

TRADE MARKS ORDINANCE (CAP. 559)
OPPOSITION TO TRADE MARK APPLICATION NO. 300744291

MARK: Power Bee
CLASS: 5
APPLICANT: ONE WORLD TELECOMMUNICATIONS HOLDINGS LIMITED
OPPONENT: SOCIETE DES PRODUITS NESTLE SA

STATEMENT OF REASONS FOR DECISION

Background

1. On 20 October 2006 (“Application Date”), One World Telecommunications Holdings Limited (“Applicant”) filed an application under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) for the registration of the following mark (collectively referred to as “suit mark”) –

Power Bee

2. Registration of the suit mark is sought in respect of the following goods in Class 5 –

“Dietary food supplements, dietary supplemental drinks, herbal dietary supplements, herbal food capsules, herbal preparations, dietetic food preparations all for human use; all included in Class 5.”

3. Particulars of the application were published on 22 December 2006. On 21 May 2007, Société des Produits Nestlé S.A. (“Opponent”) filed a notice of opposition against the application together with a statement of the grounds of opposition (“Grounds of Opposition”). In response to the notice of opposition filed, the Applicant filed a counter-statement on 16 August 2007.

4. The opposition of the application was fixed to be heard on 20 November 2012. Mr. Douglas Clark, counsel instructed by Messrs. Deacons, appeared on behalf of the Opponent and Mr. Philips Wong, counsel instructed by Messrs. King & Co., appeared on behalf of the Applicant.

Grounds of opposition

5. The grounds of opposition relied on are those set out in sections 12(3), 12(4) and 12(5)(a) of the Ordinance. In the Grounds of Opposition, the Opponent referred to its proprietorship in Hong Kong and elsewhere of the trade mark “POWERBAR” (“Opponent’s Mark”) and other trade marks which include “POWERBAR”. It then purported to give the details of the registration of these marks in Hong Kong in Classes 5, 30 and 32 in Schedule A of the Ground of Opposition. In actual fact, only one trade mark is listed in this Schedule A and that is Trade Mark No. 300017351. The particulars of Trade Mark No. 300017351 are set forth below –

Trade Mark	Date of registration	Specification
POWERBAR	12-5-2003	<u>Class 5</u> dietetic foodstuffs and beverages adapted for medical use; nutritional supplements; dietary food supplements; dietary supplements; food supplements; vitamin supplements; mineral supplements; concentrated carbohydrate food. <u>Class 32</u> Beers; mineral waters and other non-alcoholic drinks; fruit drinks and fruit juices; vegetable juices; syrups, extracts and essences for making non-alcoholic beverages; thirst-quenching beverages in liquid, powder and concentrate form; sports drinks, aloe vera drink and juices.

Opponent’s evidence

6. The evidence filed in support of the opposition consists of two declarations made by Philippe Claude, an Authorized Signatory of the Opponent, one on 20 October 2008 and the other on 27 July 2010 (“First Claude Declaration” and “Second Claude Declaration” respectively), as well as a declaration by Ng Kwok Hung Wilson, General Manager of The Max (HK) Limited, the wholesale distributor of goods of the Opponent in Hong Kong (“Ng Declaration”). The Second Claude Declaration was filed solely in reply to the evidence submitted by the Applicant. In it, Claude commented in great detail the shortcomings of the user evidence of the suit

mark. To the extent that they are relevant to the decision made, I have covered them in the summary of the Applicant's evidence set out below.

7. According to the Ng Declaration, the Opponent's Mark was first owned by The Powerbar Inc. This company was purchased by Nestle USA in 2000 and became a wholly owned subsidiary of the Opponent. In Exhibit "PC-8" of the First Claude Declaration, there is an article about the development of the "POWERBAR" concept. It talks about the quest of the coach of a distance running team in USA for optimizing human performance and the development by him and his wife of a recipe for energy bars that would boost the performance of sportsmen. Success came after the energy bars they developed were tried by athletic friends competing in some very tough events and people began asking if they could buy "those powerful bars", and their business of the manufacturing and marketing of "PowerBar" products thrived.

