

Trade Mark Committee Country Report – Hong Kong

By

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Legislative Change

There was no significant legislative change or proposed legislative change affecting trade marks during the last 12 months.

Trade Marks Registry Practice

The more significant changes to the practice of the Trade Marks Registry from late 2011 to September 2012 are as follows:-

1. Hearings

The chapter in the Work Manual of the Registry (“Manual”) on “Hearings” has been amended such that the reference to Trade Marks Rule (“TMR”) 74(7) has been amended to Rule 74(6)

Prior to the amendment, the Manual had provided that

“The Registrar will, on his own initiative (Rule 74(4) and (7)) fix the date, time, and place for the hearing and send a notice of this to the parties.”

With the amendment, whilst Rule 74(7) is no longer contained in the TMR, Rule 74(6) provides that

“A notice sent to any party under rule 21, 39, 45, or 50(10) shall be treated as having been sent to that party in compliance with subrule (4), and subrule (5) shall apply accordingly.”

Impact of the revision on hearing procedures

As a result of the above revision, after the completion of the filing of evidence by the parties in the following proceedings,

- (i) oppositions to registration (Rule 21),

- (ii) revocation proceedings on grounds of non-use (Rule 39),
- (iii) revocation proceedings on grounds other than non-use (Rule 45),
- (iv) proceedings for declaration of invalidity (Rule 45 as applied by virtue of Rule 47), and
- (v) proceedings for variation and rectification (Rule 50(10)),

the Registrar will send a notice to the parties indicating the date, time, and place for the hearing (Rule 74(4)), and any party who intends to appear at the hearing must file notice of his intention on the specified form within 14 days after the date of the notice (Rule 74(5)).

2. 10th Edition of the Nice Classification

The 10th edition of the Nice Classification has been adopted in Hong Kong effective on 1 January 2012. The chapters in the Manual on “Classification” and “Cross Search List” have consequently been revised.

The new edition makes various changes to the classification of items across several classes. The main amendments are detailed below.

Game and amusement apparatus revisions

“Apparatus for games” and “amusement apparatus” are no longer classified in Class 9 and are now in Class 28, with new indications added, e.g. “video game machines”, “portable games with liquid crystal displays”, and “arcade video game machines”. Descriptions such as “adapted for use with an external display or monitor” are no longer used.

Food revisions

Certain dietary supplements, food additives, and foodstuffs have been revised. The revisions will affect Classes 1, 5, 29, 30, and 31. For example, “enzyme dietary supplements” and “gluten additives for culinary purposes” have been added to Classes 5 and 30, respectively. Further, “albumen for food” has been changed to “albumen for culinary purposes”, and “yeast for animals” has been changed to “yeast for animal consumption” under Classes 29 and 31, respectively.

Others

A number of existing indications have been added, deleted, changed, and/or transferred across the classes, while changes have also been made to various class headings, explanatory notes and general remarks.

Impact of the revision on trademark applications / registrations

The above revisions will affect the Trade Marks Registry's cross-search list of identical or similar earlier registered trademarks and applications, used in examining new applications for registration in Classes 4, 5, 6, 7, 8, 9, 10, 16, 20, 21, 23, 26, 28, 29, and 36. The only classes where cross-search is not required are now Classes 2, 13, 15, 22, and 31.

With regard to existing trademark registrations which are classified under the 9th edition of the Nice Classification, the Registrar will exercise its power under the TMR to reclassify these applications so that they will be consistent with the new edition. In practice, the Registrar will send reclassification notices to registered owners upon renewal of their trademarks. Upon receipt of the notices, the owners may make written objections within three months of the notices, otherwise the reclassified registrations will be published in the *IP Journal*, subject to oppositions being filed within three months of the date of publication.

Registry / Court Decisions

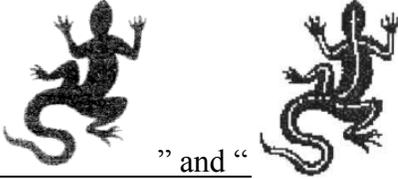
Many decisions have been rendered in the last 12 months on different trade mark issues. Brief summaries of the more notable cases, as grouped by the nature of the findings, are stated below:-

1. Identical / similar marks for identical / similar services:

The following cases concern opposition against marks which are found to be identical or similar to a prior mark in respect of identical or similar services.

