in respect of North Point Fung Shing Restaurant Company Limited.
- TKH-11 – copy letter sent by Tam Kwok Hop and others to Loong Lik Kiu inviting Mr. Loong Return to discuss on the opening of another Fung Shing Restaurant in Mongkok.
- TKH-12 – copy Memorandum and Articles of Association of Mongkok Fung Shing Restaurant Company Limited.
- TKH-13 – copy advertisement announcing the opening of 鳳城酒家 (Fung Shing Restaurant) in Mongkok.
- TKH-14 – copy extract of information relating to Mongkok Fung Shing Restaurant Company Limited on the business Register of the Business Registration Office in Hong Kong.
- TKH-15 – copy Return of Allotment in respect of Mongkok Fung Shing

Restaurant Company Limited.

- TKH-16 – copy letter sent by Tam Kwok Hop and others to Loong Lik Kiu inviting Mr. Loong Return to discuss on the opening of another Fung Shing Restaurant in Mongkok.
- TKH-17 – copy Annual Returns for the year 1987 of North Point Fung Shing Restaurant Company Limited and Mongkok Fung Shing Restaurant Company Limited.
- TKH-18 – copy Certificate of Incorporation of Fung Shing Restaurant Limited (鳳城酒家有限公司).
- TKH-19 – copy extract of information relating to Fung Shing Restaurant Limited on the business Register of the Business Registration Office in Hong Kong.
- TKH-20 – copy Report of the Directors and Audited Financial Statements of North Point Fung Shing Restaurant Company Limited for the period ended 31 July 2002.
- TKH-21 – copy Special and Ordinary Resolution of North Point Fung Shing Restaurant Company Limited to wind up voluntarily the company dated 22 August 2003.
- TKH-22 – copy Annual Returns for the year 2005 of Mongkok Fung Shing Restaurant Company Limited and Fung Shing Restaurant Limited, together with a copy list of amount paid or payable to contributories in respect of North Point Fung Shing Restaurant Company Limited dated 11 December 2003.
- TKH-23 – copy menu and letterhead of 鳳城酒家 (Fung Shing Restaurant) in North Point and Mongkok, and copies of some business cards, stationery and packaging in relation to these two restaurants.
- TKH-24 – copy invoices relating to the opening of 鳳城酒家 (Fung Shing Restaurant) in Mongkok, and copies of photos taken on the day of opening showing the name 鳳城酒家 Fung Shing Restaurant and the 鳳城 logo on the signboard.
- TKH-25 – copy trade mark records downloaded from the Trade Marks

Registry website.

- TKH-26 – random copies of receipts and credit card slips showing the provision of restaurant service by Mongkok Fung Shing Restaurant Company Limited.
- TKH-27 – copies of invoices issued by different suppliers to Mongkok Fung Shing Restaurant Company Limited and copies of daily sales record of 鳳城酒家 Fung Shing Restaurant in Mongkok.
- TKH-28 – copy magazine article about 鳳城酒家.
- TKH-29 – copy Certificate of Incorporation of Sheung Wan Fung Shing Restaurant Limited (上環鳳城酒家有限公司).
- TKH-30 – copy Annual Return for the year 2004 of Sheung Wan Fung Shing Restaurant Limited.
- TKH-31 – copy receipt signed by Mr. Ho Shing Biu dated 16 November 2001 whereby he acknowledged receipt of severance payment and his period of employment was from 25 March 1988 to 31 October 2001.
- TKH-32 – copy Annual Return for the year 2002 of North Point Fung Shing Restaurant Company Limited.
- TKH-33 – copy printout from the website of Hsin Kuang Restaurant (holdings) Ltd.
- TKH-34 – copy declaratory statement issued by Fung Shing Restaurant Limited (鳳城酒家有限公司) and Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司) and published in newspaper stating that they had no intention to open any new restaurant other than the two in North Point and Mongkok.

40. On the other hand, in the face of the above evidence, some of the assertions put down by Chiu Yuen Sun and Ho Shing Biu without any evidential support in their respective statutory declarations cannot be correct. For example, Chiu Yuen Sun's assertion that in 1969, he and Fung Moon established two restaurants in North Point and Causeway Bay (allegedly referred to Fung Shing Restaurant) and his main duty was the chief-in-charge person of the two restaurants, simply cannot stand when it is

well established that North Point Fung Shing commenced business in 1978, and Mr. Chiu was not even one of the 18 partners who established the Causeway Bay Fung Shing, as evidenced by the partnership agreement produced as exhibit “TKH-3” to Tam Kwok Hop’s statutory declaration; there is also no record to show Mr. Chiu had ever become a director or managing director of the North Point Fung Shing. Equally implausible is the statement in Ho Shing Biu’s statutory declaration that the logo, which looks like the suit mark, was first used in Hong Kong in the year 1954 by the applicant, when even Mr. Chiu would acknowledge in his statutory declaration that the applicant was incorporated on 30 August 2002.

