

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

**OPPOSITION TO TRADE MARK APPLICATION NO. 300244926**



**MARK :**

**CLASS : 30**

**APPLICANT : KWONG MING INTERNATIONAL (HOLDINGS) LTD.**

**OPPONENTS : JIANGSU CEREALS, OILS & FOODSTUFFS I/E GROUP  
CORP and  
JIANGSU HENGSHUN VINEGAR INDUSTRY CO., LTD.**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 7 July 2004 (“Application Date”), Kwong Ming International (Holdings) Ltd. (“Applicant”) filed an application (“subject application”) under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for registration of the following mark (“subject mark”):



Registration is sought in respect of “vinegar” in Class 30 (“subject goods”):

2. Particulars of the subject application were published on 17 September 2004. Jiangsu Cereals, Oils & Foodstuffs I/E Group Corp (“1<sup>st</sup> Opponent”) and Jiangsu Hengshun Vinegar Industry Co., Ltd. (“2<sup>nd</sup> Opponent”) (collectively, “Opponents”) filed a notice of opposition to the subject application (“Notice of Opposition”) on 16 December 2004 with a statement of grounds of opposition (“Grounds of Opposition”).
3. The Applicant filed a counter-statement on 2 April 2005 (“Counter-statement”) in response to the Notice of Opposition.
4. The Opponents filed evidence by way of a statutory declaration of Zhang Jin declared on 2 August 2006 (“Zhang Declaration”). The Applicant did not file any evidence.
5. The opposition hearing took place before me on 30 December 2008. Mr. Johnson Lam of Messrs. So Keung Yip & Sin appeared for the Opponents. The Applicant did not appear at the hearing.

### **Grounds of opposition**

6. The Opponents oppose the subject application under the following sections of the Ordinance:
  - (i) section 11(4)(b);
  - (ii) section 11(5)(a);
  - (iii) section 11(5)(b);
  - (iv) section 3;
  - (v) section 12(3);
  - (vi) section 12(4);
  - (vii) section 12(5)(a); and
  - (viii) section 12(5)(b).

## Marks relied on by the Opponents

7. According to the Grounds of Opposition, the 1<sup>st</sup> Opponent is the proprietor of the following marks:

(a)



(“Gold Plum Mark”) which the 1<sup>st</sup> Opponent claims to have used in relation to, *inter alia*, vinegar, and is registered in the name of the 1<sup>st</sup> Opponent in respect of the goods set out in the **Annex**; and

(b)



(“Gold Plum Chinkiang Vinegar Mark”), which the 1<sup>st</sup> Opponent claims to have used in relation to vinegar,

(collectively, “1<sup>st</sup> Opponent’s Marks”).

## Opposition under section 12(5)(a) of the Ordinance

8. Section 12(5)(a) of the Ordinance provides, *inter alia*, 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)”.*

9. The relevant question is whether normal and fair use of the subject mark for the purpose of distinguishing the Applicant’s subject goods from those of other undertakings was liable to be prevented at the Application Date by an action for passing off.

10. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of Hong Kong Volume 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. 341 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.”*

11. Further guidance is given at paragraph 225.020 of the same volume as follows:

*“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.”*

12. I first consider the nature and extent of the reputation relied on by the 1<sup>st</sup> Opponent.
13. According to the Zhang Declaration, since its establishment in 1973, the 1<sup>st</sup> Opponent has been carrying on, *inter alia*, the business of importing and exporting cereals, oils and foodstuffs for human consumption. Since its establishment in 1840, the 2<sup>nd</sup> Opponent has been involved in the production of vinegar in China.
14. As stated in paragraph 32 of the Zhang Declaration, Zhenjiang, spelt and pronounced as “Chinkiang” by overseas Chinese, is a city in Jiangsu Province, China. Vinegar brewing is one of the traditional industries in Zhenjiang.
15. According to paragraphs 21 and 22 of the Zhang Declaration, the 1<sup>st</sup> Opponent has since 1975 continuously used the Gold Plum Mark and the Gold Plum Chinkiang Vinegar Mark in Hong Kong in respect of Chinkiang vinegar. The marks are applied by means of labels affixed onto the vinegar bottles. All of the 1<sup>st</sup> Opponent’s Chinkiang vinegar is produced by the 2<sup>nd</sup> Opponent<sup>1</sup>. Attachment “I” to the Zhang Declaration includes copies of around 50 invoices from the late 1980’s in respect of sales of the 1<sup>st</sup> Opponent’s Chinkiang vinegar in Hong Kong. Most of the invoices cover hundreds of cartons<sup>2</sup> of vinegar each. A brochure of the 1<sup>st</sup> Opponent included in attachment “I” as well as some of the advertisements and promotional materials included in attachments “J” and “M” to the Zhang Declaration show the 1<sup>st</sup> Opponent’s Marks in actual use. The Gold Plum Mark is placed at the neck of the vinegar bottle whilst the Gold Plum Chinkiang Vinegar Mark is placed across the body of the bottle.
16. Exhibit “M” to the Zhang Declaration includes copies of advertisements,

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<sup>1</sup> Zhang Declaration, paragraph 9.