- i.  "Gautier" ("applied mark") versus  "Jean Paul GAULTIER" ("prior mark")

The Registrar held that the distinctive part of the applied mark was "Gautier", while that of the prior mark was "Gaultier". Since both words were similar in visual, aural, and conceptual aspects, use of the former in respect of identical or similar goods would likely cause confusion amongst the public. The application was thus refused on the ground of section 12(3) of the Trade Marks Ordinance ("TMO").

- ii.  ” (“applied mark”) versus “  ” and “  ” (collectively “Opponent’s marks”)

Whilst the Applicant did not dispute the goodwill and reputation of the Opponent as a world-renowned designer, in defending the claim of passing off, the Applicant argued that the applied mark depicted the “skeleton of a reptile” which was wholly distinguishable from the Opponent’s depiction of a “live lizard”. The marks were nonetheless held to be highly similar, such that use of the former on identical or similar goods would misrepresent to the public and cause damage to the Opponent. The opposition thus succeeded under section 12(5) of the TMO.

2. Dissimilar marks for identical / similar services

The following cases concern opposition against marks which are found to be dissimilar to a prior mark in respect of identical or similar services.

- i.  **STRUCTURETONE** ” (“applied mark”) versus “  ” (“Opponent’s mark”)

Whilst having first found the respective devices to be similar, the Registrar held that the presence of the words “STRUCTURE” and “TONE” in the applied mark has rendered the *overall* impression of the respective marks dissimilar, such that notwithstanding the similarity of the respective services namely construction and building renovation, the public would unlikely be confused.

- ii.  ” (“applied mark”) versus “  ” (“Opponent’s mark”)

Despite the similarity between the two devices and the respective services, namely construction and building renovation, the Registrar held that given the expensive and technical nature of the respective services and the likelihood of consumers to apply care and / or expertise in choosing these services, there would not be a likelihood of confusion. The Registrar further stated that this was a case where the nature of the services and the behavior of the consumer of those services outweighed the similarity between the marks.



- iii. “鸿星尔克” (“applied mark”) versus “” (“Opponent’s mark”)
The Registrar analyzed the applied mark by its three separate elements, namely “”, “erke”, and “鸿星尔克” and held that since “words [spoke] louder than devices,” the presence of “erke” and “鸿星尔克” in the applied mark distinguished the same from the Opponent’s mark visually, phonetically, and conceptually. The Registrar considered that the distinction was especially attributed to the presence of “鸿星尔克”, being written in the local language and featured in a larger font.

3. Bad faith applications

The following cases concern opposition against applications which were held to have been made in bad faith.



- i. “” (“applied mark”) versus “铭洋”, “MingYong”, etc. (“Opponent’s marks”)
The Applicant had previously entered into a business contract with the Opponent and had immediately after, without the latter’s authorization, set up IP agencies incorporating the Opponent’s marks. Without hesitation, the Registrar found that the present application was a case of intentional copying of the Opponent’s marks and thus rejected the application under section 11(5)(b) of the TMO.



- ii. “” (“applied mark”) versus “L’OCCITANE” (“Opponent’s mark”)
The Applicant was found to have in the past copied the Opponent’s website design, store decoration, promotional materials, and product packaging, and had only made the present application after proposing to merge with the Opponent. As such, the Registrar held that the Applicant must have known about the Opponent’s mark and that it would be reasonable to find the present application to be a result of the Applicant copying the Opponent’s mark. The application was therefore rejected under section 11(5)(b) of the TMO.

4. Trademark revocation

The Applicant sought to revoke the registration of “MARLBORO LIGHTS” on the ground that the use of the mark, in particular the word “LIGHTS” thereof, was liable to mislead the public to form the erroneous impression that light cigarettes were less harmful than other Marlboro cigarettes sold without such a descriptor. The Registrar noted that proof of actual deceit was not required and that the Applicant only had to show a sufficiently serious risk that consumers would be misled, while the assessment should also be carried out from the perspective of the average consumer deemed to be reasonably well-informed and reasonably observant and circumspect. In upholding the mark, the Registrar held that the Applicant had failed to adduce sufficient evidence to prove the above, adding that even if the use of the mark was shown to mislead the public, it was also necessary to show that the alleged deceptiveness of the mark was the consequence of the use made of it by the owner, which the Applicant had also failed to establish.

