

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

**OPPOSITION TO TRADE MARK APPLICATION NO. 300457056**

**MARK:** 德國堡

**CLASSES:** 29, 30, 32 and 43

**APPLICANT:** KA MING CHENG

**OPPONENT:** GERMAN POOL (HONG KONG) LIMITED

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 14 July 2005 (“Application Date”), Ka Ming Cheng (“Applicant”) filed an application under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for the registration of the following mark (“suit mark”) –

德國堡

Registration is sought in respect of the following goods and services in Classes 29, 30, 32 and 43 –

**Class 29**

fresh, frozen, dried, preserved, cooked and canned ham, pork, beef, fish and poultry, fruits and vegetables, game, parts and offals thereof, jellies, jams, eggs, cheese, hamburgers, beef burgers, chicken burgers; all included in Class 29

**Class 30**

coffee, tea, cocoa, sugar, pepper, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices; all included

in Class 30

Class 32

beer, non-alcoholic drinks, soft drinks, fruit juices, fruit drinks, fruit-flavoured drinks, sports drinks, drinking water, mineral water, aerated water, spring water, syrups and other preparations for making soft drinks, fruit juices, fruit drinks, fruit-flavoured drinks, and sports drinks; all included in Class 32

Class 43

services for providing food and drink, restaurant services for the provision of food and drink, preparation of takeaway and carry-out foods, catering services, canteen services, coffee shop services, advisory and consultancy services related to the foregoing; all included in Class 43

The Applicant has not made any claim of priority in respect of the subject application.

2. Particulars of the subject application were published on 30 September 2005. On 1 November 2005, German Pool (Hong Kong) Limited (“Opponent”) filed a notice of opposition against the subject application together with a statement of the grounds of opposition. In response to the notice of opposition filed, the Applicant filed a counter-statement on 27 January 2006.

3. As evidence in support of the opposition, the Opponent filed a statutory declaration made by Kwok Man CHAN, Edward (“Chan Declaration”). Written submissions in support of the opposition were also filed on behalf of the Opponent. The Applicant did not file any evidence or any written submissions.

4. The opposition was fixed to be heard on 21 April 2009. Neither party filed a notice of intention to appear at the hearing. Pursuant to rule 74(5) of the Trade Marks Rules (cap. 559, sub. leg.) (“TMR”), both parties are treated as not intending to appear at the hearing. I now proceed to decide the matter without a hearing under rule 75 of the TMR.

### **Grounds of opposition**

5. The grounds of opposition stated in the notice of opposition filed are those set out in sections 11(5)(b) and 12(3), (4) and (5) of the Ordinance. According to the

notice of opposition filed, the Opponent seeks to rely on its ownership in the two trade marks below –

Mark A: 德國寶

Mark B:



Mark A and Mark B are hereafter collectively referred to as the “Opponent’s Marks”.

### **Opponent’s evidence**

6. The Opponent claims to be a limited company incorporated in Hong Kong and that it has used the Opponent’s Marks in Hong Kong since 1982 in relation to various goods including “electric water heaters, electric range hoods, gas cooking appliances, dehumidifiers, air-conditioners, washing machines, clothes dryers, dish washers, refrigerators, electro-magnetic cooking appliances, rice cookers, microwave ovens, electric fans, electric heaters, hand dryers, ventilating fans, electric kettles, multi-purpose woks, telephones, waffle makers, juicers, vacuum pots, pans, stainless steel pots and woks, kitchen cupboards” (“Opponent’s Goods”) and in relation to the services of the wholesaling and retailing of the Opponent’s Goods (“Opponent’s Services”). The Opponent’s Goods and the Opponent’s Services are hereafter collectively referred to as “Opponent’s Goods and Services”.

7. A summary of the materials found in the exhibits to the Chan Declaration is set out below:-

Exhibit KMC-1	sample invoices showing sale of Opponent’s Goods
Exhibit KMC-2	extract of record of the Opponent at the Companies Registry
Exhibit KMC-3	copies of photographs of outdoor promotional signboards
Exhibit KMC-4	promotional materials, sales pamphlets, newspaper and magazine advertisements relating to Opponent’s Goods and Services

- Exhibit KMC-5            copies of certificates of awards and registrations granted to the Opponent
- Exhibit KMC-6            extracts from Chinese dictionary on the pronunciation of the characters “寶” and “堡”

