

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION NO. : 301840798
MARK : 大福珠寶金行
APPLICANT : Tai Fook Jewellery Group Limited
CLASS : 14

STATEMENT OF REASONS FOR DECISION

BACKGROUND

1. On 23 February 2011, Tai Fook Jewellery Group Limited (the “Applicant”) filed an application for registration of the mark shown below (the “Subject Mark”) under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”).

大福珠寶金行

2. The Subject Mark is sought to be registered in respect of “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments” in Class 14 (the “Applied-for Goods”).
3. At the examination stage, an objection was raised against this application under section 12(3) of the Ordinance on the basis that the Subject Mark is considered similar to the following earlier registered trade marks and that the Applied-for Goods are considered similar to the goods/services of the earlier trade marks. Details of the earlier trade marks are as follows:

Cited Mark A



Trade Mark : 
Registration Number. : 199304368
Class : 40
Specification : coating of metal articles and jewellery, electro-plating, chromium plating, galvanizing, gold leafing, gold plating, plating of metal; enamelling, engraving and etching of jewellery, horological and chronometric

instruments, and metal articles; key cutting services; metal polishing; advisory services relating to all the aforesaid services; all included in Class 40.

Date of Registration : 2 March 1992

Cited Mark B



Trade Mark :
Trade mark no. : 199401326 (trade mark no. after merger on 7 February 2013 is 199401326AA)
Class : 16
Specification : paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs, stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.

Date of Registration : 10 February 1992

Cited Mark C



Trade Mark :
Trade mark no. : 199402864 (trade mark no. after merger on 28 February 2013 is 199402864AA)
Class : 37
Specification : repair services relating to jewellery, precious stones, horological and chronometric instruments; advisory services relating to the foregoing; clock and watch mending services; jewellery.

Date of Registration : 2 March 1992

Cited Mark D



Trade Mark :
Trade mark no. : 199402865 (trade mark no. after merger on 28 February 2013 is 199402864AA)
Class : 42¹

¹ The services were classified in accordance with an earlier version of the International Classification of Goods and Services under the Nice Agreement which was in force at the time of registration. According to the current version, the services come under Class 35.

Specification : retail services for jewellery, precious stones, horological and chronometric instruments and articles coated with or made of precious metals and their alloys; information and advisory services relating to all the aforesaid services; all included in Class 42.
Date of Registration : 2 March 1992

Cited Mark E



Trade Mark :
Trade mark no. : 199408202 (trade mark no. after merger on 7 February 2013 is 199401326AA)
Class : 14
Specification : precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
Date of Registration : 10 February 1992

These earlier trade marks are owned by Chow Tai Fook Jewellery Co., Ltd..

4. Despite submissions made on behalf of the Applicant, the objection was maintained by the Registrar. The Applicant requested a hearing on the registrability of the Subject Mark. The hearing took place before me on 21 February 2013, at which Mr. Benjamin Choi of Mayor Brown JSM appeared on behalf of the Applicant. I reserved my decision at the end of the hearing.
5. In support of the subject application, the Applicant had filed the following statutory declarations:
 - (a) Statutory Declaration of Tong Ping Yu dated 18 June 2012 (the “First Declaration”); and
 - (b) Second Statutory Declaration of Tong Ping Yu dated 19 February 2013 (the “Second Declaration”)

(collectively, the “Statutory Declarations”) with a view to showing that there has been an honest concurrent use of the Subject Mark and the Cited Marks for the purpose of section 13(1) of the Ordinance.

DECISION

6. Having carefully considered the relevant facts of this application, I am of the view that the objection raised under section 12(3) of the Ordinance on the basis that the Subject Mark is considered similar to Cited Mark B can be waived. The objection under section 12(3) of the Ordinance based on Cited Mark A, Cited Mark C, Cited Mark D and Cited Mark E (collectively referred to as the “Cited Marks”) is however maintained. The reasons for refusing registration of the Subject Mark are set out below.