41. Despite that the statutory declarations of Mr. Chiu and Mr. Ho Shing Biu seem to have been a blend of facts, opinions and incorrect attributions, I would be prepared to put aside the above-mentioned inaccuracies and try my best endeavours to see if I could find some useful information from these statutory declarations that could shed light on what had actually transpired over these years. In that connection, I am prepared to accept, within reason, that Mr. Chiu Yuen Sun did work at Causeway Bay Fung Shing in 1969 as a disciple of Fung Moon to learn the art of cooking, and later at North Point Fung Shing after it commenced business in 1978 (and Mr. Chiu was made one of the shareholders of North Point Fung Shing Restaurant Company Limited). I am also prepared to accept that Mr. Ho Shing Biu had worked at North Point Fung Shing as a disciple of Fung Moon with main duty to manage the kitchen. Indeed it is pointed out in Tam Kwok Hop’s statutory declaration that Mr. Ho Shing Biu was an ex-employee of North Point Fung Shing Restaurant Company Limited and had worked there from 25 March 1988 to 31 October 2001. There is also the corroborating evidence of a long time customer of Fung Shing Restaurant, as contained in Ng Ling’s statutory declaration, and a former staff who had worked in both restaurants, as contained in Ho Shu Yam’s statutory declaration, that give great acclaim to Mr. Chiu Yuen Sun and Mr. Ho Shing Biu’s artistry of cooking that seemed to have been acquired by them from working in the Fung Shing Restaurant.

42. The rest of Chiu Yuen Sun’s statutory declaration and Ho Shing Biu’s statutory declaration by and large is about the applicant and its business. Other than the undisputed facts that the applicant was incorporated on 30 August 2002 and both Mr. Ho Shing Biu and Mr. Chiu Yuen Sun are directors and the majority shareholders of it, and the applicant has been using the suit mark on its restaurant business, I do not think there is anything, whether they be true or not, that would have direct bearing on the issues being considered here.

43. It seems a number of people were involved throughout the aforesaid events, and some of them might have thought they themselves are entitled to use the 鳳城 logo or any mark that has the logo incorporated as its distinctive and dominant element. But as I shall explain later in this decision, it’s not the individual persons but the corporate entities that determine who own and are entitled to use the logo.

44. I now set out in the following table my factual findings, which in the main are supported by materials exhibited to Tam Kwok Hop's statutory declaration, with a small portion of them being corroborated by and/or gleaned from the applicant's evidence such as exhibits to Ho Shing Biu's statutory declarations:-

Table of factual findings (hereinafter referred to as the "Table")

<i>Restaurant name, address and set up date</i>	<i>Who owns it</i>	<i>What mark(s) it used</i>
<p>“鳳城酒家 Fung Shing Restaurant” commenced business at 26-28 Irving Street, Causeway Bay, Hong Kong in or about 1954 (hereinafter referred to as the “<i>Causeway Bay Fung Shing Restaurant</i>”).</p> <p>This restaurant ceased business in 1988.</p>	<p>a partnership of 18 people, including Fung Moon (馮滿), Loong Lik Kiu Thomas (龍力橋), Tam Kwok Hop (known as 譚俠 for short), Tam Kwok King and Yu Yui Tseung. [TKH-3]</p>	 <p>[TKH-5]</p>
<p>“鳳城酒家 Fung Shing Restaurant” commenced business at Ground Floor, No. 62 Java Road, North Point, Hong Kong on or about 8 March 1978 (hereinafter referred to as the “<i>North Point Fung Shing Restaurant</i>”). [TKH-8]</p>	<p>North Point Fung Shing Restaurant Company Limited (北角鳳城酒家有限公司), incorporated on 22 November 1977, [TKH-6] with Yu Yui Tseung and Loong Lik Kiu Thomas as subscribers, [TKH-7] and they together with 37 others had been allotted shares in the company, among them were Tam Kwok Hop, Tam Kwok King, Fung Moon, Chiu Yuen Sun, Ho Shu Yam. [TKH-10]</p> <p>These 39 people still owned shares of the company as at 1987 to 1988. [TKH-17]</p>	 <p>[TKH-23]</p>  <p>[TKH-23]</p> 

		[TKH-23]
<p>“鳳城酒家 Fung Shing Restaurant”, commenced business at 1/F. and 2/F., European Asian Bank Building, 749 Nathan Road, Mongkok, Kowloon, Hong Kong on or about 18 January 1984 (hereinafter referred to as the “<i>Mongkok Fung Shing Restaurant</i>”). [TKH-13]</p>	<p>Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司), incorporated on 22 December 1983, [TKH-1] with Yu Yui Tseung and Tam Kwok Hop as subscribers, [TKH-12 & TKH-14] and they together with Tam Kwok King and Fung Sung Chuen were directors or managers of the company in 1984. [TKH-2] 45 persons were allotted shares in the company in 1984, among them were Yu Yui Tseung, Tam Kwok Hop, Tam Kwok King, Fung Moon, Chiu Yuen Sun and Loong Lik Kiu Thomas. [TKH-15]</p> <p>These 45 people still owned shares of the company as at 1987 to 1988. [TKH-17]</p>	 <p>[TKH-13, TKH-23 & TKH-24]</p>  <p>[TKH-23]</p>  <p>[TKH-23]</p>  <p>[TKH-23]</p>
	<p>Fung Shing Restaurant Limited (鳳城酒家有限公司) was incorporated on 21 May 2002,</p>	