8. In addition to the Trade Mark No. 300017351, the First Claude Declaration gave the particulars of four other trade marks of the Opponent that are registered in Hong Kong. They are Trade Marks Nos. 1997B11521, 1999B04476, 300843002 and 300891414. These marks have not been mentioned in the Grounds of Opposition. It should also be noted that the dates of filing of the application for registration of Trade Marks Nos. 300843002 and 300891414 are posterior to the Application Date. As they do not have any material impact on the decision I have to make, there is no need to refer to the details of these other registered marks of the Opponent.

9. In paragraph 6 of the First Claude Declaration, Claude averred to the use of the Opponent's Mark since 1986 in the United States, and from as early as 1995 in Hong Kong, in relation to various goods in Classes 5, 29, 30 and 32, including food supplements, foods, beverages and preparations, cereal-based snack foods, non-alcoholic drinks and extracts and essences for making such beverages ("Opponent's Goods").

10. There is information about the worldwide registration of various forms of the word "POWERBAR", as well as the sale and promotion of goods under and by reference to such marks in the First Claude Declaration. The worldwide sales figures and advertising expenditures in respect of such goods for the years 2005-2007 are set out, with copies of sample sales invoices produced in "Exhibit PC-4" in support. None of these invoices relates to the Hong Kong market. Further, the dates of most of the invoices are posterior to the Application Date. Of those that

pre-date the Application Date, the Opponent's Mark only appears in the Canadian invoices, while a different mark or marks are used on the invoices of the other markets. For example, in the European markets, the mark seen printed on most of



the invoices is “”. In addition, in one instance among the invoices for Belgium and two instances among the invoices for Germany, the mark “PowerBar” was used as a part of the names of products.

11. In “Exhibit PC-5” of the First Claude Declaration, printouts from the website of the Opponent are attached to show the manner in which the Opponent's Mark is applied on the Opponent's Goods. However, since they bear a date that is posterior to the Application Date, I cannot tell from such materials whether the position as at the Application Date is the same.

12. Claude deposed to the promotion of the marks of the Opponent in many countries and territories by means of advertisements in the press, magazines, direct marketing on the internet, TV commercials, bus panels, bill boards, sample drinking activities and gaming events. Many of the samples in “Exhibit PC-6” relate to international sporting events and food expos such as Le Tour de France, and Claude specifically referred to the broadcast of this event in Europe, Africa, America and Asia. There are also two CD-ROMs with TV commercials aired in various places. It is abundantly clear from these materials that the marks as used by the Opponent are not in the form of the Opponent's Mark, but are different versions of “PowerBar”. In the



main, there are two versions – “” and “”, and at times such marks are used in conjunction with additional words like, “AUTHENTIC ENERGY FOOD”, “PERFORMANCE ENERGY BAR” or “PREMIUM SPORTS NUTRITION”, as in the case of the mark described in paragraph 10 above.

13. One other thing deposed to in the First Claude Declaration is the Asia Pacific market share of “PowerBar” energy bars for the years 2001-2006. A printout showing the relevant data is in Exhibit “PC-7”. In each such year, their market share exceeds 60%. It is however not clear whether the position with the Hong Kong market is also the same as that for the Asia Pacific market in general.

14. Information in the Ng Declaration relates more to the market in Hong Kong. Ng referred to a list of the goods sold in Hong Kong in “Exhibit NKHW-1”, but it is not clear whether the list is as of 2008, when the Ng Declaration was made. The 2006 Retail Price List in “Exhibit NKHW-4” is therefore more helpful and it can be seen that a variety of the Opponent’s Goods were available for sale then. The price list as well as the pamphlets and advertisements in Exhibits “NKHW-3” and “NKHW-4” show that the different flavours of the Opponent’s Goods are very often highlighted. In the case of a product called “Pria”, one of the flavours is “Honey Graham”.