Section 12(3) of the Ordinance

7. The relative grounds for refusal of an application for registration are contained in section 12 of the Ordinance. The relevant provision under section 12 reads as follows:-

“(3) 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.”

8. An “earlier trade mark”, as referred to in section 12(3) of the Ordinance, is defined in section 5 of the Ordinance. The relevant part under section 5 reads as follows:-

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

- (a) a registered trade mark which has a date of the 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;”

9. When determining whether the use of a trade mark is likely to cause confusion on the part of the public, section 7(1) of the Ordinance expressly provides that 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.

10. In interpreting Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1988 issued by the Council of the European Communities (the “Council Directive”), which is broadly similar to section 12(3) of the Ordinance, the European Court of Justice (“ECJ”) laid down the basic principles for the assessment of the likelihood of confusion between two trade marks in the cases of *Sabel v Puma* [1998] R.P.C. 199, *Lloyd Schuhfabrik Meyer* [1999] E.T.M.R. 690 and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1. The basic principles were adopted in *Guccio Gucci SpA v Gucci* [2009] 5 HKLRD 28 and are listed below :
- (a) The likelihood of confusion must be appreciated globally, taking into account all 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, one must determine the degree of visual, aural and conceptual similarities between them and, where appropriate, evaluate the importance to be attached to those different elements taking into consideration the category of goods in issue and the circumstances in which they are marketed;
 - (d) The visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions given by them, bearing in mind their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods in question plays a decisive role in the global assessment 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 trade mark has a highly distinctive character;
 - (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. In addition, the average consumer’s level of attention is likely to vary according to the category of goods in question;
 - (h) A lesser degree of similarity between the goods or services in question may be offset by a greater similarity between the trade marks, and vice versa;

- (i) Mere association, in the sense that the later trade mark brings to mind the earlier trade mark, is insufficient to conclude that there is a likelihood of confusion;
 - (j) However, the risk that the public might believe that the goods in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitute a likelihood of confusion within the meaning of the section.
11. In accordance with the above principles, I need to consider whether the Subject Mark is similar to the Cited Marks which will result in a likelihood of confusion to the relevant consumers if the Subject Mark is used in relation to the Applied-for Goods.

Comparison of trade marks

12. Applying the principles set out in Paragraph 10 above, in comparing the marks concerned, I should consider the visual, aural and conceptual similarities of the marks, with reference to the perception of an average consumer of the relevant goods, who normally views a mark by the overall impression and not by analysing its various details.
13. The Applied-for Goods cover articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments. These items could be inexpensive items that do not necessarily require an exceptionally high level of attentiveness during purchase, or they could be luxury items, the selection of which would involve a certain amount of thought. The relevant consumers of such goods include wholesalers, retailers and other traders who are engaged in the sale and distribution of articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments, as well as members of the general public. All of these consumers are deemed to be reasonably well informed and reasonably observant and circumspect. Nonetheless, people in the trade are expected to be more knowledgeable and observant than the general public.
14. In comparing the marks, I have to take into consideration the Subject Mark and the Cited Marks in normal and fair use in relation to the relevant goods and services, and the overall impression each of them would give to the relevant consumers of the goods in question, namely people in the trade and members of the general public.
15. I am also minded that when assessing the similarity between the marks, I must examine each mark in question as a whole, instead of taking just one component of a composite trade mark and comparing it with another mark.