	<p><i>[TKH-18]</i> allegedly to take up business transferred from North Point Fung Shing Restaurant Company Limited. <i>[TKH-19 & TKH-20]</i></p> <p>The members of North Point Fung Shing Restaurant Company Limited then passed a Special Resolution on 22 August 2003 to wind up the company voluntarily. <i>[TKH-21]</i></p> <p>As at May 2006, there were 12 shareholders in Fung Shing Restaurant Limited (鳳城酒家有限公司), among them were Tam Kwok Hop, Tam Kwok King, Loong Lik Kiu Thomas and Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司)(holding 4.76% of the total paid up capital). <i>[TKH-22]</i></p>	<p><i>[TKH-23]</i></p>
<p>“Sheung Wan Fung Shing Restaurant” commenced business in 2002 (hereinafter referred to as “<i>Sheung Wan Fung Shing Restaurant</i>”) <i>[TKH-29]</i></p>	<p>Sheung Wan Fung Shing Restaurant Limited (上環鳳城酒家有限公司), incorporated on 30 August 2002.</p>	 <p><i>[“HSB-3” and “HSB-5” to Ho Shing Biu’s statutory declarations]</i></p>

Decision

45. The Amended Grounds of Opposition, dated 6 December 2006, states that the opponent opposes registration of the suit mark under sections 3(1), 11(1)(a), 11(4), 11(5), 12(1), 12(3), 12(4) and 12(5) of the Ordinance. At the hearing, Mr. Wong, counsel for the opponent, advanced arguments only in respect of sections 11(5)(b), 12(1), 12(3) and 12(5)(a). I presume that the other pleaded grounds of opposition are no longer pursued.

46. I have partially completed the task of evaluating the evidence filed on both sides and made some findings of facts. I would like to consider whether the opponent is entitled to succeed under section 12(5)(a) before seeing if there is a need to consider the objections under sections 11(5)(b), 12(1) and 12(3).

Section 12(5)(a)

47. Section 12(5) of the Ordinance provides as follows :

“... a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented –

(a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of passing off);
or

(b) ...

and a person thus entitled to prevent the use of a trade mark is referred to in this Ordinance as the owner of an “earlier right” in relation to the trade mark.”

48. Section 12(5)(a) concerns the protection of “an unregistered trade mark or other sign used in the course of trade or business” by virtue of the law of passing off vis-à-vis the mark in question.

49. A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of Hong Kong Vol 15(2) at paragraph 225.001. The guidance takes account of speeches in the *House of Lords in Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 3413 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731, and is as follows :

“The House of Lords has restated the necessary elements which a plaintiff has to establish in an action for passing off:

- (1) the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) the plaintiff has suffered or is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House of Lords. However, like the previous statement of the House of Lords, this latest statement should not be treated as akin to a statutory definition or as if the words used by the House of Lords constitute an exhaustive, literal definition of ‘passing off’, and in particular should not be used to exclude from the ambit of the tort recognized forms of the action for passing off which were not under consideration on the facts before the House of Lords.”

50. It is well established that the relevant date for determining the criteria of section 12(5)(a) of the Ordinance is the date of the application for the mark in question or the date of the commencement of the conduct complained of: *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] R.P.C. 429 and *Inter Lotto (UK) Ltd v Camelot Group Plc* [2004] R.P.C. 8 and 9.

Reputation and goodwill of the opponent’s mark or sign

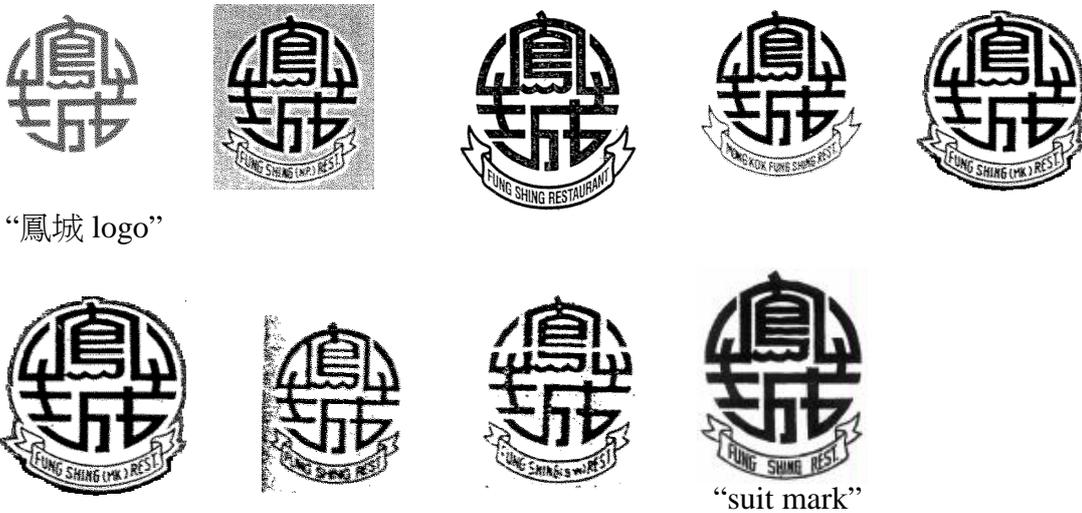
51. The Amended Grounds of Opposition contains statement to the effect that since the suit mark comprises wholly the 鳳城 logo (as appeared under paragraph 12 above) which the applicant is not entitled to use, the use of the suit mark is liable to be prevented by the law of passing off. Whilst that statement ignores the presence of the words “FUNG SHING REST.” embedded in a ribbon-like device at the bottom of the suit mark, for the reason I am going to discuss this is not something wide of the mark. But first there is an interesting point I wish to note. The applicant had put down in the counter-statement filed on 20 February 2006 the following statements (which in some ways got repeated in Chiu Yuen Sun’s statutory declaration and Ho Shing Biu’s statutory declarations):-