15. According to paragraph 4 of the Ng Declaration, the predecessors of The Max (HK) Limited first sold products bearing the Opponent’s Mark in 1994. There is nothing in support of the claim of first use in 1994. Nevertheless, it can be gleaned from the materials about the promotional activities of the Opponent in Exhibits “NKHW-3”, “NKHW-4”, “NKHW-5” and “NKHW-6” of the Ng Declaration that advertisements have been placed in local magazines and displayed in supermarkets as early as 2002. In one of the leaflets used in 2002, the sales outlets are listed and these include Park N’ Shop, Wellcome, Oliver’s and Pacific Coffee. In addition, information about the local sports events sponsored by the Opponent and other trade events that the Opponent participated in is set out in the Ng Declaration, with supporting materials attached in Exhibit “NKHW-7”. The earliest event listed is the Reebok 23rd Hong Kong Half Marathon that took place in 2000.

16. In paragraph 6 of the Ng Declaration, figures relating to the sale of the Opponent’s Goods in Hong Kong for the years 2004-2006 are set out. In light of the monthly breakdown for the year 2006 provided in the sales reports in “Exhibit NKHW-2”, when the figures up to September 2006 are taken into account, the annual average for the two years and nine months prior to the Application Date works up to around HK\$1.5 million.

17. What is noteworthy from the leaflets and materials relating to sponsorship and other marketing activities of the Opponent in the various exhibits of the Ng Declaration is that the marks used on the Opponent’s Goods are those referred to in paragraph 12 above and not the Opponent’s Mark. In one of the pamphlets included in “Exhibit NKHW-6”, the mark used is “Power Bar”, that is, with spacing between “Power” and “Bar”.

Applicant's evidence

18. A statutory declaration made by David Zhong Chen (“Chen Declaration”), a director of the Applicant, has been filed in support of the subject application. Chen deposed to the commencement of use of the suit mark in Hong Kong in relation to a royal jelly product (“Applicant’s Goods”) in about June 2006. He pointed to a change of the packaging of the Applicant’s Goods in December 2008, with the picture of a bee appearing in the old packaging removed. As the change occurred after the Application Date, it has no bearing on the opposition under consideration.

19. According to the Chen Declaration, the suit mark was coined by the Business Development Manager of the Applicant in or about January 2005. The choice of the word “Power” was attributed to its meaning of strength and energy. The word was thus considered appropriate for describing the Applicant’s Goods, and it could also highlight the effect of the product generally. As for the choice of the word “Bee”, it was adopted because royal jelly is a honey bee secretion. In relation to the word “Power”, the common adoption of it in the industry, especially for food and beverage products, was emphasized by the Applicant. The Applicant produced examples of images of products found on the internet in Exhibit “CDZ-4” to illustrate such usage, but I cannot tell whether those products are actually sold in Hong Kong. In Exhibit “CDZ-5” are printouts from the website of the Trade Marks Registry showing marks registered or applied for in relation to food and beverage products and which incorporate the word “Power”. Quite a number of the marks include other distinctive features in addition to the word “Power” and with some of the marks included in the printouts, it is not clear whether they are registered marks or applications for registration only. In any event, the information on the register does not throw light on whether these marks have actually been put to use.

20. Chen pointed out that the Applicant’s Goods were initially targeted at Filipinos in Hong Kong and claimed that they had become very popular among the Filipino community. Some of the retail outlets where the Applicant’s Goods are sold are listed in paragraph 8 of the Chen Declaration. Of these, only two sold the Applicant’s Goods prior to the Application Date, and only for less than four months in each case. The Applicant has provided the sales volume of the Applicant’s Goods for 2006-2008, but since only the period prior to the Application Date is relevant, only about HK\$660,000 can be counted as sales made in that period.¹ Copy sample

¹ The total sales volume for 2006 is HK\$1,162,545.20. Since sales began in June 2006, the figure for the sales made in June 2006 to September 2006 would, if averaged out over those months, be around HK\$660,000.

invoices are shown in Exhibit “CD-6”, but only some of them pre-date the Application Date and the suit mark is not shown on quite a few of these. What is more noteworthy is that the invoices were all issued by “Dr Smith” and no explanation has been given as to why they should be regarded as sales made by the Applicant.

21. Details about the promotional activities in relation to the Applicant’s Goods were also included in the Chen Declaration. However, as they are either undated or dated posterior to the Application Date, no useful purpose will be served in setting them out here.

22. In general, any use that can be shown to have been made of the suit mark prior to the Application Date according to the Chen Declaration is not substantial. This opposition should thus proceed on the basis that there has been only very limited use of the suit mark before that date. Hence, the specific mention in the Chen Declaration that there had not been any instances of confusion of the Applicant’s Goods and the Opponent’s Goods is of no assistance to the Applicant’s case.