16. The Subject Mark is a pure word mark composed of the Chinese words “大福珠寶金行” in a simple calligraphy font. I find that there is nothing exceptional about the font type used in the Subject Mark. The words “大福珠寶金行” are easily legible. When the Subject Mark is used in relation to the Applied-for Goods, the words “珠寶金行” will be perceived as referring to the place at which the Applied-for Goods are available for sale, and are indistinctive. In light of this, the dominant element in the Subject Mark is the term “大福”.
17. Each of the Cited Marks is a composite mark consisting of a device in the shape of a 16-pointed star with the Chinese term “大福” presented vertically inside a circle at the centre of the star device.
18. When determining the dominant and distinctive element in a composite mark, the size of various elements of the mark cannot alone be regarded as decisive. I further note the well established rule that words speak louder than devices (*Oasis Stores Ltd's Trade Mark Application* [1998] RPC 631 at 644). In this case, despite its size and proportion in the Cited Marks, the device element within the Cited Marks is not an uncommon shape and only functions as a decorative border or background in the Cited Marks. It does not convey any particular conceptual content. By placing the term “大福” at the centre of the Cited Marks, the prominence of the term “大福” within the Cited Marks is accentuated, and the attention of the average consumer will be drawn to those words. In my view, the term “大福” is likely to leave a lasting impression in the mind of the average consumer. It is, accordingly, the dominant and distinctive element in the Cited Marks.
19. Visually, the Subject Mark and the Cited Marks share the same dominant and distinctive element, namely the term “大福”. I have not overlooked the font type of the Subject Mark, the words “珠寶金行” in the Subject Mark and the device in the Cited Marks. However, for the reasons stated in the above, such differences do not have much effect on the overall impressions of the marks. When I compare the Subject Mark and the Cited Marks visually as a whole, I find them to be considerably similar.
20. Turning to aural comparison, both the Subject Mark and the Cited Marks share the same term “大福”, and to that extent, the marks are aurally identical. Although the term “大福” in the Subject Mark is followed by the words “珠寶金行” rendering the Subject Mark aurally longer than the Cited Marks, since the words “珠寶金行” are indistinctive, the attention of the relevant consumers will still be focused on the term “大福”. In light of this, I find that there is a moderate degree of aural similarity between the marks.

21. Conceptual comparison depends very much on how the average consumer perceives the marks. The term “大福” included in both the Subject Mark and the Cited Marks carries the meaning of blessings, good luck and great prosperity. I also bear in mind the presence of the words “珠寶金行” in the Subject Mark which will be understood by the relevant consumer as referring to a shop that sells jewellery and gold items. Nonetheless, given that the term “大福” is the dominant and distinctive element in the Subject Mark, it is likely to leave a stronger impression in the mind of the average consumer. Conceptually speaking, I am of the view that the Subject Mark is similar to the Cited Marks.
22. Having regard to the visual, aural and conceptual similarities and differences between the Subject Mark and the Cited Mark, I find that the overall impression given by the Subject Mark is similar to that given by the Cited Marks.

Comparison of goods and services

23. In assessing the similarity of the goods concerned, I am guided by the following factors set out by Jacob J (as he then was) in *British Sugar v James Robertson and Sons Ltd* [1996] R.P.C. 281 (at pages 296-7):
 - (a) The respective uses of the respective goods or services;
 - (b) The respective users of the respective goods or services;
 - (c) The physical nature of the goods or acts of services;
 - (d) The respective trade channels through which the goods or services reach the market;
 - (e) In the case of self-service 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
 - (f) 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.
24. It was also held in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*, supra (at paragraph 23) that when comparing the similarity of the goods in question, all the relevant factors relating to the goods, including but not limited to their nature, their end users, their method of use and whether they are in competition with each other or are complementary, should be taken into account.
25. I further note that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in

such a way that customers may think that the responsibility for those goods lies with the same undertaking (*Boston Scientific Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*) (OHIM) Case T-325/06 at paragraph 82).

