

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300798562



MARK:

CLASSES: 5 and 30

APPLICANT: KENWICK INDUSTRIES LIMITED

OPPONENT: NATURAL HEALTH CARE DEVELOPMENT
LIMITED

STATEMENT OF REASONS FOR DECISION

Background

1. On 17 January 2007, the applicant filed an application for registration (“the subject application”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) for the registration of the following mark :-



(“the suit mark”).

2. Registration is sought in respect of goods of the following classes :-

Class 5

Pharmaceutical, sanitary preparations; self heating dephlogisticate analgesic pad for diminishing inflammation and relieve pain; capsules made of Chinese herbs for promoting blood circulation and supporting cerebrovascular health; health supplements; cream made of all natural herbs for soothing intimate skin, healing, moisturizing and refreshing; cream for problems of contact

dermatitis, athlete feet, dermatitis, eczema and tinea; fructose extracted from fresh corn suitable for diabetes; dietetic beverages for medical purposes, dietetic food and dietetic substances; anti-oxidant.

Class 30

Natural tea; guava tea-ideal natural drink for diabetes; dieters' tea for slimming and fitness and diabetes; tea of all natural ingredients rich in water soluble fibers and minerals, improving bowel movement, detoxifies bodies toxins and excessive fats; tea for reducing fat and balances cholesterol naturally; tea for relieving pressure of work and balancing nutrition; tea for vitalizing liver cells, promoting the functions of liver, strengthening muscle and bones, reducing blood pressure, lowering cholesterol levels and neutral fat, preventing arteries from hardening, prevention of some middle and senior age people' diseases, such as diabetes and bowel cancer.

Class 31

Seeds and natural plants; lycium barbarum extract containing precious nutrients which can delay aging, and increases vitality and youth.

3. Particulars of the subject application were published on 9 February 2007. The opponent filed a notice of opposition to the subject application on 8 May 2007 with a two-page document in Chinese and two attachments. The opponent filed the grounds of opposition in English (“the grounds of opposition”) on 26 June 2007.

4. The opposition hearing was fixed to be heard on 18 April 2012. 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.)(“Rule/s”), 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 Rules.

Grounds of opposition

5. According to the notice of opposition, the opposition relates only to Classes 5 and 30 of the subject application.

6. The opponent does not identify in the grounds of opposition the section(s) of the Ordinance upon which it wishes to rely. From an examination of the grounds elaborated in the grounds of opposition and the evidence filed by the opponent, I note that the opponent seeks to rely on its registered mark and opposes registration of the suit mark under sections 11(4)(b), 11(5)(b), 12(3) and 12(4) of the Ordinance.

Counter-statement

7. The applicant filed a counter-statement on 10 August 2007 in response to the opponent's notice of opposition.

Evidence

8. Under Rule 18 of the Rules, the opponent filed a statutory declaration from Lam Hiu Ban, director of the opponent, together with exhibits, which was declared on 10 March 2008 ("Lam's first statutory declaration"). Under Rule 19, the applicant filed a statutory declaration from Wu Wei Kin, director of the applicant, together with exhibits, which was declared on 26 September 2008 ("Wu's statutory declaration"). The opponent filed evidence in reply under Rule 20(1) by way of a second statutory declaration from Lam Hiu Ban together with exhibits, which was declared on 25 March 2009 ("Lam's second statutory declaration").¹

Relevant date

9. The relevant date for considering the opposition is 17 January 2007, the date of the subject application for registration.

Opponent's mark

10. The opponent relies on the word mark "消糖寶" under registration no. 300603936 ("the opponent's mark") in respect of Classes 5 and 30 goods in Hong Kong. Details of the registration are as follows:-

Trade Mark	Registration No.	Date of Registration	Class	Goods
消糖寶	300603936	21 March 2006	5	藥品、保健食品、醫用營養品、嬰兒食品、醫用衛生製劑、膏藥、繃敷材料；醫用植物飲品，草藥茶；藥用膠囊、藥丸、藥散；藥油，藥用軟膏，藥用搽劑；全包括於第五類。

¹ The exhibits to the statutory declarations filed in the present proceedings are all copies of the items produced by the respective deponent.