**Section 12(3)**

8.            Section 12(3) of the Ordinance provides that –

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

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

9.            This ground of objection is based on the existence of an “earlier trade mark”, a term defined in section 5 of the Ordinance. Extracts of the relevant parts of section 5 read as follows –

*“(1) In this Ordinance, “earlier trade mark”, in relation to another trade mark, means –*

- (a) a registered trade mark which has a date of application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any; or*
  - (b) a trade mark which, at the date of the application of registration of the other trade mark or, where appropriate, at the date of the priority claimed in respect of that application for registration, was entitled to protection under the Paris Convention as a well-known trade mark.*
- (2) References in this Ordinance to an earlier trade mark shall be construed as including a trade mark in respect of which an application for registration has been made under this Ordinance and which, if registered, would constitute an earlier trade mark under or by virtue of subsection (1)(a), subject to its being so registered.”*

10.           Neither Mark A nor Mark B is a registered trade mark. There has also

been no application for registration of Mark A or Mark B which is filed before the Application Date. Hence, the Opponent can only rely on section 12(3) if Mark A and Mark B were or one of them was, as at the Application Date, entitled to protection under the Paris Convention as a well-known trade mark. The Opponent does so allege, on the basis of the use of the two marks as demonstrated by the Chan Declaration.

11. I do not however find it necessary to form a view on whether Mark A and/or Mark B was a well-known trade mark since I do not consider the other requirements of section 12(3) of the Ordinance can be satisfied in the present case. Section 12(3) is modeled on section 5(2) of the UK Trade Marks Act 1994<sup>1</sup>, which in turn implements Article 4(1)(b) of the European Trade Marks Directive<sup>2</sup>. The decisions of the European Court of Justice (ECJ) on the application of Article 4(1)(b) of its Directive therefore provide helpful guides on the interpretation of section 12(3) of the Ordinance.

12. According to the case of *Sabel BV v Puma AG* [1998] R.P.C. 199, the likelihood of confusion must be appreciated globally, taking into account all relevant factors. The matter has to be judged through the eyes of the average consumer of the goods or services in question who normally perceives a mark as a whole and does not proceed to analyse its various details. Furthermore, the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impression created by the marks bearing in mind their distinctive and dominant components. In the case of *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, the average consumer is said to be one who is deemed to be reasonably well informed and reasonably observant and circumspect – but who rarely has the chance to make direct comparison between different marks and instead rely upon the

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<sup>1</sup> Section 5(2) of the UK Trade Marks Act 1994 provides as follows –

- “(2) A trade mark shall not be registered if because –
- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
  - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

<sup>2</sup> Article 4(1)(b) of the European Trade Marks Directive 89/104/EEC of 21 December 1988 provides –

- “(1) A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:
- .....
- (b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

imperfect picture of them he has kept in his mind.

13. In addition, in assessing the likelihood of confusion, I am mindful of the principle established in the case of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117; that is, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa. The *Sabel BV v Puma AG* case, supra, also suggests that there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either *per se* or because of the use that has been made of it.

14. To determine whether registration of the suit mark is prohibited under section 12(3) of the Ordinance, I have to consider whether the suit mark would likely cause confusion on the part of the relevant consumers as a result of it being similar to either of the Opponent's Marks and because it is to be registered in respect of goods and services the same as or similar to the goods and services in respect of which either of the Opponent's Marks is used. In doing so, I must consider the similarities between the suit mark and the Opponent's Marks and the similarities in the goods and/or services. In assessing the likelihood of confusion, I have to be mindful of the provisions of section 7(1) of the Ordinance as well, which states as follows:-

*“For greater certainty, in determining for the purposes of this Ordinance whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar or the court may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.”*

Thus, I have to take into account all factors that are relevant in the circumstances.

#### *Comparison of marks*

15. The goods applied for are general food and drinks items while the services applied for relate to the provision of food and drinks, at restaurants or by caterers and other providers. Consumers of such goods and services are members of the general public who can be expected to exercise an average level of care and attention in their selection of the goods and services.

16. Like the suit mark, Mark A consists of three Chinese characters and the first two characters, “德國”, are the same as those in the suit mark. These two Chinese

characters mean Germany. In the suit mark, the third Chinese character “堡” means “castle(s)” while the third Chinese character “寶” in Mark A means “treasure(s)”. The first two characters merely point to a geographical location and hence they are not distinctive of the goods and services under application; but since they occupy the frontal part of the marks in each case, they may leave a slightly stronger impression. When the imperfect recollection of the relevant consumers is also taken into account, there is some degree of visual similarity between the two marks.