<sup>2</sup> Each carton usually contains 24 bottles of 600 g each, or 36 bottles of 165 g each.

promotional materials and newspaper articles in relation to the 1<sup>st</sup> Opponent's Chinkiang vinegar promoted under the 1<sup>st</sup> Opponent's Marks. Some of these advertisements and articles were published in Hong Kong before the Application Date.

17. Having regard to the Opponents' evidence as a whole, I am satisfied that the 1<sup>st</sup> Opponent's Chinkiang vinegar has acquired goodwill and reputation in the Hong Kong market and is known by the 1<sup>st</sup> Opponent's Marks.
18. The 1<sup>st</sup> Opponent's field of activity, insofar as it relates to the supply of vinegar, overlaps with the Applicant's field of activity by reference to the subject goods.
19. I turn to consider the similarity between the subject mark and the 1<sup>st</sup> Opponent's Marks. I consider that the Opponents' strongest case lies with the Gold Plum Chinkiang Vinegar Mark.
20. The Gold Plum Chinkiang Vinegar Mark consists of a device in almost the shape of a fist, with the Chinese characters “鎮江香醋” and the words “CHINKIANG VINEGAR” and “CHINKIANG VINAIGRE” appearing prominently within the device. The Chinese characters “鎮江香醋” are in red with a gold border and a dark shadow. The words “CHINKIANG VINEGAR” in larger font and “CHINKIANG VINAIGRE” in smaller font are in black. The whole device has a decorative border in gold formed by devices of flowers and branches intertwined together. Above the Chinese characters “鎮江香醋” is a device of a flower with five petals. Around the flower device are the Chinese characters “金梅” and the words “GOLD-PLUM”. This part of the mark with the flower device and the Chinese characters and words around it is identical to the Gold Plum Mark. Underneath the words “CHINKIANG VINAIGRE” are smaller words and Chinese characters indicating the net weight and ingredients of the product. Further down are the name and address of the 1<sup>st</sup> Opponent followed by the words “PRODUCT OF CHINA / PRODUIT DE CHINE” in red, a device of a map of China placed within an oval, a bar code and a “Best Before” date. The space enclosed by the golden decorative border is basically coloured yellow, with a white border between the golden decorative border and the yellowish space. The flower device is set against a white (rather than a yellow) background.

21. The subject mark also consists of a device in almost the shape of a fist, with the same Chinese characters “鎮江香醋” and the words “CHINKIANG VINEGAR” and “CHINKIANG VINAIGRE” appearing prominently within the device. The Chinese characters “鎮江香醋” are also in red with a gold border and a dark shadow, whilst the words “CHINKIANG VINEGAR” in larger font and “CHINKIANG VINAIRGRE” in smaller font are in black. The decorative border in the subject mark is very similar to that in the Gold Plum Chinkiang Vinegar Mark. In particular, the top left corner and the top right corner of both borders are almost identical. Above the Chinese characters “鎮江香醋” in the subject mark is also a device of a flower with five petals. At the centre of the flower, there is the Chinese character “梅”. Underneath the flower are the words “PLUM BRAND”. It is noted that the Chinese character “梅” and the word “PLUM” appear closely with the flower device in each of the subject mark and the Gold Plum Chinkiang Vinegar Mark. Although the character “金” and the word “GOLD” appear in the Gold Plum Chinkiang Vinegar Mark but not in the subject mark, given that the petals of the flower device in the subject mark are in gold, the overall impression given by the flower device with the Chinese character and words around it in the subject mark is very similar to that given by the flower device with the Chinese characters and words around it in the Gold Plum Chinkiang Vinegar Mark.
22. Underneath the words “CHINKIANG VINAIGRE” in the subject mark are some smaller words and Chinese characters which indicate the net weight and ingredients of the product. They are arranged in the same way as the corresponding information in the Gold Plum Chinkiang Vinegar Mark. Further down are the words “PRODUCT OF CHINA” and “PRODUIT DE CHINE” in two rows, followed by a bar code. The space enclosed by the decorative border is also coloured yellow, with a white border between the golden decorative border and the yellowish space. Like the Gold Plum Chinkiang Vinegar Mark, the flower device in the subject mark is set against a white (rather than a yellow) background. Although the device of a map of China does not appear in the subject mark, it merely reinforces the words “Product of China” in the Gold Plum Chinkiang Vinegar Mark, which words are also present in the subject mark. Although the name and address of the 1<sup>st</sup> Opponent in red also do not appear in the subject mark, the overall layout of the other elements, the colour scheme and the overall impressions created by the two marks are very similar.