“The trade mark ‘’ was first used in the (sic) Hong Kong in the year 1954 by [the applicant].” (paragraph 3 of the counter-statement)

“[The applicant] is the owner of the trademark ‘’ and it is distinctive character and promotes this trademark in 60 years with great effort, all this interpretation and famous is [the applicant’s] effort.” (paragraph 4 of the counter-statement)

52. Putting aside the factual inaccuracy of the applicant using a mark in 1954 when it was not even in existence, judging against my findings of facts above (see the first row of the Table) which show that indeed the 鳳城 logo was the mark then in use, these statements suggest that even the applicant does not see that the suit mark and the 鳳城 logo to be something different.

53. On evidence, the 鳳城 logo is not only prominent in the suit mark but is also prominent in a variety of marks (see below) that had been used in relation to the “鳳城酒家 Fung Shing Restaurant” operated at various locations in Hong Kong, whether by the opponent, the applicant, or by some other entities not parties to the present proceedings. For ease of reference I list out below all those marks (that have already featured under the column of “What mark(s) it used” in the Table above):-



54. It is clear from the above that the suit mark used by the applicant in relation to the business of Sheung Wan Fung Shing is just like the marks that have been used in relation to the businesses of North Point Fung Shing and Mongkok Fung Shing, that is to say, each of them incorporates the 鳳城 logo as its distinctive and dominant element. As to the words embedded in the ribbon-like device in the lower part of each of these marks, whether they be “FUNG SHING RESTAURANT”, “FUNG SHING (NP.) REST.”, “MONGKOK FUNG SHING REST.”, “FUNG SHING (MK.) REST.”, “FUNG SHING (S.W.) REST.” or “FUNG SHING REST.”, they are there just to serve the very purpose of having a transliteration of the Chinese characters 鳳

城 (which represents the Chinese restaurant name) into English, with or without initials or words added to indicate the geographic location of the restaurant in Mongkok (“MK”), North Point (“NP.”) or Sheung Wan (“S.W.”). Given the aforesaid, and considering their relative position and size, I consider the words in the ribbon-device only occupy a much more ancillary or secondary position vis-à-vis the 鳳城 logo in the whole of any marks under discussion. People looking at these marks, who would be mostly local people accustomed to going to restaurant to have meals, would be attracted by, recognize and remember mainly the 鳳城 logo, and pay little regard to the words embedded in the ribbon-device in the bottom part of these marks.

55. As the two parties engaged in the present proceedings have both claimed that they are the owner of the 鳳城 logo and marks that have incorporated the logo as its distinctive and dominant elements as discussed above, and have put in evidence showing that they have been using these marks, there are rival claims of earlier user of the 鳳城 logo between the opponent and the applicant.

56. Rival claims fall to be determined on the basis set out by Geoffrey Hobbs QC, sitting as the Appointed Person, in Croom’s Trade Mark Application [2005] RPC 2:

“45 I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until [*it is*] inequitable for him to do so.

46 The statutory provisions carried forward in ss. 7, 11 and 12 of the Trade Marks Act 1938² reflected these principles: see *CLUB EUROPE Trade Mark* [2000] R.P.C. 329 at pp. 342 to 344. The principles themselves are, in my view, deducible from:

- (a) the right to protection conferred upon senior users at common law (see *Sprints Ltd v Comptroller of Customs (Mauritius) (CHIPIE Trade Mark)* [2000] F.S.R. 814 (PC) at pp. 818, 819 per Lord Clyde and *AL BASSAM Trade Mark* [1995] R.P.C. 511 (CA) at p. 522 per Morritt L.J.);

² C.f. sections 33(1), 12(1) and 20-22 of the repealed Trade Marks Ordinance (Cap. 43).

- (b) the common law rule that the legitimacy of the junior user's use of the mark in issue must normally be determined as of the date of its inception (see *J. C. Penny Co Inc v Penneys Ltd* [1975] F.S.R. 367 (CA) at p. 381 per Buckley L.J., *Cadbury Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] R.P.C. 429 (PC) at p. 494 per Lord Scarman; *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] F.S.R. 413 (CA) at p. 462 per Oliver L.J., p. 471 per O'Connor L.J. and p. 473 per Dillon L.J.); and
- (c) the potential for co-existence to be permitted in accordance with equitable principles (see *GE Trade Mark* [1973] R.P.C. 297 (HL) at pp. 325 et seq per Lord Diplock and *Anheuser-Busch Inc v Budejovicky Budvar NP* [2000] I.P. & T. 617 at pp. 629 and 630 per Peter Gibson L.J., pp. 632 and 633 per Judge L.J. and p. 637 per Ferris J.)”