17. Mark B incorporates Mark A and other additional features. Although for the Chinese character “寶”, the two lines inside the character “貝” are joined together like an English letter “Z”, that makes little difference to the overall impression and I will consider the Chinese characters to be represented in the same manner as in Mark A. The additional features include a device that is formed by the words “GERMAN POOL” within a longitudinally oval outline. The word “GERMAN” is in a larger font and is placed in the centre part of the area encircled by such outline, while the word “POOL” appears in a relatively smaller font and is placed underneath the word “GERMAN”, to the right. The sign “TM” also appears at the outside of the outline, at its top right hand corner. This composite feature is put below the Chinese characters that constitute Mark A and the whole design is completed with a black or dark background.

18. The prominence and effect of each of the additional features in Mark B differ. The word “POOL” is much smaller in size and it is placed rather inconspicuously at the lower right part of the mark, within the longitudinally oval outline. With only their imperfect recollection to rely on, the word “POOL” may not leave a lasting impression in the minds of the relevant consumers. The sign “TM” indicates that the mark is used as a trade mark and will therefore unlikely be remembered by the consumers. As for the English word “GERMAN”, its presence on the main serves to reinforce the Chinese characters “德國”. With the outline, albeit a rather simple one, it tends to draw the customers’ attention to it and the words within it, in particular the larger word “GERMAN”. Each of these additional features does not have an overwhelming effect by itself, but when added up together, they do render the overall impression of Mark B different from that of the suit mark. As a whole, I find the two to be visually different.

19. The Chinese characters “堡” and “寶” are pronounced in the same way. Hence, aurally, Mark A and the suit mark are identical. With Mark B, the Chinese characters sound the same as the suit mark but the additional three syllables produced

in the articulation of the words “GERMAN POOL” would render the aural perceptions of the two marks different. Thus, the aural identity of the two marks, owing to the common frontal parts, is fairly watered down.

20. Conceptually, the phrase “德國堡” leads one to think of German castles whereas the phrase “德國寶” gives one the idea of treasures of Germany. Thus, the idea presented by the suit mark is quite different from that conveyed by Mark A. The difference can be said to be even greater in the case of Mark B, with the words “GERMAN POOL” adding another facet to the conceptual denotations of the mark. The relevant consumers may think of a swimming pool or a pond of water in Germany or billiards played by Germans.

21. Mark A and the suit mark are indeed aurally identical and they also share some other similarities. Nevertheless, each of them has a clear and distinct conceptual significance that is likely to leave a specific impression on the minds of the consumers. Unlike cases where the words bear no readily apparent meaning, the different ideas conveyed by Mark A and the suit mark mean that they will more likely be distinguished from each other than will be the case with the comparison of similar words with no particular meaning. Upon weighing all the visual, aural and conceptual similarities between Mark A and the suit mark against the differences between the two, and bearing in mind the imperfect recollection of the average consumer of the goods and services in question, I do not consider Mark A to be similar to the suit mark. The differences between Mark B and the suit mark are even greater and they are therefore also, in my view, not similar.

#### *Comparison of goods and services*

22. Guidance on the comparison of goods can be found in the case of ***British Sugar v James Robertson and Sons Ltd*** [1996] R.P.C. 281(at page 296-7). In that case, Jacob J set out the factors that should be taken into account when considering the similarities between goods and/or services. They are :

- (c) The respective uses of the respective goods or services;
- (d) The respective users of the respective goods or services;
- (e) The physical nature of the goods or acts of services;
- (f) The respective trade channels through which the goods or services reach the market;
- (g) In the case of self-serve consumer items, where in practice they are

respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and

- (h) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

23. Similar principles were enunciated in the case of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, supra. At paragraph 23 of the judgment, the court has this to say about the factors to be considered –

*“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”*

24. The Opponent’s Goods are kitchen fixtures and fittings, cooking utensils and electrical appliances for use in general households while the Opponent’s Services are the wholesaling and retailing of these goods. With electrical appliances such as dehumidifier, air-conditioners and ventilating fans which have nothing to do with cooking and the wholesaling and retailing of these merchandise, they cannot by any standard be regarded as similar to the goods and services covered by the subject application. The use of the respective goods and services, their physical nature, the applicable trade channels, the positioning of the goods in retail outlets, the competitive leanings and the relevant market segments all indicate that they are different from each other rather than being similar.