Section 12(5)(a)

23. The ground of opposition under section 12(5)(a) of the Ordinance 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...”

24. On the circumstances under which a passing off action can be established, the following passage from the decision of the House of Lords in ***Reckitt & Colman Products Ltd v Borden Inc*** [1990] RPC 341 has been adopted by the Hong Kong Court of Final Appeal in the case of ***Ping An Securities Limited v 中國平安保險(集團)股份有限公司*** (FACV No. 26 of 2008) –

“The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an

action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

25. Before I proceed to assess whether each of the elements of an action of passing off has been made out by the Opponent, I need to first deal with the mark that can be relied on for the purpose of section 12(5)(a) of the Ordinance. Passing off is a cause of action available for the protection of a mark that has been put to actual use. In the analysis of the evidence of the Opponent in the above, I have clearly pointed out that the evidence adduced pertains to the use of "PowerBar", whether in the form of plain letters or in the stylized versions of "" and "" ("Unregistered Marks"), and not "POWERBAR". With the "POWERBAR" mark not having been put to actual use, a passing off action with it as basis will not therefore bring the Opponent's case forward.

26. Nonetheless, it is clear from the pleadings and the evidence submitted by the Opponent, as well as the submissions made by Mr. Clark at the hearing, that the Opponent regards use in the form of "PowerBar" (viz. with the letters "P" and "B" in the upper case), whether or not there is any spacing between "Power" and "Bar", as

use of the Opponent's Mark.² The Opponent's stance in this regard is flawed. The use of a mark in a varied form can only count as use of that mark if it is a fair and notional use of it.³ The Opponent's Mark is the word "POWERBAR". There is no spacing between the letters and so it is a single word mark. All letters are in the upper case and there is no stylization whatsoever. If the mark in actual use is in the form of "Powerbar" or "powerbar" (viz. with only the first letter in the upper case or with all letters in the lower case), such use may still count as use of the Opponent's Mark. However, the concept of fair and notional use will not extend to a version which will have a material effect on the distinctive character of the mark.

27. Looking at the matter from yet another perspective is to consider the position of other variations of the Opponent's Mark. To accept the Opponent's submission that use of "PowerBar" can be equated with use of the Opponent's Mark will mean that its fair and notional use will include also "PowerbaR", "PoWeRbAr", "POWERbar", "powerBAR", or the like. Taking the case of "PoWeRbAr" as an example, consumers' perception of it will be so different from that of "POWERBAR" that it will be absurd to consider use of "PoWeRbAr" as fair and notional use of the Opponent's Mark.

28. With the letters "P" and "B" presented in the upper case, the fact that the Unregistered Marks are made up of two distinct words is greatly accentuated. Consumers do not analyse marks in detail and they rely merely on their general impression of marks in making their purchases. The goods on which the Unregistered Marks have been used are dietary supplements that are often consumed as snacks. There is thus no basis for me to presume that any greater-than-average attention will be paid by consumers in the selection of such goods. They will therefore perceive the Unregistered Marks as two-word marks and remember them as "PowerBar" or "Power Bar".

² I should mention that at the beginning of the hearing, Mr. Clark indicated that the Opponent would seek only to rely on its ownership in Trade Mark No. 300017351, viz. the registration of "POWERBAR" in respect of goods in Classes 5 and 32. However, since it is Mr. Clark's stance that the use of the Unregistered Marks should count as use of the Opponent's Mark, the Opponent cannot be regarded as having given up its opposition under section 12(5)(a) on the basis of the protection that may be afforded to the Unregistered Marks by the passing off action.

³ The concept is akin to the practice of the Trade Marks Registry in respect of series trade marks. It is the Registry's practice to accept use of a mark that forms a series with another mark to count as use of that other mark, as noted in the chapter on "Absolute grounds for refusal" of the Trade Marks Registry Work Manual (available online at <http://www.ipd.gov.hk/>). According to section 51(3) of the Ordinance, a "series of trade marks" means a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark. Trade Mark No. 300017351 is not a registration for a series of trade marks.