57. I would like to start with the 鳳城 logo used by the Causeway Bay Fung Shing Restaurant presumably starting from 1954. This Causeway Bay Fung Shing Restaurant, one may recall, was being established by a partnership consisting of 18 people, of which Mr. Tam Kwok Hop and Mr. Fung Moon were both partners whereas none of Mr. Chiu Yuen Sun, Mr. Ho Shing Bui and Mr. Ho Shu Yam was a partner. The partnership was a partnership at will since no fixed term has been agreed upon for the duration of the partnership. There was a clause in the partnership agreement (which is exhibited as “TKH-3” to Tam Kwok Hop’s statutory declaration) that the logo of the business was for the use of the business only and that none of the partners or any person could use it for his or her own purposes. This partnership business was dissolved in 1988. Although Mr. Tam Kwok Hop deposes in his statutory declaration that, according to his understanding, it was the intention that following the cessation of the business of this restaurant, all goodwill in the names or marks “鳳城酒家”, “Fung Shing Restaurant” and the 鳳城 logo were to be transferred to North Point Fung Shing Restaurant Company Limited and/or Mongkok Fung Shing Restaurant Company Limited (i.e., the opponent), there is no documentary evidence to prove that. Whilst I have no question about the honesty of Mr. Tam in making that statement, I do not consider it has any legal implication. The issue of dissolution of a partnership and the effect on its goodwill and rights to use the partnership name, logo, trade marks, etc. are discussed in the reported case *SAXON Trade Mark* [2003] F.S.R. 39, where it was held that the band of musicians in that case constituted a “partnership at will”, and the name and goodwill of the band were assets of the partnership rather than the personal property of the individual members of the band. In paragraph 19 of that case, Laddie J. said:-

“.... On dissolution of the original partnership, which is what happened when Mr. Dawson departed in 1985, he and all the other partners were entitled to ask for the partnership assets to be realised and divided between them in accordance with their respective partnership shares. But none of them “owned” the partnership assets. In particular, none of them owned

the name SAXON or the goodwill built up under it. The position would be very different if all the members of the original group had been performing together, not as partners, but as independent traders. In such a case, each may well have acquired a discrete interest in the name and reputation which he could use against third parties but not against the other owners.....”

58. Laddie J., however, went on to say the above is subject to agreement between the partners, as his analysis of Lindley MR’s judgment in *Burchell v White* [1900] 1 Ch 551: [2003] FSR, at §§23-25, illustrated that:-

“24 It seems tolerably clear that, absent the special circumstances in that case, the goodwill and name of the partnership would have been an asset of the partnership which, on dissolution, would have had to have been sold so that its value could be realised for distribution among the former partners. None would have owned the goodwill or name. What prevented that from happening in *Burchell* was the existence of the award which had the effect of creating an agreement between the partners to the effect that they would not sell the goodwill and distribute the proceeds on dissolution but would share it as tenants in common.....

25 Absent special facts such as existed in *Burchell*, the rights and obligations which arise when a group of musicians, performing in a band as a partnership, split up can be explained as follows. It is convenient to start by considering the position when two, entirely unrelated bands perform under the same name. The first performs from, say, 1990 to 1995 and the second performs from 2000 onwards. Each will generate its own goodwill in the name under which it performs. If, at the time that the second band starts to perform, the reputation and goodwill of the first band still exists and has not evaporated with the passage of time (see *Ad-Lib Club Ltd v Granville* [1972] R.P.C. 673) or been abandoned (see *Star Industrial Co Ltd v Yap Kwee Kor* [1976] F.S.R. 256) it is likely to be able to sue in passing off to prevent the second group from performing under the same name (see *Sutherland v V2 Music* [2002] EWHC 14 (Ch); [2002] E.M.L.R. 28). On the other hand, if the goodwill has disappeared or been abandoned or if the first band acquiesces in the second band's activities, the latter band will be able to continue to perform without interference. Furthermore, whatever the relationship between the first and second bands, the latter will acquire separate rights in the goodwill it generates which can be used against third parties (see *Dent v Turpin and Parker & Son (Reading) Ltd v Parker* [1965] R.P.C. 323). If the first band is a partnership, the goodwill and rights in the name are owned by the partnership, not the individual members, and if the second band were to be sued, such proceedings would have to be brought by or on behalf of the partnership.

26 The position is no different if the two bands contain common members. If, as here, they are partnerships at will which are dissolved when one or more partners leave, they are two separate legal entities. This is not affected by the fact that some, even a majority, of the partners in the first band become members of the second.....”

59. I have quoted extensively from the reported case because the circumstances in the present case are somewhat similar, though not exactly equivalent, to the above discussed scenario. There is no agreement as to how the partnership assets and goodwill were to be distributed on dissolution of the partnership which operated the Causeway Bay Fung Shing Restaurant. Hence, no individual partner of the partnership, or for that matter neither the opponent nor the applicant in the present case, can effectively claim that they were entitled to the goodwill or any assets of the partnership at the dissolution of the partnership in 1988. Mr. Chiu's allegation that Mr. Fung Moon, before he passed away, had instructed and authorized him to operate and manage the restaurant for future expansion to let all people know the history of the restaurant, is neither here nor there, as Mr. Fung Moon was merely a partner of the Causeway Bay Fung Shing Restaurant and had no ownership over or the legal right to dispose of the goodwill and assets of the partnership business by himself.