25. The Opponent attempts to put forward a different case with regard to “electric water heaters, electric range hoods, gas cooking appliances, refrigerators, electro-magnetic cooking appliances, rice cookers, microwave ovens, electric heaters, electric kettles, multi-purpose woks, waffle makers, juicers, vacuum pots, pans, stainless steel pots and woks, kitchen cupboards” (“Specific Goods”). According to the Opponent, these goods are suitable for preparing, cooking and refrigerating the food items applied for by the Applicant and for providing the services included in the specification of the subject application. They are thus complementary to the goods

and services under application and should be regarded as similar to each other. In support of this submission, the Opponent has referred me to the case of *Balmoral Trade Mark* [1999] RPC 297 where “wine” was considered to be similar to “bar services”.

26. In the *Balmoral* case, it was concluded that the degree of proximity was such that people in the market for the goods or services in question would readily accept a suggestion to the effect that a supplier of whisky or bar services was also engaged in the business of supplying wines. When the factors stipulated by Jacob J in the *British Sugar* case are examined, it is apparent that such degree of proximity is not present in this case.

27. The use of the goods and services are different since the Specific Goods and the related Opponent’s Services are connected with the storage and processing of food items while the goods in Classes 29, 30 and 32 applied for in the subject application are the actual food and drink items which are to be consumed. The difference in use is even greater with the services in Class 43 applied for, since they are catered for users, also different from those of the Specific Goods and the related Opponent’s Services, who are people not cooking for themselves.

28. The physical nature of the Specific Goods as well as their trade channels are also vastly different from those of the goods and services of the subject application. Consumers looking for cooking pots and food and drinks have to go to different shops and even with large department stores that sell both categories, they have to get their purchase at different sections of the stores. The situation with the services applied for is similar. Sale of the Opponent’s Goods and the provision of the Opponent’s Services are rarely, if at all, carried out at the same premises as food stores, restaurants or catering establishments. The settings of points of sale for the different businesses are also vastly different.

29. There is also no real competition between the two different types of commercial activities. In view of the possible impact on human health, the food industry is highly regulated in terms of hygiene and labeling. This is not the case with the products and services of the Opponent where concerns for product safety manifest themselves differently in the form of mechanical and engineering standards.

30. The *Balmoral* case may support a finding that the food and drinks items in Classes 29, 30 and 32 applied for are similar to the restaurant and catering services in

Class 43 applied for, where the concerned services involve the provision of the goods in question. To say that the principle can be extended to the goods employed in the storage, preparation and processing of the items to be provided or the services for the sale of such goods is stretching the rationale of the case beyond justifiable limits.

*Likelihood of confusion*

31. In considering whether there is a likelihood of confusion, I am to apply the global appreciation test, taking into account all relevant factors. In doing so, I have to consider the normal and fair use of the Opponent's Marks as they are. As noted in paragraph 13 above, according to the *Sabel v Puma* case, *supra*, there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or through use; and according to the *Canon Kabushiki Kaisha* case, *supra*, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa

32. The term “德國寶” means treasures of Germany. As such, it conveys a meaning about the characteristic of the goods of the Opponent. In light of such meaning, any distinctive character that Mark A may have *per se* is not high. With Mark B, there is the inclusion of the additional features discussed above. Since the additional features serve to widen the gap of dissimilarities between Mark B and the suit mark, they lessen rather than heighten the likelihood of confusion. I do not therefore consider the inherent distinctiveness of the two marks has any effect on the likelihood of confusion.

33. Next to consider is the distinctive character that the Opponent's Marks have because of the use that has been made of them. It is the Opponent's suggestion that in view of the long and extensive use of the Opponent's Marks, there is a greater likelihood of confusion if the suit mark is allowed to be registered and used in Hong Kong. On the acquired distinctiveness so claimed, I need to consider the position as demonstrated by the evidence filed, which has not been challenged by the Applicant.