29. For the purpose of the ground of opposition under section 12(5)(a) of the Ordinance, although the Opponent's Mark is of no assistance to the Opponent's case because there has been no use of it in Hong Kong, that does not mean that I do not have to consider this ground of opposition with the Unregistered Marks as its basis. There is no specific reference to the Unregistered Marks in the Grounds of Opposition, but the wording for this ground of opposition does not preclude reliance on them.⁴ Further, the fact that the Opponent's case on actual use relates to the Unregistered Marks is abundantly clear. There has also not been any challenge by the Applicant that the user evidence of the Opponent relating to the use of the Unregistered Marks should not be taken into consideration for assessing the ground of opposition under section 12(5)(a).⁵ As the Applicant has every opportunity to refute a claim that the registration of the suit mark is liable to be prevented by virtue of the law of passing off because of the protection that can be afforded to the marks in actual use, I find it appropriate for me to consider the ground of opposition under section 12(5)(a) on the basis of the Unregistered Marks.

Goodwill

30. The Opponent claims commencement of sale of the Opponent's Goods in Hong Kong in 1994. The actual goods on which the Unregistered Marks can be seen to have been used in Hong Kong are energy boosting food and drink items ("Marketed Goods"). I shall therefore consider whether goodwill attaches to the sale of the Marketed Goods in Hong Kong with reference to the Unregistered Marks as of the Application Date.

31. As Mr. Wong has pointed out, no invoices have been produced to corroborate the claim of use of the Unregistered Marks in Hong Kong since 1994. Notwithstanding that, I have outlined the other information that can be gathered from the materials about the promotional activities of the Opponent in the Ng Declaration. For example, a 2002 leaflet shows that the sales outlets of the Marketed Goods include some major local chain stores and supermarkets. Further, the Opponent has

⁴ The passing off ground was pleaded in paragraph 12(d) of the Grounds of Opposition as follows: "the use and registration of the Opposed Mark by the Applicant is liable to be prevented by the law of passing off as provided under Section 12(5)(a) of the Ordinance".

⁵ At the hearing, Mr. Wong criticized the lack of any invoices and evidence in support of the claim of commencement of use of the marks of the Opponent in 1994. He also sought to cast doubt on the extent of distribution of the promotional materials of the Opponent's Goods. However, he did not dispute the relevance of the evidence relating to the use of the Unregistered Marks, nor challenge the Opponent's reliance on the use of the Unregistered Marks as use of the Opponent's Mark. In fact, when making submission on the comparison of marks, Mr. Wong noted that the Opponent has used the upper case for the letters "P" and "B".

been sponsoring local sports events as early as 2000. There is therefore sufficient evidence to show that, as of the Application Date, the Marketed Goods had already been available in Hong Kong for over 5 years.

32. The sales figures provided for the Hong Kong market relate only to 2004-2006. Judging from the 2006 price list in Exhibit “NKHW-4” of the Ng Declaration, the Marketed Goods are not expensive items.⁶ With that in mind, although the figures for 2005 and 2006 are just above HK\$1 million and not particularly impressive, the sales volume cannot be considered as negligible or insignificant.

33. The goodwill that attaches to the Marketed Goods by association with the Unregistered Marks may not be of the same scale as world renowned fashion houses or other huge brands, but small business concerns are just as much protected by passing off as large business setups.⁷ I therefore find that the Opponent has succeeded in establishing the requisite goodwill.

Misrepresentation

34. The submissions put forward by Mr. Wong in respect of the comparison of marks relate to the differences between the Opponent’s Mark and the suit mark. The fact that the Opponent’s Mark is a single word while the suit mark consists of two separate known English words was raised by Mr. Wong, and he emphasized the difference in the visual impact of a single word as opposed to a two-word mark. In addition, given that the word “power”, the common feature shared by the marks in conflict, is descriptive, Mr. Wong suggested that the word “Bee” is the most distinctive and dominant element in the suit mark. In his view, “Bee” and “BAR”, the ending part of the Opponent’s Mark and that of the suit mark, look completely different, especially when “bee” and “bar” are both known English words with different meanings which the public can readily distinguish. Aurally, Mr. Wong put it to me that the stress would be on the last syllable and with the ending parts being “bee” and “bar, the differences between the two marks would be highlighted. As for the conceptual perception, Mr. Wong pointed out that “POWERBAR” would give the impression of a block of food that provides energy and power, while the presence of

⁶ The 2006 retail price for one piece of POWERBAR is \$15. The currency is not listed but since the deponent is the General Manager of the local distributor, and all other amounts stipulated in the Ng Declaration are in Hong Kong Dollars, I assume the same denomination applies to the 2006 price list.