			30	茶、茶葉代用品；蜂膠、蜂蜜、濃糖漿；食用香料；非醫用蜂王漿、非醫用營養粉、非醫用營養膏、非醫用營養膠囊，非醫用營養液，天然增甜劑；全包括於第三十類。
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The opponent's evidence

11. Mr. Lam in his first statutory declaration states that the opponent has carried on the business for drugs, health care tea under classes 5 and 30 for many years. One of the products is a guava tea product known as “消糖寶野生蕃石榴茶” showing the opponent's mark.

12. According to Mr. Lam, the opponent was incorporated in Hong Kong on 16 November 2001. A Wincare Pharmaceutical Co. Ltd. (“Wincare”), established on 14 February 2003, holds the rights to sell the opponent's product in the Hong Kong market. A “Natural Care Development Company”, an unlimited company, operated from 7 November 1998 to 6 November 2001 before the incorporation of the opponent.

13. Mr. Lam sets out the annual sales figures of the opponent's “消糖寶野生蕃石榴茶” product in Hong Kong from 2003 to 2007 and exhibits 7 sales invoices (Appendix D to the statutory declaration). The sales figures from 2003 to 2006 add up to HK\$717,345 in total (the sales figure for 2007 is subsequent to the relevant date and would not be taken into account).

14. Mr. Lam expresses his views on the similarity of the opponent's mark and the suit mark both bearing the two Chinese characters “消糖” and that the products sold under the respective marks fall within the same “family” of guava products, which gives rise to confusion among the public. Mr. Lam also sets out his observations on the applicant's publicity efforts which place emphasis on the Chinese characters “消糖”.

The applicant's evidence

15. In his statutory declaration, Mr. Wu states that the applicant is a limited company incorporated in Hong Kong in 1990 and engages in the business of sale of healthcare products and traditional Chinese medical products.

16. The applicant began marketing and selling a guava tea product under the suit mark since March 2006. The product includes guava as one of the ingredients.

17. Mr. Wu explains the expression “消糖” in the suit mark refers to the property of guava. One of the well-known medicinal properties of guava is its ability to stabilize and reduce blood sugar levels. Some extracts from medical studies are adduced at exhibit “VW-1”.

18. Mr. Wu further quotes 10 other terms containing the Chinese character “糖” such as “壓糖”, “降糖” and “化糖”² which are used by other producers and traders in Hong Kong for guava products which are said to have a similar property in relation to blood sugar.

19. Exhibit “VW-2” consists of 3 printed advertisements for guava tea products in Hong Kong showing the Chinese characters “壓糖”, “降糖” and “化糖” respectively in the names of the products.³ Exhibit “VW-3” consists of records⁴ of 10 trade marks which are registered in Hong Kong. 9 of the records⁵ show marks registered for either Class 5 or Class 30 goods (as the case may be) and incorporated similar terms with the Chinese character “糖” also referring to the quality of stabilizing and reducing blood sugar level.

20. Mr. Wu also gives an account of how the suit mark was perceived and created near the end of 2005, and the process involved the marketing personnel of the applicant and a design consultant. The applicant’s working papers, the consultant’s invoice and the consultant’s final artwork design of the packaging box are produced at exhibit “VW-5”.

21. The applicant then placed the order for the manufacture of the first batch of 2,000 boxes of the “消糖止渴茶” product in December 2005. Since March 2006, the applicant has sold its guava tea product bearing the suit mark through some notable sales channels in Hong Kong. Up to 17 January 2007, the turnover amounts to about HK\$305,000. Mr. Wu also gives an account of the advertising campaign, public seminars, promotional and marketing activities of products bearing the suit

² The corresponding meaning of the respective terms in English is “suppressing sugar” (壓糖), “lowering sugar” (降糖) and “transforming or disintegrating sugar”(化糖).