60. On the other hand, there were the North Point Fung Shing Restaurant Company Limited (北角鳳城酒家有限公司), incorporated on 22 November 1977, that operated the North Point Fung Shing Restaurant from 1978, and the Mongkok Fung Shing Restaurant Company Limited (旺角鳳城酒家有限公司), which is indeed the opponent incorporated on 22 December 1983, that operated the Mongkok Fung Shing Restaurant from 1984, trading under names that incorporated "Fung Shing Restaurant" and using the 鳳城 logo and marks that have incorporated the 鳳城 logo as their distinctive and dominant element. At the same time, the partnership had been running the Causeway Bay Fung Shing Restaurant until 1988, and it is noteworthy that there is no evidence whatsoever suggesting that any complaint or legal action had been taken against either the North Point Fung Shing Restaurant Company Limited or the opponent for passing off its 鳳城 logo or any other goodwill. Indeed it is implicit in Mr. Tam Kwok Hop's statutory declaration to treat the three restaurants as a continuity of group business, and he had claimed that it was the intention that following the cessation of the business of the Causeway Bay Fung Shing Restaurant, all goodwill in the names or marks "鳳城酒家", "Fung Shing Restaurant" and the 鳳城 logo were to be transferred to North Point Fung Shing Restaurant Company Limited and/or the opponent. But since the restaurant in Causeway Bay was operated by a partnership, whereas the restaurants in North Point and Mongkok were operated by two different incorporated companies, and there seems no express agreement of any business alliance or cooperation among the three separate entities, and there is no documentary evidence to support that there was any transfer of assets and goodwill from the partnership to the opponent or North Point Fung Shing Restaurant Company Limited, I am not prepared to treat them as a group or any entity having inherited any assets and goodwill from the other one. I would look at the activities of each of them as being independent of each other. Nonetheless, the partnership which started using the 鳳城 logo earliest can be taken as having acquiesced in the activities of North Point Fung Shing Restaurant Company Limited and the opponent, and the latter two corporate entities were able to operate without

interference and acquire separate rights in the goodwill they generated in using the 鳳城 logo and marks that have incorporated the 鳳城 logo as their distinctive and dominant element, which can be used against third parties. Putting aside North Point Fung Shing Restaurant Company Limited which is not a party to these proceedings, there is ample evidence that the opponent had started using the 鳳城 logo as early as 1984. I would now examine how successful the opponent's business had been in relation to its use of the 鳳城 logo up to the date of the application for the suit mark, which is in 2004, or the date when the applicant began using the suit mark in relation to restaurant business, which as to be shown below is in 2002.

61. Mr. Tam Kwok Hop in his statutory declaration avers that the business profits of "the restaurants" operated by the opponent, its "predecessor" and "associated companies" have steadily increased in the past years, and he further avers that the business turnover of "the restaurants" operated by the opponent and its "associated companies" under the opponent's marks have been substantial. The opponent's marks as defined by Mr. Tam are "鳳城酒家", "FUNG SHING RESTAURANT", the 鳳城 logo and its variants (which mean all those marks that incorporate the 鳳城 logo as their distinctive and dominant element). I presume that by "the restaurants", Mr. Tam was referring to all of the Causeway Bay Fung Shing Restaurant, the North Point Fung Shing Restaurant and the Mongkok Fung Shing Restaurant, though for apparent reason when he later gave figures of turnover for the years 1999 to 2003, which were in excess of Hong Kong dollars 33,000,000 per annum, those figures relate only to the last two restaurants existing during that period. I have already discussed the use of the 鳳城 logo by the respective restaurants. Despite the perspective of Mr. Tam when he deposed to the aforesaid in his statutory declaration (see paragraph 60 above), my analysis is that each of the opponent and North Point Fung Shing Restaurant Company Limited had generated separate goodwill on its own, apart from the partnership business which operated the Causeway Bay Fung Shing Restaurant, by their respective long history of use of the 鳳城 logo and its variants.

62. There is strong evidence that the opponent had actually used the 鳳城 logo in or about 1984. If there is a need to show a concrete date of use of the 鳳城 logo in respect of Mongkok Fung Shing Restaurant which is operated by the opponent, I would cite the advertisement published in newspaper announcing opening of the restaurant on 18th January 1984, as exhibited at "TKH-13" to Tam Kwok Hop's statutory declaration. Given its long history as discussed above, its substantial business turnover figures even if the figures given seem to have included also that of the North Point Fung Shing Restaurant, and from articles in entertainment magazines such as the one in exhibit "TKH-28" which focuses on the Mongkok Fung Shing Restaurant, I have no doubt that the business of the Mongkok Fung Shing Restaurant operated under various marks that have incorporated the 鳳城 logo as their distinctive and dominant element have established a substantial reputation and goodwill among

the restaurant-going public of Hong Kong by the time when the applicant filed the present application for registration of the suit mark in 2004, or the date when the applicant began using the suit mark in relation to restaurant business, which as to be shown below is in 2002.

63. I now turn to the evidence filed by the applicant, which as I have indicated earlier, seem to be a blend of facts, opinions and incorrect attributions.