26. The Cited Marks are registered in respect of various goods and services in Classes 14, 37, 40 and 42.
27. Services covered by Cited Mark A include, *inter alia*, “coating of metal articles and jewellery, electro-plating, chromium plating, galvanizing, gold leafing, gold plating, plating of metal; enamelling, engraving and etching of jewellery, horological and chronometric instruments, and metal articles; metal polishing” etc. in Class 40. These services are complementary to the supply of the Applied-for Goods and their trade channels are largely the same. Retail outlets that sell articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments often provide, amongst others, custom made services and engraving services to their customers. Target consumers of these services also overlap with those of the Applied-for Goods. They are therefore similar to the Applied-for Goods.
28. Likewise, I find the services protected by Cited Mark C, which primarily include “repair services relating to jewellery, precious stones, horological and chronometric instruments” in Class 37 to be complementary to the supply of the Applied-for Goods. Members of the general public, who wish to purchase articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments, would have a need for maintenance and repair services relating to those products. Services covered by Cited Mark C and the Applied-for Goods also share similar trade channels as sellers of articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments often provide maintenance and repair services for such products. Such services covered by the registration of Cited Mark C are therefore similar to the Applied-for Goods.
29. Cited Mark D mainly covers “retail services for jewellery, precious stones, horological and chronometric instruments and articles coated with or made of precious metals and their alloys” etc. in Class 42. I also find these services to be complementary to the supply of the Applied-for Goods and they are generally offered in the same places where the Applied-for Goods are offered for sale and their target consumers are the same. Accordingly, these services are similar to the Applied-for Goods.
30. The specification of goods in Class 14 covered by Cited Mark E, namely “precious metals and their alloys and goods in precious metals or coated therewith, not included

in other classes; jewellery, precious stones; horological and chronometric instruments”, is identical to the Applied-for Goods.

31. Applying the principles laid down in Paragraphs 23 to 25 above, I conclude that the Applied-for Goods are identical and/or similar to the goods and services of the Cited Marks.

Likelihood of confusion

32. Having compared the similarities of the Subject Mark and the Cited Marks and considered the similarities between the respective goods and services, I now move on to examine whether there is a likelihood of confusion between the marks. Under section 12(3) of the Ordinance, a likelihood of confusion refers to confusion on the part of the public as to the trade origin of the goods in question. It is a matter of global appreciation and all relevant factors should be taken into account. The perception of the marks in the mind of an average consumer, who seldom has the opportunity to compare trade marks directly but relies upon his imperfect recollection of the marks, plays a decisive role in the global appreciation of the likelihood of confusion.
33. As mentioned in Paragraph 13 above, the relevant consumers of the Applied-for Goods include wholesalers, retailers and other traders who are engaged in the sale and distribution of articles coated with or made of precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments, as well as members of the general public. Whether they are people in the trade or members of the general public, all these customers are deemed to be reasonably well informed and reasonably observant and circumspect. Nonetheless, people in the trade are expected to be more knowledgeable and observant than the general public.
34. Noting the visual, aural and conceptual similarities and dissimilarities between the Subject Mark and the Cited Marks, and the similarities between the Applied-for Goods and the goods and services protected by Cited Mark A, Cited Mark C and Cited Mark D, bearing in mind the principles laid down in Paragraph 10 above and taking all relevant factors into account, I consider that when the Subject Mark is used in relation to the Applied-for Goods, with only his imperfect recollection to rely on, the average consumer, be him a member of the trade or a member of the general public, would be confused into believing that the respective goods and services provided under the Subject Mark and Cited Mark A, Cited Mark C and Cited Mark D originated from the same trade origin or economically linked undertakings. Cited Mark A, Cited Mark C and Cited Mark D, each of which consists of a 16-pointed star device, might simply be regarded by the average consumer as logos from the same family of trade marks as that of the Subject Mark. There is a real likelihood of

confusion of the origin of the Applied-for Goods if the Subject Mark is allowed to co-exist with Cited Mark A, Cited Mark C and Cited Mark D on the register of trade marks.

35. Regarding Cited Mark E, given that it covers goods that are identical to the Applied-for Goods, and in view of the visual, aural and conceptual similarities and dissimilarities between the marks, I am of the view that there is a high likelihood of confusion if the Subject Mark is allowed to co-exist with Cited Mark E on the register of trade marks.

