

APAA TRADE MARKS COMMITTEE

HONG KONG REPORT 2009

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LEGISLATION

There was no legislative change or proposed legislative change affecting trade marks.

TRADE MARKS REGISTRY PRACTICE AND MEASURES

Online Search – Coding of Special Characters

With effect on 13 December 2008, separate device codes have been used in the online search system maintained by the Trade Marks Registry for trademarks which consist of Chinese characters, Korean characters and Japanese characters (excluding Kanji characters).

Sound Marks

Under the Trade Marks Ordinance of Hong Kong, a “trade mark” is defined as “any sign which is capable of distinguishing the goods and services of one undertaking from those of other undertakings and which is capable of being represented graphically”.

Previously, the Registrar indicated that, to apply for registration of a sound as a trade mark, the representation of the mark submitted by the applicant as a specimen must be such that it is certain, easily viewable and that it can be determined from the graphical representation precisely what the sign is without the need for supporting samples. Therefore audio recordings are not

accepted as part of the application as the examination of the mark is on the basis of the graphical representation of that mark.

Without changing the position that the graphical representation of a sound mark is the sole basis on which registrability of the mark will be assessed, the Registrar now welcomes and encourages the submission of a sound recording of the mark applied for if the applicant considers it will assist in the examination of the application. However, if submitted, the sound recording will only be used by the Registry for reference purpose only, and will not be treated as or form part of the graphical representation of the sound mark.

Since any sound recording submitted does not form part of the representation of the mark or the application, there can be no amendment of the sound mark or its graphical representation on the basis of discrepancy between the sound recording and the graphical representation of the sound mark. For the same reason, the sound recording does not form part of the trade mark records for search and inspection purposes.

Application in Bad Faith

Before amendment of the Work Manual, it was the practice of the Trade Marks Registry to conduct Internet searches to gauge whether a trade mark is distinctive for registration. If the search indicates that the applicant is attempting to register a trade mark that is someone else's, a bad faith query may be raised and written consent from the owner of the mark may be required even though the conflicting mark is not a registered mark in Hong Kong.

A revision to the Work Manual was made, and the Registrar commented that although objections based on bad faith are more likely to be raised by an affected party in opposition or revocation proceedings than during the stage of examination of a trade mark application, it is appropriate for examiners to raise a question on their own initiative if the application has information or omissions that raise questions about the applicant's honest intent. The

Registrar gave as example the following situations where it would be appropriate for the examiner to ask the applicant to provide materials to show that he is entitled to apply for registration, such as written endorsement of the owner of the trade mark in question:-

- The mark is generally known to be the trade mark of a particular company, entity or individual, and the applicant has not submitted information to show a relationship between the applicant and the generally known owner of the trade mark;
- The applicant has simultaneously filed a number of applications for registration of different trade marks, one or more of which is generally known to be the trade mark of a particular company, entity or individual, and there is no information in the applications showing the relationship between the applicant and the generally known owner(s) of the trade mark; or
- The mark incorporates the name or image of a well-known person without his or her agreement.

Variation and Rectification of Registration

Rectification is the power of the Registrar to rectify an error or omission in the register. If the rectification is allowed, except where the Registrar or the court otherwise directs, the error or omission is treated as never to having been made. For most types of rectification, the application has to be supported by the filing of evidence and the rectification application will be published in the Hong Kong Intellectual Property Journal for interested parties to raise objection prior to the rectification being effected.

The Registrar has clarified that for correction of obvious errors or omissions in the register committed by the registered owner or its agent, the request for correction can be made by a written request with reason being given. The request can be allowed without the need for supporting evidence or publication in the Hong Kong Intellectual Property Journal. An error or

omission is obvious if nothing else would have been intended than what is offered as the correction. For example, a typographical error in the word “Limtied” (for “Limited”) in the name of the registered owner will be treated as a correction of obvious error.

Correction of Errors or Omissions by the Registrar

Under Section 57(6) of the Trade Marks Ordinance, the Registrar may on his own initiative correct any error or omission in the register which is attributable to an error or omission on his or his staff’s part, subject to giving notice of the proposed correction to any person who appears to him to be concerned.

The Registrar published a clarification that Section 57(6) is not limited to errors or omissions uncovered by the Registrar himself. Hence a person having a sufficient interest may draw to the Registrar’s attention an error or omission in the register which is attributable to the Registrar or his staff, and request that the Registrar makes the correction. There is no prescribed form for making such a request, but the request should be made in writing and contain sufficient detail for easy identification of the error and the correction to be made.

Restoration of a Lapsed Registration

In Hong Kong, a trade mark registration can be renewed during the 6-month period before expiry of the term of registration. Late renewal within 6 months after expiry is possible. If the registration is not renewed within the period allowed for late renewal, it will be removed from the Register of Trade Marks, but the registration can be restored to the Register, provided that the application for restoration is filed within 6 months of its removal, if the Registrar considers it just to do so.