⁷ *Chelsea Man Menswear Limited v Chelsea Girl Limited* [1985] FSR 567, at 574.

the word “Bee” in the suit mark would give an impression that the food or beverages provided have something to do with honey.

35. In support of his submissions, Mr. Wong referred to two cases. Both cases are concerned with an opposition to the application for registration of a trade mark launched under legal provisions that correspond with section 12(3) of the Ordinance. The issues that the court had to consider in the two cases are whether the marks said to be in conflict were similar and, since the goods were found to be identical or similar, whether there is a likelihood that consumers would be confused.

36. The first case is the decision of the Opposition Division of the Office for Harmonization in the Internal Market (“OHIM”),⁸ involving an opposition by the Opponent, based on its ownership of the marks “POWERBAR” and “POWERGEL”, against the application for registration of “POWER ICE” as a Community trade mark of the European Community in respect of goods in Class 5 [Ruling on Opposition No. B933186].⁹ The finding of the Opposition Division of OHIM that even though the goods in question were identical, the signs were sufficiently dissimilar to exclude any likelihood of confusion, was based on the following considerations:

- (a) that the earlier marks consist of eight letters in one word while the mark applied for contains two words “POWER” and “ICE”;
- (b) that the secondary words “BAR” and “GEL” are not similar to “ICE”;
- (c) that despite the word “POWER” appears at the beginning of the marks, any visual, phonetic and conceptual prominence usually afforded to words in such a position is, in the case, seriously diluted due to the descriptive properties of “POWER”;
- (d) that the words “BAR”, “GEL” and “ICE”, in view of their inherently distinctive nature, are of equal, if not greater, dominance and distinctiveness than “POWER”;
- (e) that the quantitative dominance of the word “POWER” is likely to have little effect upon the relevant consumer because of its inherent lack of distinctive character; and

⁸ The body charged with the operation of the design and trademark registry for the internal market of the European Union.

⁹ The Opponent appealed against this decision of the Opposition Division of OHIM, but before the hearing of the appeal, the application for registration of “POWER ICE” was successfully opposed in a separate opposition proceedings.

- (f) that the consumers' attention will be focused upon the more distinctive and therefore memorable elements in the phonetic comparison of the marks and so the marks are phonetically dissimilar.

37. The other case referred to by Mr. Wong is the decision of the UK Trade Marks Registry in the opposition of the application for registration of the mark "POWERCARE" in respect of goods in Classes 7 and 12. The earlier mark relied on by the opponent in the case was "POWERPART". The goods were considered similar ("internal combustion engines" and "parts and fittings for engines"). That notwithstanding, the UK Trade Marks Registry concluded that any similarities between the marks were overcome by the differences and there was no realistic likelihood of confusion. Factors considered relevant in the case are:

- (a) the goods in question are not chosen without some consideration, but allowance must still be made for the notion of imperfect recollection;
- (b) there is some visual similarity because both marks are made up of two dictionary words, they are of equal length and they share the first word POWER;
- (c) phonetically the marks have common beginnings but they have different endings;
- (d) there is no conceptual similarity since "POWERCARE" has a clear conceptual image (it implies caring for or looking after the output of an engine), while the earlier mark "POWERPART" is somewhat descriptive when used on parts and fittings for engines; and
- (e) the opponent's reputation in "POWERPART" is not enhanced and not being an inherently strong mark, its penumbra of protection is limited.