Section 13(1) of the Ordinance

36. I now proceed to consider whether the Subject Mark can nonetheless be accepted for registration by virtue of honest concurrent use under section 13 of the Ordinance. The relevant provision under section 13 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.”

Section 13(1)(a) of the Ordinance

37. As stated in *Re CSS Jewellery Co. Ltd.* [2010] 2 HKLRD 890 at Paragraph 35, the assessment of honest concurrent use under section 13(1)(a) of the Ordinance involves the following two-stage determination:

- (1) whether there has been an honest concurrent use of the subject mark and the earlier trade mark;
- (2) 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.

38. The Applicant’s evidence for honest concurrent use comprises the Statutory Declarations. The First Declaration includes 12 exhibits, numbered “Exhibit TPY-1”

to “Exhibit TPY-12” while the Second Declaration contains 3 exhibits, numbered “Exhibit TPY-01” to “Exhibit TPY-03”. I am required to determine whether there has been an honest concurrent use of the Subject Mark at the date of filing of this application, i.e. 23 February 2011.

39. Before I continue on to examine the Statutory Declarations and exhibits in detail, I wish to point out that some of the exhibits submitted are undated² and are of little, if any, assistance to this application.
40. I also wish to point out that the content of each letter of endorsement in Chinese signed by the Applicant’s customers submitted under “Exhibit TPY-03” is identical. This suggests that the letters were not drafted by the customers themselves but were, instead, simply prepared for their signatures. The reliability of these letters is therefore significantly lowered. It is further noted that the identities of some of the signatories are unclear. For example, one of the signatories was referred to as “盧姑娘” whilst another was referred to as “吳太” in the letters.³ In addition, these letters were not submitted by the signatories in the form of statutory declarations. Accordingly, these letters are of little help to this application.

Stage 1

41. To pass the first stage stated in *Re CSS Jewellery Co. Ltd.*, the Applicant needs to establish three matters, namely, (a) there had been use of the Subject Mark in respect of the Applied-for Goods in Hong Kong; (b) such use had been made concurrently with the Cited Marks; and (c) such concurrent use had been honestly made.
42. According to the First Declaration, the Applicant’s predecessor, Tai Fook Jewellery, commenced business in Hong Kong in 1973 and engaged in manufacturing and sale of jewellery. It operated a wholesale business under the trade name Tai Fook Jewellery (大福珠寶金行) between 1973 and 1978. The first retail shop was opened in 1978 in the New Territories, engaging in both retail and wholesale of jewellery products. On 3 September 1996, the Applicant was incorporated and took over the entire business of Tai Fook Jewellery.
43. Contrary to the claim in Paragraphs 4, 6 and 7 of the First Declaration, that the trade name “大福珠寶金行” was created in 1978 and that it has since been used continuously as a trade mark in the course of business until now, Mr. Choi stated at the hearing that the phrase “大福珠寶金行” was in fact first created and adopted by the Applicant’s predecessor in 1973, both as a trade name and as a trade

² “Exhibit TPY-7”, pages 2 to 5 of “Exhibit TPY-10”, “Exhibit TPY-11” are undated

³ Pages 18 and 20 of “Exhibit TPY-03”.

mark. However, the copies of business registration certificates submitted under “Exhibit TPY-1” and “Exhibit TPY-5” as well as the copy of certificate of incorporation submitted under “Exhibit TPY-4” can only be regarded as evidence showing the incorporation and registration of a business under a name that is identical to the Subject Mark. They cannot illustrate use of the Subject Mark as a trade mark in respect of the Applied-for Goods. Nothing in the Statutory Declarations can substantiate the claim of the date of first use of the Subject Mark as a trade mark in relation to the Applied-for Goods, be it 1973 or 1978.