34. According to the Chan Declaration, “德國寶” is the identifying and distinguishing portion of the Chinese name of the Opponent and it has been using Mark A and Mark B since 1982 in relation to the Opponent's Goods and Services. Opponent's Goods bearing Mark A and Mark B are sold in Hong Kong at more than 760 retail outlets, including sizeable outlets such as Fortress Ltd. and Jusco Stores (Hong Kong) Co., Ltd etc. In addition, the Opponent has been registered as a

Government supplier since 1983 and has been supplying electric water heaters to various private and public housing estates in Hong Kong. The approximate annual sales figures of the Opponent's Goods show an increase from HK\$63 million in 2000 to HK\$90 million in 2005. Furthermore, the Opponent has been granted a number of awards in recognition of its reputation in the market.

35. The exhibits to the Chan Declaration support a slightly different picture. The Opponent has actually used a number of marks in relation to the Opponent's Goods. The term “德國寶” in Chinese is the most commonly-used form, which is Mark A. The next one in line is the mark shown below which has the English words “GERMAN POOL” within a longitudinally oval outline and the “TM” sign in the upper right hand corner of the outline (“Mark C”) –



Mark C appears in all the sample invoices furnished where it is displayed prominently at the top left hand corner. The Chinese term “德國寶” can also be found in the sample invoices although it appears invariably in conjunction with the description of the products, like “德國寶電風扇” and “德國寶電磁爐”. From the sample advertisements submitted, it can be noted that Mark A is at times used, whether in conjunction with the words “GERMAN POOL”, Mark C and/or other elements, to form various composite marks, including Mark B; but none of these composite marks can be said to have been used extensively. These other composite marks are listed out below –

Mark D



Mark E



Mark F



Mark G



Mark H



36. The various marks have been used by the Opponent in the many samples of advertisements that are shown in the exhibits to the Chan Declaration, which relate to the Opponent's Goods and Services. Awards conferred on the Opponent were also averred to in the Chan Declaration but in the samples shown, only “德國寶” and/or “GERMAN POOL”, but no composite marks, had been referred to as the brands of the Opponent.

37. The Chinese term “德國寶” appears in all the composite marks referred to in the above. It is a constant component in all the marks used by the Opponent, the element that the average consumer of the Opponent's Goods and Services will look to and rely on for distinguishing the goods and services of the Opponent from other undertakings. In light of the volume of sales demonstrated by the Chan Declaration, I find that the distinctiveness of Mark A has been enhanced by the use made of it by the Opponent.

38. The case with Mark B is not as clear cut. Mark B is just one of the various composite marks referred to above that have been adopted by the Opponent. There is not a consistent pattern of use of these composite marks and none of them has been used extensively. That being the case, the enhancement in distinctiveness of Mark B that can be attributed from its use by the Opponent is only very limited.

39. It is important to note though that there is nothing to suggest that the Opponent used any of its marks or attained a reputation in respect of any products or services other than the Opponent's Goods and Services. The invoices, advertisements, awards and other information submitted only show the carrying on of commercial activities by the Opponent in relation to the Opponent's Goods and Services. Thus, the distinctive character of Mark A and Mark B, as enhanced owing to the use made of them, is limited to such goods and services that the Opponent has

been dealing in only. Such distinctive character does not extend to the goods and services applied for.

40. The Opponent is of the view that the aural identity between Mark A and the suit mark means that confusion is likely since the goods and services covered by the subject application are usually ordered orally in canteens, restaurants, cafès, snack-food shops or over the counter in grocery shops. The Opponent considers confusion to be inevitable during such oral use, that the suit mark will be mistaken as the Opponent's Marks, and *vice versa*, causing confusion to the consumers.

41. This suggestion of the Opponent may only hold water in respect of the goods, but not the services, applied for since consumers of restaurant and catering services generally take an interest in the visual outlook of the marks, in terms of the actual words used, under which the services are provided. Moreover, to be able to make orders orally for the goods and/or services of the Applicant, the consumers in question need to have past experience in the purchase of the goods and/or services of the Applicant and thus they would have had the opportunity to form an overall impression of the suit mark based on its visual, aural and conceptual perspectives.

42. In any event, even with only the aural perception of the marks to rely on, I do not find it probable that customers of food and drink items or of restaurant or catering services will be confused into thinking that such goods or services are from a supplier of electrical and kitchen appliances just because they share the same name aurally. The use of the same mark, whether visually, aurally and/or conceptually, by different parties in relation to different businesses is not an unusual phenomenon in Hong Kong. Where the businesses in question are closely related, confusion as to trade source may be likely. However, where the businesses are diverse, the natural reaction of the consumers will be to enquire further. I therefore do not agree with the Opponent that the aural identity of the marks means that confusion is inevitable.