In considering whether it is just to restore a lapsed registration, the Registrar will take into account all the circumstances relating to the failure to renew. In

previous guidelines published by the Registrar in the Trade Marks Registry Work Manual, examples of what is just and not just to restore a registration were given -- the Registrar commented that in general it would be just to restore the registration where the owner had in place a proper system for renewing the registration and an application to restore was filed as soon as practicable after the omission became apparent, but it would be unjust to restore the registration if the Registrar was satisfied that the mark had not been used in Hong Kong for at least 2 years before the expiry. In a recent revision of the relevant chapter of the Work Manual, the above-mentioned example of what was considered unjust to restore a registration is removed, indicating that the failure to use the mark in Hong Kong for 2 years before the registration expired is not of itself a ground to hold that it will be unjust to restore the said registration.

Consent and Honest Concurrent Use

The wording used for endorsements in relation to consent and honest concurrent use has been updated. When registering applications based on consent or co-existence agreement, the Registrar will add the endorsement on the register "By consent, registration/application no. [#]". When registering applications based on honest concurrent use, the endorsement "Honest concurrent use with registration/ application no. [#]" will be placed on the register.

Evidence and Language

Guidelines have been revised to provide information on how to verify a translation by the translator.

REGISTRY/COURT DECISIONS

Case 1

Mark: CATHERINE ZETA-JONES , **Application No.:** 30020134AB

Registry Decision: 24 June 2009

Cariad Properties Limited (“the Applicant”) filed an application for the registration of CATHERINE ZETA-JONES (“the subject mark”) in Class 41. Objections were raised against the subject application under section 11(1)(b) and (c) on the ground that the subject mark consisted exclusively of a sign which designated the characteristics of the services applied for and that it was devoid of any distinctive character.

Section 11(1)(c) - Descriptiveness

The Registrar found that even though the applied-for services might have nothing to do with Catherine Zeta-Jones, the subject mark was still not registrable because the subject mark suggested that the services related to the actress herself.

Section 11(1)(b) – Distinctiveness

The question to consider was whether the mark would be perceived as a badge of trade origin. The subject mark was the use of the name of an individual who was famous in the entertainment industry. Therefore, naturally, consumers of entertainment services would expect a performance by the actress when they saw her name being applied to the provision of such services and not regard the subject mark to be an identifier of commercial origin of these services.

For the reasons given, the Registrar concluded that the subject mark was not registrable under section 11(1)(b) and (c).

Case 2

Mark: , Application No.: 300488908

Registry Decision: 28 November 2008

Pfizer Products Inc. (“the Applicant”) filed an application for the registration of , a three-dimensional mark in different perspectives (“the subject mark”), in Class 5. Objection was raised against the application under section 11(1)(b).

Inherent Registrability

The Applicant submitted that the subject mark was distinctive in its colour and shape. However, the Registrar opined that the relevant consumers, which included the general public and medical professionals, were likely to perceive the subject mark as a simple representation of an ordinary tablet because tablets often came in different geometric shapes and the colour blue was not an unusual colour for medicine tablets.

Acquired Distinctiveness

The crucial question to ask was whether the relevant consumers had been educated to recognize the subject mark as a badge of origin of the goods applied for.

The Applicant provided the sales figures of pharmaceutical preparations bearing the subject mark in Hong Kong from 1999 to 2004, which were quite substantial. However, the Registrar reminded herself of the principle in *Bach and Bach Flower Remedies Trade Marks*, “... use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either....” All the invoices made reference to the word mark “VIAGRA”, but not the subject mark. Hence, the invoices failed to show the use of the subject mark. The Applicant also submitted advertisements, promotional materials, press coverage, newspaper and magazine articles as evidence. The words “Pfizer”,

“Viagra” and the Chinese Characters “威而鋼” were always prominently displayed, and were much more distinctive than the subject mark. The Registrar therefore considered that the subject mark was seen by the relevant consumer simply as illustration of the appearance of the pharmaceutical products being sold.

For the reasons given, the subject mark was not inherently distinctive nor had it acquired a distinctive character as a result of the use made of it.

Case 3

Mark: NAKED, Application No.: 300765009

Registry Decision: 1 August 2008

Court of First Instance Judgment: 9 January 2009, [2009] 2 HKLRD 96

Creative Resources LLC (“the Applicant”) filed an application for the registration of NAKED (“the subject mark”) in Class 10 in respect of condoms. Objections were raised against the subject application under section 11(1)(b) and (c).