23. Vinegar is a consumer product which is not expensive. Customers for such product include ordinary members of the public, who would not pay particular attention to every detail in the labels on the bottles for such products. It is therefore inappropriate to compare the marks or signs side-by-side. Allowance has to be made for the imperfect recollection of the customers. Taking all these into account, I consider that the overall impression created by the subject mark is very similar to that created by the Gold Plum Chinkiang Vinegar Mark. When customers see the subject mark used in relation to the subject goods, they are likely to be misled into believing that goods marked with the subject mark are from the same source as those marked with the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark. A substantial number of persons are liable to be deceived by the normal and fair use by the Applicant of the subject mark into believing that the Applicant's subject goods are goods of the 1<sup>st</sup> Opponent, or alternatively, that the Applicant's business is in some way connected with the 1<sup>st</sup> Opponent's business.
24. A misrepresentation that the defendant's goods 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, 3<sup>rd</sup> edition, 4–13*).
25. In view of the reputation and goodwill of the 1<sup>st</sup> Opponent, the fact that the 1<sup>st</sup> Opponent's and the Applicant's respective fields of activity overlap and the fact that a substantial number of persons are likely to mistakenly infer from the Applicant's use of the subject mark that the Applicant's subject goods are from the 1<sup>st</sup> Opponent or are connected with the 1<sup>st</sup> Opponent, damage to the 1<sup>st</sup> Opponent's goodwill is a reasonably foreseeable consequence of use of the subject mark.
26. I find that normal and fair use of the subject mark in Hong Kong for the purpose of distinguishing the Applicant's subject goods from those of other undertakings was liable to be prevented at the Application Date by an action for passing off.
27. In the Counter-statement, the Applicant claims that both the subject mark and the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark imitate a particular traditional design, with some modifications, and that both marks look similar because they imitate such traditional design. Apart from the subject mark

and the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark, attached to the Counter-statement are photographs of two label marks in respect of Chinkiang vinegar products, which are said to belong to other proprietors, with allegedly similar design. The Applicant claims that despite the similar design, details of the subject mark are completely different from the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark, and therefore there is no ground for the Opponents to oppose the subject application.

28. Rule 79 of the Trade Mark Rules (Cap. 559 sub. leg.) ("TM Rules") provides that where under the Ordinance or the TM Rules evidence may be admitted by the Registrar in any proceedings before him, the evidence *shall* be filed by way of a statutory declaration or affidavit. The Applicant has filed no evidence in accordance with the TM Rules in this case. There is no evidence to support the claim that there is a "traditional" label design for Chinkiang vinegar products, which is recognized as common in the trade for such products in Hong Kong. There is also no evidence that vinegar products bearing any of the other Chinkiang vinegar label marks, which are referred to in the Counter-statement and are said to belong to other proprietors, have been promoted or sold in Hong Kong.
29. I have already found that the 1<sup>st</sup> Opponent's Chinkiang vinegar has acquired goodwill and reputation in the Hong Kong market and is known by the 1<sup>st</sup> Opponent's Marks. I do not agree with the Applicant that details of the subject mark are completely different from the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark. As analyzed in paragraphs 20 to 22 above, various details as well as the overall impression created by the subject mark are very similar to the 1<sup>st</sup> Opponent's Gold Plum Chinkiang Vinegar Mark. Despite the Applicant's submissions, I consider that a substantial number of persons are likely to mistakenly infer from the Applicant's use of the subject mark that the Applicant's subject goods are from the 1<sup>st</sup> Opponent or are connected with the 1<sup>st</sup> Opponent.

## **Conclusion**

30. For the reasons stated above, the ground of opposition under section 12(5)(a) of the Ordinance is made out. The subject application is therefore refused.

31. As I have found in favour of the Opponents on the ground of opposition under section 12(5)(a) of the Ordinance, it is not necessary for me to consider the other grounds of opposition.
  
32. As the opposition has succeeded, I award the Opponents costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4A) as applied to trade mark matters, unless otherwise agreed between the parties.

(Finnie Quek)  
for Registrar of Trade Marks  
18 February 2009

## Annex

### Goods in respect of which the Gold Plum Mark is registered

- (i) ***Trade Mark Registration No. 19790169***  
Class 29  
meat, fish, poultry, eggs, edible oils and fats.
- (ii) ***Trade Mark Registration No. 19780928***  
Class 30  
coffee, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour, and preparations made from cereals; chocolates and other cocoa products; bread, biscuits, wafers, cakes, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; pepper, vinegar, soy, spices; ice
- (iii) ***Trade Mark Registration No. 19790170***  
Class 32  
apple juice, apricot juice, bartlett pear juice, grape juice, grenadine juice concentrated, haw juice, haw juice concentrated, lemon juice concentrated, lychee juice, orange juice, orange juice concentrated, pineapple juice, pineapple juice concentrated, pomelo juice, mango juice, pear juice.
- (iv) ***Trade Mark Registration No. 19791129***  
Class 33  
grape wine, cider, cherry wine, tangerine wine, dry gin, sorghum wine, vodka, kaoliang wine, whisky, glutinous rice wine, laurel wine, lychee wine, pineapple wine, Shao-Hsing rice wine, rose-leaf raspberry wine, champagne and yeast wine.