44. Copy of a sales invoice dated 1983⁴ submitted under “Exhibit TPY-2” depicts the Subject Mark, suggesting that the Subject Mark has been in use as early as 1983, which is before the date of application and the respective dates of registration of the Cited Marks. Since this invoice predates the registration of the Cited Marks, I do not have any ground to doubt the honesty of the Applicant in carrying on business under a name which is identical to the Subject Mark.
45. Photographs submitted under “Exhibit TPY-11” show use of the term “大福珠寶” by a company named Tai Fook (China) Holdings Limited. Since there is no explanation as to why use of the term “大福珠寶” by this company should be regarded as use of the Subject Mark by the Applicant, I am unsure whether it would be safe to regard all materials produced as relevant in showing use of the Subject Mark by the Applicant.
46. Despite claiming use of the Subject Mark on a range of products, I note from a copy sales invoice dated 26 November 1990 concerning the sale of a watch⁵ submitted under “Exhibit TPY-2” that the watch was sold under another brand name. When questioned about this at the hearing, Mr. Choi admitted that the Applicant only manufactured articles coated with or made of precious metals and their alloys, jewellery and precious stones. Horological and chronometric instruments sold by the Applicant were manufactured by other brands and do not bear the Subject Mark. Therefore, as far as “horological and chronometric instruments” are concerned, the answer to stage 1 of the two-stage assessment must be in the negative and the Applicant’s claim for honest concurrent use in relation to these goods must fail.
47. Regarding goods other than “horological and chronometric instruments”, namely “precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones” (the “Remaining Goods”), Mr. Choi submitted that it is normally difficult to depict the full trade mark “大福珠寶金行” on such products due to their size. Nonetheless, packaging of the Applied-for Goods, such as the photograph of a packaging box submitted under “Exhibit TPY-02”, shows the Subject Mark. Although Mr. Choi presented the actual

⁴ Invoice No. 9682 submitted under “Exhibit TPY-2”.

⁵ Invoice No. 128695 submitted under “Exhibit TPY-2”.

packaging box shown in the photograph submitted under “Exhibit TPY-02” at the hearing, I cannot ascertain what the packaging box is used for by merely looking at it. Having said that, however, the copy invoices submitted under “Exhibit TPY-2” and “Exhibit TPY-6” show use of the Subject Mark on the Remaining Goods in Hong Kong. Therefore, I will now proceed to stage 2 of the assessment in relation to the Remaining Goods.

Stage 2

48. The main discretionary considerations in deciding whether registration should be allowed on honest concurrent use are set out in *Pirie* (1933) 50 RPC 147 and referred to in *Re CSS Jewellery Co. Ltd.* at Paragraph 39. They are:

- (1) the extent of use in time and quantity and the area of the trade;
- (2) the degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
- (3) the honesty of the concurrent use;
- (4) whether any incidents of confusion have in fact been proved;
- (5) the relative inconvenience which would be caused if the mark were registered.

49. I will continue to discuss the above considerations in turn, bearing in mind that the above considerations are not exhaustive and that all relevant circumstances ought to be considered (*Re CSS jewellery Co. Ltd.* at Paragraph 40).

The extent of use in time and quantity and the area of the trade

50. The extent of use of the Subject Mark in Hong Kong can be assessed by reference to sales and advertising figures of the Remaining Goods.

51. The Applicant has provided in Paragraph 9 of the First Declaration the annual revenue of the Applicant’s products sold under the Subject Mark from 2006 to 2010. The average annual revenue amounted to more than HK\$77,360,000. Nonetheless, it is likely that the sales figures would include both sale of watches under third parties’ brands as well as sale of the Remaining Goods under the Subject Mark. Since the sales figures were not broken down to show the proportion attributable to each item of goods claimed and in light of Mr. Choi’s statement mentioned in Paragraph 46 above that horological and chronometric instruments sold by the Applicant do not bear the Subject Mark, it is impossible for me to assess the amount of sale of each item of the Remaining Goods under the Subject Mark in Hong Kong.