³ Upon examining the exhibits, one printed advertisement was published before 30 September 2005. The other two advertisements are said to be advertisements for other guava tea products existing at the relevant date.

⁴ The records were retrieved from the search service of the Intellectual Property Department available in its website.

⁵ One of the 10 trade marks was registered after the relevant date.

mark, and produces the advertisements, photographs and extracts from local newspapers (exhibits “VM-7” and “VM-8”).

22. Mr. Wu also responds to some observations set out in Lam’s first statutory declaration.

The opponent’s evidence in reply

23. In Lam’s second statutory declaration, Mr. Lam says that the expression “消糖” is the opponent’s own thinking and is peculiar, as opposed to the popular description of the medicinal property of guava which is “降血糖” or “降糖”. He queries the reason why the applicant adopts the expression “消糖” for the suit mark.

24. Mr. Lam also indicates that the opponent has sold the “消糖寶野生蕃石榴茶” product with the opponent’s mark as early as 1998. In support, Mr. Lam produces the first page of an undated letter and another letter dated 29 September 2004 in relation to the opponent’s application for transitional registration⁶ of “消糖寶野生蕃石榴茶” product as a proprietary Chinese medicine (exhibit 1).

Opposition under section 12(3) of the Ordinance

25. Section 12(3) of the Ordinance provides as follows:

“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

(c) the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”

26. According to section 7(1) of the Ordinance, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.

⁶ The transitional registration arrangement is relevant to Chinese medicine which, on 1 March 1999, were manufactured and sold in Hong Kong.

27. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994 which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1988 of the Council of the European Communities. In determining the issue under section 12(3), I take into account the guidance and principles provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723. They are as follows:

- (a) The likelihood of confusion must be appreciated globally, taking account of all the relevant factors.
- (b) The matter must be judged through the eyes of the average consumer of the goods in issue, who is deemed to be reasonably well informed and reasonably observant and circumspect.
- (c) In order to assess the degree of similarity between the marks concerned the court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements taking into account the nature of the goods in question and the circumstances in which they are marketed.
- (d) The visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. The perception of the marks in the mind of the average consumer plays a decisive role in the overall appreciation of the likelihood of confusion.
- (e) The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details.
- (f) There is a greater likelihood of confusion where the earlier trademark has a highly distinctive character, either *per se* or because of the use that has been made of it.
- (g) The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; further the average consumer's level of attention is likely to vary according to the category of goods in question.
- (h) Appreciation of the likelihood of confusion depends upon the degree of similarity between the goods. A lesser degree of similarity between the

marks may be offset by a greater degree of similarity between the goods, and *vice versa*.

- (i) Mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purpose of the assessment.
- (j) But the risk that the public might believe that the goods come from the same or economically linked undertakings does constitute a likelihood of confusion within the meaning of the section.

28. Section 12(3) essentially prohibits the registration of a trade mark which would be likely to cause confusion on the part of the public as a result of its being similar to an earlier trade mark and because it is to be registered in respect of goods the same as or similar to those the subject of the earlier trade mark. I must therefore consider whether there are similarities between the suit mark and the opponent's mark and the goods covered, and whether they would combine to create a likelihood of confusion.

29. The opponent's mark has a date of application for registration earlier than that of the suit mark. According to section 5(1)(a) of the Ordinance, the opponent's mark is an earlier trade mark in relation to the suit mark.

Opponent's evidence of use

30. I have in paragraph 13 above set out the sales figures of the opponent's "消糖寶野生蕃石榴茶" product from 2003 to 2006.

31. Out of the 7 invoices exhibited, two invoices were issued by Wincare ("弘健藥業有限公司" in Chinese) instead of the opponent. Despite the opponent's claim that Wincare holds the rights to sell the opponent's products in the Hong Kong market, the claim is not further substantiated by the evidence filed. In any event, the invoice issued in May 2003 only shows the sale (among other products) of 12 boxes of the "豐牌消糖寶野生蕃石榴茶 90 包" product to a drugstore in Hong Kong involving a sum of HK\$720. The other invoice dated 27 April 2007 is later than the relevant date and would not be considered.