38. Naturally, Mr. Clark painted a different picture. He stressed that the two sets of marks not only begin with the word "POWER", but they also each has a three letter suffix that begins with the letter "B". He took the view that the term "POWER" is the dominant element and it immediately attracts the attention of consumers. As the Opponent's Goods come in various flavours, Mr. Clark suggested that the use of the suit mark on the goods applied for would likely lead people to think that they are an extension of the product range of the Opponent. At the hearing, he particularly drew my attention to an advertisement included in the Chen Declaration which he found it difficult to tell whether the mark used was "Power Bee" or

“PowerBar” and which shows that the Applicant’s Goods are targeted at athletes as well.¹⁰

39. It was also emphasized by Mr. Clark that even if the word “POWER” is considered descriptive, it should not be disregarded and the conflicting marks have to be considered as a whole. He referred me to the decision of the General Court (of the European Community) in *Olive Line International, SL v OHIM* [Case T-273/10], which concerned the comparison between “O-LIVE” and “Olive line”.¹¹ The court (at paragraph 56) referred to the case law which shows that although the public will not generally consider a descriptive element forming part of a complex mark to be the distinctive and dominant element of the overall impression conveyed by that mark, that does not prevent it, in certain circumstances, because, in particular, of its position in the sign or its size, from making an impression on consumers and being remembered by them. The court then (at paragraph 63) went on to find that the word “Olive” in the mark “Olive line” is the first of the two elements with equivalent distinctive force, and so the visual similarity resulting from the presence of that common element cannot be described merely as weak but rather as average. As regards the conceptual comparison, the court (at paragraph 67) talked about the error of the Board of Appeal in taking the view that, since the concepts conveyed by the word “Olive” were descriptive in relation to the products in question, they could not contribute to any relevant conceptual similarity between the marks at issue.

40. I have already explained that for the opposition under section 12(5)(a) of the Ordinance, it is the Unregistered Marks that form the basis of the opposition and not the Opponent’s Mark. That being the case, the comparison is not, as suggested by Mr. Wong, between a one-word mark and a two-word mark. The marks “PowerBar”, “” and “” are two-word marks. Although they are reasonably circumspect, consumers of inexpensive snack food products do not pay great attention to the marks used on such products and to them, the absence of any spacing will not be sufficient to alter the impression they have of the Unregistered Marks as two-word marks.

41. Thus, unlike the “POWER ICE” case cited by Mr. Wong, the comparison to be carried out in the present case is not between a much longer eight-letter one-word

¹⁰ The advertisement in Exhibit “CDZ-1” that was published in Taiwan in September 2005. In it is a picture showing a marathon runner with the caption “ATHENS, Greece-Japan’s Mizuki Noguchi produced a courageous run from the front to win the gold in Olympic women’s marathon”.

¹¹ Each of those marks has some other decorative features, but they were not considered to be of significance by the court.

mark and a two-word mark composed of two shorter words. The impression that the relevant consumers will have of the suit mark as well as the Unregistered Marks will be two-word marks formed by two distinct words of equal length.

42. I agree with Mr. Wong that the word “Power” is descriptive and thus not the most dominant and distinctive element in either the suit mark or the Unregistered Marks. Yet, that does not mean that it should be disregarded when assessing the level of similarity of marks, when, in contrast with the “POWER ICE” case, both the words “Bar” and “Bee” have descriptive connotations in relation to the Marketed Goods – the word “Bar” suggesting that the food items are in the form of bars and the word “Bee” suggesting that the products contain honey or are honey-flavoured. The frontal position of the word “Power” means that it will still be able to catch consumers’ attention and with the ending part being descriptive as well, its dominance will unlikely be overshadowed. The juxtaposition of the word “Power” with the word “Bar” in the Unregistered Marks and with the word “Bee” in the suit mark also contributes to the overall distinctiveness of these marks. As for the ending parts of the marks, the letter “B” is the first letter in both “Bar” and “Bee”. This additional common feature draws the two marks closer together. When the overall impression of the marks is taken into account, the level of similarity is certainly higher than that between the marks in the “POWER ICE” case.

43. There is also aural similarity between the two sets of marks. The only difference in their pronunciations lies in the last syllables. With the Marketed Goods, consumers usually pick them up from shelves inside the stores themselves. This means the aural similarities and dissimilarities between the marks do not play too great a role.