43. I take the view that consumers of the goods and services applied for will have the opportunity to form an overall impression of the marks in question rather than rely on merely one particular aspect. Further, in assessing the likelihood of confusion by way of a global appreciation, I need to take into account such overall impression of the marks, the distinctiveness of the Opponent's Marks acquired through use, albeit limited to the field of the Opponent's Goods and Services, and the mere average level of attention and care that the relevant consumers have in relation to the purchase of such goods and services.

44. Having considered all the above relevant factors, I consider the aural identity of Mark A and the suit mark will likely be outweighed by the dissimilarities between the marks, in particular the different ideas conveyed by them. In any event, with both Mark A and Mark B, the great disparity between the Opponent's Goods and Services and the goods and services applied for more than offsets the similarities between each of them and the suit mark. There is therefore no real likelihood of confusion of the origin of the goods and services applied for if the suit mark is allowed to be registered and used on them. The opposition under section 12(3) of the Ordinance is thus unsuccessful.

#### **Section 12(4)**

45. Another ground of opposition relied on is that under section 12(4) of the Ordinance. It reads as follows:-

*“...a trade mark which is –*  
*(a) identical or similar to an earlier trade mark; and*  
*(b) proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,*  
*shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”*

46. As in the case with the opposition under section 12(3) of the Ordinance, the Opponent has to show that there is an earlier trade mark that is entitled to protection under the Paris Convention as a well-known trade mark. For section 12(4) however, the Opponent has to establish, in addition, that

- (i) the suit mark is identical or similar to such an earlier trade mark, and
- (ii) the use of the suit mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.

47. As is apparent from the discussions above, I do not consider the suit mark to

be similar to Mark A or Mark B. The opposition under section 12(4) therefore fails. However, the Opponent has made a number of submissions on the requirement detailed in paragraph 46(ii) above. I would therefore deal with them briefly.

48. On the question of whether the use of the suit mark by the Applicant is without due cause, the Opponent refers to the reasons given by the Applicant, as stated in the counter-statement filed on 27 January 2006, where the Applicant pointed to the fame of Germany for castles, beer and preserved and processed food such as sausages. The Opponent takes issue with such explanation, submitting that it is singularly telling that the specification of the subject application does not cover sausages whereas a number of other food and beverages as well as services for providing food and beverages, for which Germany is not particularly famous, are covered. The Opponent also suggests that, to the people of Hong Kong, the castles in England are clearly much more famous than the castles of Germany. The principles on the interpretation of the term “without due cause” as discussed in the cases of *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 and *Lucas Bols v Colgate-Palmolive* (1976) IIC 420 are also referred to. On the basis of the above submissions, the Opponent tries to convince me that there is no justifiable reason for the Applicant to adopt the suit mark at all.

49. In addition, the Opponent relies on the approach of OHIM on what amounts to “unfair advantage”, asserting that unfair advantage is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts, that other undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. In gaining a substantial saving on investment in publicity and promotion on its own goods, that other undertaking takes an advantage which is unfair since the reward for the costs of promoting, maintaining and enhancing the earlier trade mark should belong to its owner. The Opponent stresses that the stronger the distinctive character the earlier trade mark has, the easier it will be to accept that unfair advantage has been taken. Further, the closer the similarity between the marks the greater is the risk that unfair advantage will be taken.

50. I do not see how the absence of a specific mention of sausages in the specification of the subject application could cast a doubt on the truthfulness of the explanation offered by the Applicant for the adoption of the suit mark. The exact words used by the Applicant in the counter-statement are “preserved and processed food such as sausages”. The rather general item of “preserved and processed ham,

pork, beef, fish and poultry” is included and that obviously includes sausages made from any of the types of meat so mentioned. As regards the fame of German castles, they are sufficiently well known to the people of Hong Kong even if not as well known as the castles of England.

51. In any event, as in the case with the issue on whether Mark A and Mark B are entitled to protection under the Paris Convention as a well-known trade mark, I do not think a finding on my part on whether there is ‘due cause’ for the Applicant to use the suit mark is necessary. As submitted by the Opponent, although under section 12(4) there is no requirement of a likelihood of confusion, there must be a degree of similarity between the marks such that the relevant section of the public makes a connection or establishes a link between them. The Opponent considers that such a link has been shown on the basis of the submissions made in relation to the opposition under section 12(3) of the Ordinance.