64. First, I have already discussed the implausibility of Chiu Yuen Sun's assertion that he and Fung Moon established the Causeway Bay Fung Shing Restaurant and the North Point Fung Shing Restaurant in 1969, but am prepared to accept that Mr. Chiu did work at Causeway Bay Fung Shing in 1969 as a disciple of Fung Moon to learn the art of cooking, and later at North Point Fung Shing after it commenced business in 1978. Similarly, I do not accept Mr. Ho Shing Bui's allegation that the logo, which looks like the suit mark, was first used in Hong Kong in the year 1954 by the applicant, but am prepared to accept that Mr. Ho Shing Bui had worked at North Point Fung Shing as a disciple of Fung Moon with main duty to manage the kitchen. That aside, from the Return of Allotment in respect of North Point Fung Shing Restaurant Company Limited (produced at exhibit "TKH-10" to Tam Kwok Hop's statutory declaration, as the opponent's evidence), it can be seen that Mr. Chiu Yuen Sun, but not Mr. Ho Shing Bui, was one of the shareholders of North Point Fung Shing Restaurant Company Limited.

65. In the light of the aforesaid, when Ng Ling, a long time customer who had started having meals at the Causeway Bay Fung Shing Restaurant from 1970 and continued with the new restaurant in North Point, alleged in his³ statutory declaration that the North Point restaurant was established by Chiu Yuen Sun and Ho Shing Bui, understandably he was there merely stating an impression he got which is not entirely baseless but somehow does not reflect the real fact or the true legal position which he was not supposed to know. Reading all the evidence filed as a whole, I have no problem accepting that Mr. Chiu Yuen Sun and Mr. Ho Shing Bui's artistry of cooking learnt and being exercised at the Causeway Bay Fung Shing Restaurant and/or the North Point Fung Shing Restaurant earned them customer recognition and acclaim, and they had been able to develop customer relationships on their own, hence it's not surprising that some customers might have got the impression that the restaurants were "their restaurants" in the sense that the two of them owned them, but as a matter of course the true legal position is something beyond their grasp and knowledge. In essence, the fact that Mr. Chiu Yuen Sun and Mr. Ho Shing Bui had worked at the restaurants, and in the case of Mr. Chiu he even owned some shares in the corporate entity operating the latter restaurant, do not in law entitle them to claim in their

³ There is no indication whether Ng Ling is a male or female. The reference of Ng Ling by the pronoun "his" or "he" in this decision is just for the convenience of expression, and could be wrong.

personal capacity any entitlement to the goodwill generated by the use of certain name, logo or mark in relation to the restaurants. I do not need to repeat the point that as regards any goodwill generated by the Causeway Bay Fung Shing Restaurant in the use of its name and logo, the goodwill is not owned by any individual members of the partnership, not to mention that neither Mr. Chiu nor Mr. Ho was even a member of the partnership. As regards any goodwill generated in relation to the North Point Fung Shing Restaurant, it necessarily belongs to the corporate entity owning the restaurant rather than any directors or shareholders of the entity, nor any employee working for the entity.

66. In a similar vein, Mr. Fung Moon, whom Mr. Chiu and Mr. Ho claim to be his disciples in respect of the artistry of cooking and whom Mr. Chiu portrayed as founder of the Causeway Bay Fung Shing Restaurant, did not own any goodwill generated by either of the restaurants despite the fact that he was a partner of Causeway Bay Fung Shing Restaurant and a shareholder of the North Point Fung Shing Restaurant Company Limited, and could not have transferred, assigned or otherwise passed any goodwill to Mr. Chiu and/or Mr. Ho. In that light also, Mr. Chiu's allegation that Mr. Fung Moon had instructed and authorized him to operate and manage "the restaurant" for future expansion to let all people know the history of "the restaurant" does not carry the applicant's case anywhere.

67. I should also mention Mr. Ho Shu Yam, who had also worked in both the Causeway Bay Fung Shing Restaurant and the North Point Fung Shing Restaurant. Mr. Ho Shu Yam only asserted that Mr. Chiu Yuen Sun and Mr. Ho Shing Biu managed the Causeway Bay Fung Shing Restaurant with all their effort and were extremely hardworking, and they helped training up staff of the restaurant. He did not assert in his statutory declaration that he had worked in the Causeway Bay Fung Shing Restaurant, nor did he mention that he was a shareholder of North Point Fung Shing Restaurant Company Limited, though as revealed in the Return of Allotment in respect of North Point Fung Shing Restaurant Company Limited exhibited as "TKH-10" to Tam Kwok Hop's statutory declaration, he had been allotted shares in the company that operated the North Point Fung Shing Restaurant.

68. Other than the few assertions mentioned above, in respect of which I have given my analysis, I do not see there is anything else in the evidence filed that could possibly point to the applicant had started using the 鳳城 logo, or for that matter the suit mark which incorporated the 鳳城 logo as its distinctive and dominant element, or had acquired any right from anyone to use the 鳳城 logo or any mark that incorporate it, at any time before the incorporation of the applicant on 30 August 2002.

69. I should add that I do not see the need to go into detail over the subsequent events concerning North Point Fung Shing Restaurant Company Limited, as deposed to in Tam Kwok Hop's statutory declaration, suffice to say that there is nothing even

remotely to suggest that it had assigned or parted any rights in the goodwill it generated in the use of the 鳳城 logo to any one or any party other than the Fung Shing Restaurant Limited (鳳城酒家有限公司), incorporated on 21 May 2002 allegedly to take up assets and goodwill of the former company.