32. Among the remaining 5 invoices issued by the opponent on "豐牌消糖寶野生蕃石榴茶 90 包 HEALTHBO (*sic.*)⁷ WILD GUAVA TEA 90 Teabags"

⁷ Upon examining the packaging box exhibited at Appendix C to Lam's first statutory declaration, the correct name of the product in English should be "HEALTHBIO Wild Guava Tea".

product, one invoice was issued on 1 March 2007 and again would not be considered. Of the remaining 4 invoices, 3 issued in 2003, 2004 and 2005 (showing sales amounts of HK\$18,900, HK\$40,500 and HK\$66,150 respectively) show the sale to “弘健藥業有限公司” i.e. Wincare. Despite the opponent’s claim that Wincare holds the rights to sell the opponent’s products in the Hong Kong market, I do not consider the 3 invoices can be taken as substantiating the sale of the opponent’s products to the market in Hong Kong. The remaining one invoice issued in July 2006 (showing sales amount of HK\$56,700) was issued to a limited company. The address of the company is not shown. For the reasons indicated above, the invoices exhibited to Lam’s first statutory declaration are short of substantiating the claimed sales figures reproduced in paragraph 13 above.

33. Mr. Lam refers to the appearance of the opponent’s mark on certain printing materials exhibited as Appendix C to his first statutory declaration. On examining Appendix C, I find that the page appears to be a copy of the packaging box for holding 90 packets of the “豐牌消糖寶野生蕃石榴茶” product. Other than Appendix C, there is no other evidence on advertisements or publicity efforts on the use or promotion of the opponent’s products bearing the opponent’s mark.

34. Having considered the opponent’s evidence, I do not consider that the use of the opponent’s mark as examined above has enhanced the distinctiveness of the mark in Hong Kong.

Comparison of marks

35. A comparison of the marks concerned has to be based on an overall appreciation of the visual, aural and conceptual similarities of the marks in question, taking into account the overall impressions given by the marks, and bearing in mind, in particular, their distinctive and dominant components.

36. In comparing the marks, I have to consider the perception of the marks in the mind of the average consumer of the goods in question under Classes 5 and 30. The relevant consumers would be members of the general public in Hong Kong who are interested in the goods for their claimed quality of improving the health or well-being of the users. While the average consumer is presumed to be reasonably well-informed, circumspect and observant, it is expected that he would exercise an average level of care and attention in the selection of such goods.

37. The suit mark is a composite mark comprising different elements. Five Chinese characters “消糖止渴茶” (read from the left to the right) appear horizontally at about the centre of the suit mark. The character “消” is the largest among the five characters. The character is written in Chinese calligraphic script and in bold face.

38. The next character “糖” is also written in bold face, but in smaller size. The characters “消” and “糖” are larger in size than “止渴茶”, the other three characters which are descriptive of the product in question. The two Chinese characters “消糖” stand out prominently in the mark.

39. The applicant’s registered trade mark “NATURALINK 萃苓” appears at the top left corner of the mark in negligible size.⁸ Other wording which read “加強版蕃石榴茶 加入菊花 銀杏葉 葛根” and “Improved version guava tea With chrysanthemum, ginkgo leaves & kudzu roots” appear at the bottom left corner of the suit mark and are descriptive and indistinctive. The words “Thirst Quenching Guava Tea”, also descriptive and indistinctive, appear in very small print beneath the Chinese characters “糖止渴茶”. In my view, these elements occupy inconspicuous positions and are relatively negligible elements of the suit mark.

40. All the written texts described above are superimposed on a background showing certain objects (believed to be guava), a leaf and some bubbles in different sizes. The guava background of the mark is descriptive of the guava tea product known as “Thirst Quenching Guava Tea” in English. The leaf, with its notable size, takes up a prominent part of the suit mark. Although the words “糖止渴茶” and “Thirst Quenching” are superimposed on the leaf, the major part of the leaf can still be clearly seen. As a leaf can be associated with tea leaves which give rise to tea when tea leaves are soaked in water, in my view, the leaf is also descriptive of the product. The bubbles in the background are negligible and in any event indistinctive.