52. Turning to the advertising and promotion of the Remaining Goods under the Subject Mark, the Applicant has provided in Paragraph 4 of the Second Declaration the annual expenditure spent on advertisements and promotional activities from 2006 to 2010. According to the figures, the average annual expenditure spent by the Applicant on advertising and promoting the Applied-for Goods under the Subject Mark amounted to over HK\$556,000. Again, these figures were not broken down to show the proportion attributable to each item of goods claimed. Without such breakdown, I cannot determine the amount of effort spent by the Applicant in advertising and promoting each item of the Remaining Goods under the Subject Mark in Hong Kong.
53. On the totality of the evidence before me, while I am prepared to accept that the Applicant has carried on business under a name which is identical to the Subject Mark before the date of application, and that the Applicant has used the Subject Mark on the Remaining Goods, I am not convinced that the Applicant has demonstrated substantial and extensive use of the Subject Mark in respect of the Remaining Goods as at the date of application.

The degree of confusion likely to ensue from the resemblance of the marks

54. The degree of confusion is to a large extent indicative of the measure of public inconvenience (*Re Borsalini Trade Mark* [1993] 1 HKC 587). If public inconvenience is unlikely, there would be no good reason to refuse the application for registration of Subject Mark.
55. I have already discussed the degree of confusion which is likely to ensue in Paragraphs 32 to 35 above. In my view, the likelihood of confusion with the Cited Marks and the measure of public inconvenience are high.

Honesty of the concurrent use

56. As discussed in Paragraph 44 above, I have no reason to doubt the honesty of the Applicant in carrying on business under a name which is identical to the Subject Mark.

Instances of confusion

57. There is no evidence to show any instances of confusion.

Balance of inconvenience

58. A decision to refuse registration of the Subject Mark will, to a certain extent, cause inconvenience to the Applicant as the evidence does show that the Applicant has

carried on business under a name which is identical to the Subject Mark before the date of application. However, the Applicant has not established substantial and extensive use of the Subject Mark as a trade mark in respect of the Remaining Goods. On the other hand, there is no doubt that the owner of the Cited Marks will be inconvenienced if another party is allowed to register a similar mark in respect of the Remaining Goods which are identical and/or similar to the goods and services of the Cited Marks as confusion in the market will arise.

59. Given the similarities of the Subject Mark and the Cited Marks, the identity between the Remaining Goods and the goods covered by Cited Mark E, and the similarities between the Remaining Goods and the goods and services protected by Cited Mark A, Cited Mark C and Cited Mark D, I am of the view that the relative inconvenience which would be caused to the owner of the Cited Marks to be higher should the Subject Mark be allowed to proceed to registration.

Weighing of all factors

60. Having considered the totality of the evidence and all relevant circumstances, in particular the fact that the Applicant has failed to demonstrate substantial and extensive use of the Subject Mark in respect of the Remaining Goods as at the date of application, I do not consider it appropriate to exercise my discretion to allow registration of the Subject Mark in respect of the Remaining Goods on honest concurrent use under section 13(1)(a) of the Ordinance.

Section 13(1)(b) of the Ordinance

61. Pursuant to section 13(1)(b) of the Ordinance, registration of a trade mark should not be prevented under section 12 of the Ordinance if, by reason of other special circumstances, it is proper for the trade mark to be registered.
62. On the evidence before me, I do not see any special circumstances which would warrant registration of the Subject Mark in respect of the Applied-for Goods. Accordingly, I do not allow the Subject Mark to be registered in respect of the Applied-for Goods in accordance with section 13(1)(b) of the Ordinance.

CONCLUSION

63. I have carefully considered all the documents filed by the Applicant together with all the oral and written submissions made in respect of the subject application. For the reasons given, I find that the Subject Mark in respect of the Applied-for Goods is

precluded from registration under section 12(3) of the Ordinance. The subject application is accordingly refused under section 42(4)(b) of the Ordinance in respect of the Applied-for Goods.

Janette SHAM
for Registrar of Trade Marks
20 August 2013