52. It is important to bear in mind the remarks made by Neuberger J in the *Premier Brands* case, supra. It was pointed out in the case that the ground of objection under section 10(3) of the UK Trade Marks Act 1994 (broadly similar to section 12(4) of the Ordinance) is not intended to enable the owner of a well-known trade mark to object as a matter of course to the registration of a sign which may remind people of his mark. Notwithstanding the similarities between the Opponent’s Marks and the suit mark, in light of the vast disparity between the Opponent’s Goods and Services and the goods and services applied for, it is unlikely that the use of the suit mark will remind people of the Opponent’s Marks at all. Ergo, I do not think the relevant consumers will draw a link between the suit mark and the Opponent’s Marks.

53. Another point of relevance is the need of evidence to establish a case under section 12(4) of the Ordinance. In the case of *Creditmaster Trade Mark* [2005] RPC 21, it was said that, even if the relevant consumers would draw a link between the marks in question, detriment to or unfair advantage of distinctive character or repute has to be proved by real, as opposed to theoretical, evidence and cannot be merely assumed from the fact that the earlier mark has a substantial reputation.

54. The evidence submitted only relates to the use of the Opponent’s trade marks. There is nothing but mere assertions on the part of the Opponent that the use of the suit mark would take advantage of or be detrimental to the distinctive character or repute of its marks. In the absence of relevant evidence, I cannot see how the Applicant can take advantage by adopting a mark that shares some similarities with

the Opponent's marks for use on goods and services that are so widely apart from the Opponent's Goods and Services. In light of the dissimilarities between the goods and services under consideration as well as the absence of any real evidence that indicates any actual or likely detriment that may be caused to the distinctive character or repute of the Opponent's Marks, I am not persuaded that the Opponent has made out a case under section 12(4) of the Ordinance.

### **Section 12(5)**

55. In the notice of opposition filed by the Opponent, the Opponent referred to the ground of opposition under section 12(5) of the Ordinance in general. It is clear from the written submissions filed that it only sought to rely on section 12(5)(a). This ground of opposition is worded 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...”*

56. On the circumstances under which a passing off action can be established, I draw reference from the summary in paragraphs 225.001 and 225.020 of *Halsbury Laws of Hong Kong Vol 15(2)*, which have taken into account the speeches of the House of Lords in *Reckitt & Colman Products Ltd V Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731. The two paragraphs 225.001 and 225.020 read as follows:

*“225.001 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.*

*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.”*

57. Applying the approach stated above, I shall then turn to consider the various relevant factors in this case. In dealing with the opposition under section 12(3) of the Ordinance above, I have given a summary of the status of use of the Opponent’s Marks in the market and examined the nature and extent of the reputation sought to be relied upon. It is clear from the analysis above that at most the Opponent can only show that Mark A and Mark B have attained a reputation in respect of the Opponent’s Goods and Services.

58. There is still the requirement that there be a misrepresentation that will likely lead to the deception of the public. According to Buckley L.J. in ***H. P. Bulmer Ltd v J Bollinger SA (No. 3)*** [1978] R.P.C. 79 (at page 99), the representation required to found an action of passing off has to consist of conduct “*such as to mislead members of the public into a mistaken belief that the goods or services of the defendant or the defendant’s business are or is either (a) the goods or services or business of the plaintiff or (b) connected with the plaintiff’s business in some way which is likely to damage the plaintiff’s goodwill in that business*”.

59. There is no evidence of the suit mark being put into actual use by the Applicant. This is not fatal to the Opponent’s case as section 12(5)(a) of the Ordinance refers to the use of the mark applied for being liable to be prevented by virtue of the law of passing off. This requirement can be satisfied where the liability of a misrepresentation can be inferred from the circumstances. I shall therefore examine the relevant circumstances.

60. A pertinent factor that has a bearing on whether there is such likelihood is the level of similarities between the suit mark and the Opponent’s Marks. In the discussions above on the opposition under section 12(3) of the Ordinance, I have

compared the similarities and dissimilarities between the marks and my conclusion is that, to the relevant consumers, they will not be regarded as similar. Members of the public will find Mark A and/or Mark B distinguishable from the suit mark. I therefore do not find the suit mark to be sufficiently similar to Mark A or Mark B to give rise to a misrepresentation that will mislead the public into believing that the goods and/or services of the Applicant are those of the Opponent or are connected in some way with the business of the Opponent.