41. The expression “消糖” as a whole is not a recognised term in Chinese dictionaries or daily usage. The character “消” means “to diminish, vanish; to consume, spend, be used up; to cancel in; to melt, digest”.⁹ The expression “消糖” may, to some extent, allude to the claimed nature and characteristics of the applied for goods in Classes 5 and 30, namely that the goods have the property of diminishing

⁸ According to the applicant, its products are sold under and by reference to a number of trade marks including the applicant’s mark of “NATURALINK 萃苓” which was registered in Hong Kong under registration no. 300313767 (trade mark records produced at exhibit “VW-4”).

⁹ See <http://humanum.arts.cuhk.edu.hk/Lexis/Lindict/>

or digesting sugar. However, it is not directly descriptive and I consider the combination of the Chinese characters “消” and “糖” to form an expression gives rise to some degree of distinctiveness.

42. In my view, the expression “消糖” is the distinctive and dominant component in the suit mark which dominates the overall impression in the mind of the average consumer. The average consumer’s focus of attention would fall on the expression “消糖” on account of its distinctiveness, position, relatively larger size and proportion in the suit mark. The other elements in the suit mark are either descriptive or indistinctive, or are expressed in much smaller size and proportion.

43. The opponent’s mark is a word mark comprising three Chinese characters “消糖寶” (read from the left to the right) in the same script and size. The character “消” would naturally be read together with the character “糖” in the mark. The distinctiveness of the expression “消糖” has been analysed in paragraph 41 above. The character “寶” (which means “treasure, treasured object”¹⁰) is a common laudatory word in Chinese. Similarly, the more distinctive and dominant element in the opponent’s mark is the expression “消糖”, although the combination of the expression “消糖” and the Chinese character “寶” also confers some distinctiveness.

44. I proceed to compare the suit mark with the opponent’s mark visually, aurally and conceptually.

45. In my view, the expression “消糖” should convey the most visual impact to the average consumer because of its distinctiveness, position, relatively larger size and proportion in the suit mark. The guava background, the leaf and the bubbles appearing on the suit mark should also give some visual impact but they are not sufficiently significant to override the visual impact made by the expression “消糖”. The other elements of the suit mark are either descriptive or indistinctive, or are expressed in much smaller size and proportion which are unlikely to give any visual impact to the average consumer. Comparing the suit mark with the opponent mark both of which contain the expression “消糖”, I consider the two marks are similar visually.

46. Aurally, the opponent’s mark would be pronounced as 消 - 糖 - 寶 and taking into account the expression “消糖” being the distinctive and dominant

¹⁰ See <http://humanum.arts.cuhk.edu.hk/Lexis/Lindict/>

element of the suit mark, the suit mark would be pronounced as 消 - 糖. In my view, the two marks are highly similar aurally.

47. Conceptually, given that both the suit mark and the opponent's mark contain the expression “消糖” and, with the laudatory connotation of the Chinese character “寶”, the opponent's mark conveys more or less the same meaning as the suit mark. In my view, the two marks are closely similar conceptually.

48. Having compared the two marks visually, aurally and conceptually, I consider the suit mark to be similar to the opponent's mark visually, highly similar to the opponent's mark aurally, and closely similar to the opponent's mark conceptually.

Comparison of goods

49. Guidance on the approach to be adopted in comparing goods and services is given in *British Sugar v James Robertson and Sons Ltd* [1996] R.P.C. 281, in which Mr. Justice Jacob (as he then was) considered, at page 296, the following factors to be relevant in determining whether or not there is similarity :

- (i) The respective uses of the respective goods or services;
- (ii) The respective users of the respective goods or services;
- (iii) The physical nature of the goods or acts of service;
- (iv) The respective trade channels through which the goods or services reach the market;
- (v) 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
- (vi) 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.