The Registrar’s Decision

The Registrar considered the subject mark “NAKED” was simply a sign that consisted exclusively of a word which might serve to describe and designate the characteristics of the goods. The Registrar’s view was reinforced by 3 Internet search hits in which the term “naked” was used by some traders as a descriptive word that users would supposedly experience upon using their condoms. Therefore, the Registrar found the subject mark to be not registrable under section 11(1)(b) and (c).

The Appeal

The Applicant appealed and submitted that the Registrar wrongly treated a user’s feeling or sensation on using a condom as equivalent to a condom’s characteristic.

Reyes J, the appeal judge, applied the guideline for assessing whether a term is descriptive or suggestive of an attribute laid down in the case *P OHIM [Office for Harmonization in the Internal Market] v. WM Wrigley Jr. Company (DOUBLEMINT)* [2004] RPC 18 and held that:-

- (a) First, the term bore no direct objective relation to a condom. On a sliding scale, ‘naked’ was more suggestive of a condom’s characteristics than descriptive of any of its specific attributes. The adjective modified the experience to be derived from the product, not the product itself;

- (b) Second, because of the paradox inherent in describing a form of covering as an absence of covering, the link between 'nakedness' and the characteristics of a condom was not immediately discernible;
- (c) Third, the characteristics of a condom that might be conveyed by the word 'naked' to any given person would be variable, elusive and incapable of full articulation.

Since the word 'naked' would not normally be taken as a generic description of any undertaking producing condoms, the subject mark was capable of bearing a distinctive character. For the reasons given above, the appeal against the Registrar's refusal was allowed.

This case is currently under appeal to the Court of Appeal which will be heard on 18 November 2009.

REGISTRY ACTIVITY

The statistics below were released by the Intellectual Property Department.

1. Statistics of trademark applications filed and published and trademark registrations (for the period between 1 October 2008 and 30 September 2009):-

	<u>2007/08</u>	<u>2008/09</u>	<u>% change</u>
No. of trademark applications filed	24,669	22,906	↓ 7.15%
No. of applications published	18,336	22,713	↑23.87%
No. of registrations	17,603	22,032	↑25.16%

2. A breakdown of the principal countries where applications were received for the period between 1 October 2008 and 30 September 2009:-

<u>Country</u>	<u>Total</u>	<u>%</u>
Hong Kong	8592	37.51%
United States of America	2642	11.53%
People's Republic of China	3893	17.00%
Japan	1864	8.14%
Germany	447	1.95%
Switzerland	578	2.52%
United Kingdom	491	2.14%
France	544	2.37%
Italy	331	1.45%
Taiwan, Province of China	457	2.00%
Australia	259	1.13%
Singapore	235	1.03%
Netherlands	188	0.82%
Netherlands Antilles	17	0.07%
Korea, Republic of	309	1.35%
British Virgin Islands	366	1.60%
Canada	92	0.40%

Sweden	106	0.46%
Cayman Islands	119	0.52%
Spain	131	0.57%
Malaysia	117	0.51%
Thailand	54	0.24%
Denmark	55	0.24%
Austria	31	0.14%
New Zealand	72	0.31%
Bermuda	12	0.05%
India	48	0.21%
Ireland	43	0.19%
Belgium	62	0.27%
Iceland	17	0.07%
United Arab Emirates	18	0.08%
Indonesia	35	0.15%
South Africa	47	0.21%
Luxembourg	41	0.18%
Mexico	23	0.10%
Israel	26	0.11%
Macau, China	31	0.14%
Finland	19	0.08%
Turkey	22	0.10%
Philippines	12	0.05%
Brazil	19	0.08%
Portugal	20	0.09%
Isle of Man	16	0.07%
Liechtenstein	16	0.07%
Vietnam	9	0.04%
Chile	19	0.08%
Norway	14	0.06%
Saudi Arabia	17	0.07%
Bahamas	10	0.04%
Mauritius	18	0.08%
Greece	11	0.05%
Barbados	9	0.04%
Czech Republic	6	0.03%
Others	276	1.20%
Total	22906	100%

Note: For statistical purposes, the data for China do not include those for Hong Kong, Macau and Taiwan.

3. Classes which have the biggest increase in applications comparing with year 2007-2008:-

In terms of absolute number of applications	Class 29
In terms of percentage	Class 33

Classes which have the biggest increase in registrations comparing with year 2007-2008:-

In terms of absolute number of registrations	Class 25
In terms of percentage	Class 29

4. On the next page is a table showing the number of trademark applications received and the number of trademarks registered during the period between August 2008 and August 2009.
5. As a matter of interest, in year 2008 the filing method for 59.48% of trademark applications was changed to electronic filing and as at 30 September 2009, 55.18% of trademark applications were filed electronically.

Trade Marks Registry
 Number of trade mark applications received and trade mark registered
 (August 2008 - August 2009)