44. “Bar” and “Bee” are words with their own different meanings. However, in the context of the goods in question, the difference cannot be over emphasized. It is Mr. Wong’s suggestion that the idea passed on by the suit mark is one about the products having something to do with honey, a fairly common ingredient with the products in question. The energy bars of the Opponent do come in a variety of flavours, and there is evidence that the Opponent does offer products that are honey-flavoured. I also note that “PowerBar” is the name of one particular energy bar of the Opponent and there is another product called “power gel” that is sold under the trade mark “PowerBar”. To an average consumer of the snack food marketed by the Opponent, a message about honey being an ingredient of the product he is buying may well suggest to him that the product is part of the product range of the Opponent.

In contrast with the “POWERCARE” case relied on by Mr. Wong, the message conveyed by the suit mark blends well with that of the Unregistered Marks.

45. Since the second word in the suit mark as well as in the Unregistered Marks have descriptive properties, albeit to a different extent, there is not as serious a dilution of the dominance of the word “Power” as in the “POWER ICE” case. When all the relevant considerations are taken into account, including the use of the same word “Power” as the frontal element, the same number of letters and the identical first letters used in the second words, the different ending letters of “ar” and “ee” in the second letters, the similarity in the aural perception due to the word “Power” and the dissimilarity in the last syllables, the differences in the conceptual messages, but the blending of the message conveyed by the word “Bee” with that conveyed by the word “Bar”, I consider there to be a high degree of similarity between the suit mark and the Unregistered Marks.

46. When dealing with the opposition under section 12(3) of the Ordinance, Mr. Wong admitted that the goods applied for are similar to the goods registered under the Opponent’s Mark. I do not think there can be any serious arguments that at least some of the goods applied for are in fact identical to the Marketed Goods. For example, “dietary food supplements” is one of the items included in the specification of the application for the registration of the suit mark, and the Marketed Goods aptly come within such a description. The parties are therefore in the same business.

47. The relevant consumers are members of the general public. Unlike the “POWERCARE” case, the Marketed Goods are not usually chosen with particular care. So what we have here is the use of rather similar marks in businesses that are in head-on competition with one another. Without the benefit of side by side comparison and relying simply on imperfect recollection, consumers will likely be misled into thinking that goods of the Applicant which bear the suit mark are sourced from the Opponent. The Opponent has therefore established that there will be misrepresentation if the Applicant offers the goods applied for under the suit mark.

Damages

48. Mr. Clark submitted that there would be damage to the Opponent in the form of direct loss of sales from consumers being confused between the two marks as well as dilution of its mark. The goods applied for clash directly with the goods that

the Opponent actually deals in. The erroneous belief of the relevant consumers is therefore likely to result in loss of business of the Opponent.

49. As the Opponent has established all three elements that constitute the passing off action, the opposition under section 12(5)(a) of the Ordinance is successful.

Section 13

50. The Applicant still has a lifeline under section 13(1) of the Ordinance. Although Mr. Wong has not sought to rely on honest concurrent use or special circumstances, for the sake of completeness, I shall deal with the provisions of section 13(1) of the Ordinance as well.

51. Section 13(1) reads as follows:

“(1) Nothing in section 12 (relative grounds for refusal of registration) prevents the registration of a trade mark where the Registrar or the court is satisfied-

- (a) that there has been an honest concurrent use of the trade mark and the earlier trade mark or other earlier right; or*
- (b) that by reason of other special circumstances it is proper for the trade mark to be registered.”*

52. In relating the evidence of the Applicant in the above, I have pointed out the shortcomings of the evidence relating to the use of the suit mark in Hong Kong. The limited use of the suit mark for the few months prior to the Application Date is hardly enough to justify a finding that there has been honest concurrent use. More importantly, the relevance of the user evidence has not been established since the sales appear to have been made by an entity called “Dr. Smith” and not the Applicant. On the facts before me, I also do not consider there to be any special circumstances that would render it proper for the suit mark to be registered. Section 13(1) therefore has no application to the present case.

53. Each ground of opposition is independent of the others. Having found that the opposition under section 12(5)(a) of the Ordinance is successful, there is no further need for me to consider the other grounds of opposition relied on by the Opponent.

Costs

54. As the opposition is successful, I award the Opponent 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

10 May 2013