50. It is also stated in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*, at paragraph 23, that in assessing the similarity of the goods or services concerned, 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.

51. I am required to consider the opponent's mark and the goods for which the opponent's mark is registered, as well as the suit mark and the goods for which the suit mark is sought to register. For the present proceedings, I have to consider the Classes 5 and 30 goods designated by the opponent's registration and applied for by the applicant respectively.

52. The Class 5 goods covered by the opponent's mark are mainly goods aiming at healing and/or relieving symptoms of diseases or injuries, and other goods aiming at strengthening the health or improving the well-being of the users. I find that the applicant's applied for goods shown in the left column below are covered by and fall within the broad terms of the opponent's goods shown in the right column.¹¹ In other words, the applicant's applied for goods shown in the left column are identical to the corresponding opponent's goods shown in the right column.

Applicant's applied for goods (Class 5)	Some of the goods covered by the opponent's mark (Class 5)
pharmaceutical, self heating dephlogisticate analgesic pad for diminishing inflammation and relieve pain	藥品
sanitary preparations	醫用衛生製劑
health supplements; fructose extracted from fresh corn suitable for diabetes; dietetic beverages for medical purposes, dietetic food and dietetic substances; anti-oxidant	保健食品, 醫用營養品
capsules made of Chinese herbs for promoting blood circulation and supporting cerebrovascular health	藥品, 藥用膠囊

¹¹ Goods can be considered as identical when the goods designated by the trade mark application are included in a more general category designated by the earlier mark, or vice versa. (*Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* (Case T-133/05); *Bowerbank's Application* [2008] ETMR 31)

cream made of all natural herbs for soothing intimate skin, healing, moisturizing and refreshing; cream for problems of contact dermatitis, athlete feet, dermatitis, eczema and tinea	藥品, 藥用軟膏, 藥用搽劑
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53. The applicant’s Class 30 goods under application encompass natural tea and various types of teas said to have specific effects upon consumption. The opponent’s Class 30 goods include the goods “茶” (tea). I consider that the different types of teas sought to be registered by the applicant are covered by and fall within the broad term of “茶” (tea) registered by the opponent. In other words, the applicant’s applied for goods under Class 30 are identical to “茶” (tea) registered by the opponent under Class 30.

Likelihood of confusion

54. I have found that the suit mark is similar to the opponent’s mark visually, highly similar to the opponent’s mark aurally, and closely similar to the opponent’s mark conceptually. I have also found that the applicant’s applied for goods in Classes 5 and 30 are identical to some of the opponent’s goods within the Classes 5 and 30 specifications. Taking all of the above into account, I consider that there is a likelihood of confusion in that when the suit mark is used in relation to the subject goods, the average consumer would be confused into thinking that those goods offered under the suit mark and the opponent’s goods offered under the opponent’s earlier mark come from the same or economically-linked undertakings.

55. The ground of opposition under section 12(3) of the Ordinance is therefore made out.

Section 13(1)(a) : honest concurrent use

56. Under section 13 of the Ordinance, a mark would not be prevented from registration under section 12 if there has been an honest concurrent use of the suit mark and the earlier trade mark. In the Counter Statement, the applicant also claims that the applicant is entitled to register by reason of honest concurrent use if a likelihood of confusion exists.

57. Section 13(1)(a) of the Ordinance provides :

“(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
.....”

58. On the authority of *Re CSS Jewellery Co. Ltd.* [2010]2 HKLRD 890 at 901, section 13(1)(a) of the Ordinance requires a two-stage determination. The relevant passage is reproduced below :-

“35. In other words, on final analysis, s.13(1)(a) entails a two-stage determination :

(a) Whether there has been an honest concurrent use of the Subject Mark and the earlier trade mark;

(b) If the answer is in the affirmative, whether after considering all relevant circumstances, including public interest, the Registrar’s discretion should be exercised to accept the application for registration of the mark, despite the fact that the use of the mark in relation to the goods or services in question “is likely to cause confusion on the part of the public” (s.12(3)(c)). (Such acceptance of the application for registration is, of course, subject to any opposition proceedings : see ss. 42-47 of the Ordinance.)