61. Although for the above reason alone, the Opponent has failed to make out the opposition under section 12(5)(a), I would like to say that the case against the Applicant is even weaker when the proximity between the fields of activities between the parties is taken into account. There is no requirement that there be “a common field of activity” in which both parties conduct their businesses, that is to say, the Opponent and the Applicant need not be competing traders in the same line of business. Nonetheless, as put by Millet L.J. in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 at 714 (citing *Annabel’s (Berkeley Square) Ltd v G Schock (trading as Annabel’s Escort Agency)* [1972] RPC 838 at 844), it is an important and highly relevant consideration in assessing misrepresentation to find out whether there is any kind of association, or could be in the minds of the public any kind of association, between the fields of activities of the opponent and of the applicant.

62. In the comparison of the goods and services for the purpose of the opposition under section 12(3), I have pointed out that the field of activity of the Opponent is in the sale of kitchen fixtures and fittings, cooking utensils and electrical appliances for use in general households, whereas the specification of this application relates to a food and drinks business. To the members of the public in Hong Kong, these are different businesses and they do not in general associate one with the other. To my mind and having taken into account the reputation that the Opponent enjoys as a supplier of kitchen and other household appliances, there is no real risk that the public would be misled into believing that the food and drinks, whether sold or served to them by the Applicant, are in any way associated with the Opponent.

63. It is therefore my finding that the Opponent has not shown a liability of misrepresentation arising from the circumstances of the case. That being the case, it is not necessary of me to consider whether the other elements of passing off have been made out. The ground of opposition under section 12(5) fails.

## Section 11(5)(b)

64. The ground of opposition under section 11(5)(b) of the Ordinance is phrased as follows:-

*“A trade mark shall not be registered if, or the extent that –*

*(b) the application for registration of the trade mark is made in bad faith.”*

65. There is no definition of the term “bad faith” in the Ordinance. In ***Gromax Plastics Ltd v Don & Low Nonwovens Ltd*** [1999] RPC 367, Lindsey J had, at page 379, expressed his views on the meaning of the term, as follows:-

*“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”*

66. What the Appointed Person said in the case of ***Ajit Weekly Trade Mark*** [2006] RPC 25 is also worth noting. At paragraph 44 of the decision, it is said that –

*“The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”*

67. The written submissions filed by the Opponent also referred to the above two cases. Relying on the decisions of these cases, the Opponent sought to make out a case of bad faith on the following basis –

- (a) the evidence filed shows that the Opponent's Marks had been widely used and were well known in Hong Kong prior to the Application Date;
- (b) it is therefore inconceivable for the Applicant to claim, as was done in paragraph 9 of the counter-statement filed, that he had not known about the two marks of the Opponent or the Opponent itself until he saw the notice of opposition and the grounds of opposition; and
- (c) in light of the aural identity of the suit mark with the Opponent's Marks and the other similarities between them, the choice and attempted registration of the suit mark by the Applicant is clearly dishonest and falls short of the standards of commercial behaviour observed by reasonable and experienced men in the trade in general.

68. The level of proof of this ground of opposition was the subject of consideration in the case of **ROYAL ENFIELD Trade Marks** [2002] RPC 24, where an application was opposed to under section 3(6) of the UK Trade Marks Act 1994 (equivalent to section 11(5)(b) of the Ordinance). At paragraph 31 of the judgment, the Appointed Person had this to say about an allegation of bad faith under section 3(6) of the UK Act – *“It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”*

69. There is no distinct proof of bad faith on the part of the Applicant, nor do the materials before me justify the drawing of any inference that the application was made in bad faith. As noted in the above, although Mark A and Mark B share some similarities with the suit mark, the evidence of use submitted by the Opponent only support a case of use in relation to the Opponent's Goods and Services and it is my finding that they are not similar to the goods and services applied for. That being the case and in the absence of evidence showing otherwise, even if the Applicant had known about the Opponent's Marks before the Application Date, the adoption of the suit mark by the Applicant for use on goods and services of such diverse nature from the Opponent's Goods and Services could not have been regarded as having fallen short of the standards of commercial behaviour observed by reasonable and experienced men in the trade in general. The ground of opposition under section 11(5)(b) therefore fails.

## **Costs**

70. As the opposition has failed, I award the Applicant costs. Subject to any representations, as to the amount of costs or calling for special treatment, made by either party 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.

Caroline Chow  
For Registrar of Trade Marks  
17 September 2009