70. I now come to consider the use of the suit mark by the applicant since its incorporation in 2002.

71. In exhibits “HSB-1” to “HSB-3” to Ho Shing Biu’s second statutory declaration, there are a number of copies of newspaper or magazine advertisements and menu of the applicant showing the suit mark being used in conjunction with the name of the Sheung Wan Fung Shing Restaurant. However, no dates can be seen or deduced from these copies as to when they came into existence. Presumably since they advertised for the Sheung Wan Fung Shing Restaurant, they would not have come into being before 2002.

72. Ho Shing Biu’s first statutory declaration is also attached with exhibits marked as “HSB-1” to “HSB-5”. “HSB-3” and “HSB-4” contain newspaper or magazine articles that mention the history of the restaurant known by the name “Fung Shing”, and these show dates in 2004 and 2006. “HSB-5” contains an advertisement with the suit mark on it, but again there is no indication which date this advertisement relates. This advertisement contains announcement that a branch has been opened in Tsuen Wan. This is the only evidence to support the assertion made by Mr. Ho Shing Biu, which is also asserted by Ho Shu Yam in his statutory declaration, that the suit mark had been used on the branches opened by the applicant at 7 different locations in Hong Kong. I have set out those 7 alleged branches under paragraph 31 above. The business figures given by Mr. Ho Shing Biu in his first statutory declaration, which begin with an annual sale of about Hong Kong dollars 6.5 million and annual advertising expenditure of Hong Kong dollars 100,000, started from the year 2002.

73. I conclude that there is nothing at all in the applicant’s evidence to suggest that the suit mark had been used by the applicant at any time before 2002.

74. Coming back to the approach to rival claims set out by Geoffrey Hobbs QC, in *Croom’s Trade Mark Application*, as between the opponent and the applicant in the present case, no doubt the opponent is the senior user of the 鳳城 logo and the applicant the junior user in relation to the business of restaurants. Given my evaluation and analysis of the evidence above, I do not see there is any basis that the junior can deny the senior user’s right, nor do I find there is any equitable basis to deny the senior user from challenging the junior user.

75. I find the claim that the opponent has a prior right over the 鳳城 logo, and

hence the suit mark, a well established case.

76. In passing, even if I were wrong on the point that the 鳳城 logo constitutes the distinctive and dominant element of the suit mark and use of the suit mark would lead to confusion with the 鳳城 logo, there is also evidence, as revealed in the material at exhibit “TKH-23” to Tam Kwok Hop’s statutory declaration that the opponent used the following trade mark which I think is beyond dispute almost identical to the suit mark:-



77. The only gap is that the copy advertisement on which the above mark appears does not have a date on it for verification, although it is my belief that it should exist well before the year 2002.

78. On the evidence before me, I find that as at the date when the applicant applied for registration of the suit mark, or the date when the applicant began to use the suit mark in 2002, the opponent had a protectable goodwill in the 鳳城 logo prior to the applicant’s use of the suit mark (which has the logo as its distinctive and dominant element) in relation to its restaurant business.

Misrepresentation

79. This leads to the second necessary ingredient of the tort of passing off, that the name, description or get-up complained of should amount to a misrepresentation, so as to give rise to the likelihood of confusion among members of the public.

80. Guidance on this is given in *Halsbury’s Laws of Hong Kong Vol 15(2)* at paragraph 225.020:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name,

mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

81. I have already come to the view that the 鳳城 logo constitutes the distinctive and dominant element of the suit mark and would focus the customers' attention to it rather than the words “FUNG SHING REST.” embedded in the ribbon-like device in the lower part of the suit mark. This would no doubt give rise to a likelihood of confusion among members of the public.

82. It matters not that in the instant case, the applicant had not been shown to have acted with a fraudulent intent. There is a misrepresentation by the applicant in the use of the suit mark in its services for providing food and drink which necessarily includes the restaurant services, leading or likely to lead the public to believe that services offered by the applicant are services of the opponent, or are connected with the opponent.

Damage

83. A misrepresentation that the defendant's services or business are those of the claimant is intrinsically likely to damage the claimant if the fields of business of the claimant and the defendant are reasonably close (*The Law of Passing-Off*, Christopher Wadlow, 3rd edition, 4–13).

84. In view of the reputation and goodwill the opponent has in respect of the 鳳城 logo, the fact that the opponent's and the applicant's fields of activity are basically the same and my finding that members of the public are likely to mistakenly infer from the applicant's use of the suit mark that the applicant's services are from the opponent or are connected with the opponent, damage to the opponent's goodwill is a reasonably foreseeable consequence of use of the suit mark.

85. I find that use of the suit mark in Hong Kong is liable to be prevented at the date of application for registration of the suit mark by an action for passing off. The ground of opposition under section 12(5)(a) of the Ordinance is made out.

86. As I have found in favour of the opponent on the ground of opposition under section 12(5)(a) of the Ordinance, it is not necessary for me to consider the grounds of opposition under sections 11(5)(b), 12(1) and 12(3).

Conclusion

87. As the opposition has succeeded, I award the opponent costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either the opponent or the applicant may make 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.

(Frederick Wong)
for Registrar of Trade Marks
1 December 2010