36. In relation to stage (a), it is important to note that it is essentially a factual question. The focus of the inquiry is on three matters, namely, use, *concurrent* use, and *honesty* of the concurrent use. Moreover, the use must be of the Subject Mark *as a trade mark*. Thus, for instance, if the use of the Subject Mark is not as a trade mark, but simply as an element in a composite mark comprising other distinctive elements as well, the use of the Subject Mark will not be considered as a relevant use under s.13(1)(a). ...”

59. The focus of inquiry under the first stage is on three matters, namely, use, concurrent use, and honesty of the concurrent use. I have to look at the evidence of use filed by the applicant.

60. In paragraph 21 above, I have referred to the applicant's assertion that the suit mark has been used on “消糖止渴茶” product for sale and marketing in Hong Kong since March 2006.

61. From the exhibits to Wu's statutory declaration, it is not clear since when the suit mark has been used as a trade mark by the applicant. Mr. Wu produces an undated final artwork design of the packaging box rendered by a consultant (exhibit “VW-5”). The design should be produced following work done by the consultant as evidenced by an invoice of 12 November 2005. I observe that this design differs from the suit mark in some respects, such as the different name of the product in English (namely “TQ Tea Thirst Quenching Tea”), the absence of guava in the background, the different wording in Chinese printed in small size (instead of wording referring to the ingredients). Nonetheless, the design displays the expression “消糖止渴茶” prominently in the centre and the layout of the characters adopts the format described in paragraphs 37 and 38 above.

62. Furthermore, I notice from the extracts of local newspapers at exhibit “VW-7”¹² that the design of the front panel of the packaging of the applicant's guava tea products shown on the newspapers contain the expression “消糖止渴茶” and other elements of the suit mark. This is also the case in the promotional leaflet bearing a publication date of December 2006 (exhibit “VW-8”).

63. In my view, an assessment of the use of the suit mark must take into consideration the length of time the mark has been used in Hong Kong. The Registrar looks for a reasonable period of use, usually about five years prior to the application date (*Kerly's Law of Trade Marks and Trade Names*, 14th Edition, paragraph 9-160). Moreover, I have to consider the volume of goods sold in relation to the extent of the market in Hong Kong.

64. According to Wu's statutory declaration, up to 17 January 2007, the turnover from the sale of the applicant's guava tea products amounts to about HK\$305,000. The applicant however has not filed any invoices or evidence to substantiate such sales.

65. Even taking the applicant's case to its highest disregarding the lack of any invoices or other evidence to prove sales, given the fact that the applicant has

¹² The extracts bear (or claimed to bear) dates earlier than the relevant date. The earliest extract is dated 17 November 2006.

only used the suit mark for less than a year before the relevant date, I am not satisfied that the length of time the suit mark has been used in Hong Kong before the relevant date is sufficient to substantiate use for the purpose of considering honest concurrent use under section 13 of the Ordinance. In view of this finding on use of the suit mark by the applicant, it is not necessary for me to consider the other two aspects of concurrent use and honesty of the concurrent use in the first stage inquiry. It follows that the applicant's reliance on the ground of honest concurrent use for registration fails.

66. As I have found the suit mark to be objectionable under section 12(3), and the applicant has not made out a case for registration under section 13, I have no discretion to accept the subject application.

Other grounds of opposition

67. As I have found in favour of the opponent on the ground under section 12(3) of the Ordinance, it is not necessary for me to consider the other grounds based on sections 11(4)(b), 11(5)(b) and 12(4) of the Ordinance.

Costs

68. As the opposition has succeeded, I award the opponent costs. Subject to any representations as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4A) as applied to trade mark matters, unless otherwise agreed between the parties.

(Miss Joyce Poon)
for Registrar of Trade Marks
17 September 2012