5. Inherent registrability of trademarks

i. WONDERFUL – held to be laudatory and devoid of distinctive character

The Applicant sought to register the word mark “” for “processed nuts”. Given that the dictionary meaning of the mark is “extremely good,” the Registrar held that upon seeing the mark on processed nuts, consumers would likely form the impression that the nuts were extremely good. In this regard, the first impression that consumers would have of the mark was that it was a sign that described the quality of the nuts as being excellent. The mark was thus held to be a laudatory and descriptive word about the quality of the goods and devoid of any distinctive character under section 11(1)(b).

ii. RICE PAPER – held to be descriptive and devoid of distinctive character

Given that “rice paper” generally means paper made from a rice-paper plant or from other plant source, the Registrar held that, if the mark was used on paper-related products, food products (such as bread, biscuits, cakes etc.), and retail and distribution services of food products, consumers would likely form the impression that these products or the services related thereto were made of, contain, or wrapped in rice paper. The mark was thus descriptive and devoid of distinctive character and therefore not registrable under sections 11(1)(c) and (b). Interestingly however, the same mark succeeded in registration in respect of plastic materials, food products (such as coffee, tea, cocoa, pasta products,

condiment products etc.), and services related to advertising and business management.

iii. PROMISES OF LOVE – held to be an advertising expression

The Applicant sought to register the mark “PROMISES OF LOVE” in respect of jewelry and diamonds. In finding that consumers were likely to perceive the applied mark as purely an advertising expression for promoting the applied-for-goods as opposed to a badge of trade origin identifying the source of those goods, the Registrar nevertheless noted that a slogan of emotional appeal or an advertisement expression was not objectionable in itself as a trademark, and that “a mark [could] serve the dual purposes of a slogan or an advertising expression as well as an indicator or trade source, so long as it [would] be perceived as a sign that guarantee[d] trade provenance.”

6. Possession for sale goods to which forged trademarks had been applied – statutory defense

*Lee To Nei & Anor v HKSAR*¹

The defendants were both charged with possessing for sale goods to which forged trademarks had been applied, contrary to section 9(2) of the Trade Descriptions Ordinance (Cap 362) (“TDO”).² At the trial, they sought to rely on the statutory defense under section 26(4) TDO that they did not know, had no reason to suspect, and could not have ascertained with reasonable diligence, that a forged trademark had been applied to the goods. The magistrate however held that section 26(4) placed a persuasive burden on the defendants to negate all three conditions, and since the defendants had failed to discharge this burden, they were both convicted. On appeal, the Court of First Instance held that the imposition by section 26(4) TDO of a persuasive burden on the defendants was both rational and proportionate. The defendants therefore appealed to the Court of Final Appeal.

In allowing the appeal, the Court of Final Appeal held that the statutory defense under section 26(4) TDO expressly placed a reverse onus on the accused and therefore encroached upon the presumption of innocence. Upon applying the rationality and proportionality tests, the Court of Final Appeal held that:

¹ [2012] 2 HKC 553

² D1 was convicted for possessing for sale at a pharmacy a total of 26 bottles of Chinese herbal medicine which bore the forged trademark “Man Shan”. D2, on the other hand, was convicted for possessing for sale 8,337 pieces of garments which bore the following forged trademarks: Abercrombie & Fitch, Reuhl, Hollister, Lacoste, Timberland, and Tommy Hilfiger.

- (i) The protection of trademarks against forgery was a legitimate aim, both from the view of protecting the registered owners and protecting the consumers,
- (ii) The reverse onus requiring the accused to negate the fact that he knew, had reason to suspect, or could, with reasonable diligence, have ascertained the falsity of the trademarks was rationally connected to that legitimate aim.
- (iii) However, given the insurmountable hurdle which the accused must overcome in establishing the statutory defense, a more reasonable alternative was to place, instead, an evidential burden on the accused to raise as an issue that none of the three conditions in (ii) applied.

In other words, the accused would still have to raise credible evidence to show that he did not know, had no reason to suspect, and could not with reasonable diligence have ascertained that the trademarks were forgeries. It would then be up to the prosecution to prove beyond reasonable doubt that one of those conditions applied.

Policies

On 16 November 2011, the State Intellectual Property Office (“SIPO”) and the Intellectual Property Department of the HKSAR (“IPD”) signed their first agreement to strengthen cooperation in the area of intellectual property. Pursuant to the agreement, the areas of cooperation between the two places include:

- Exchange of information on laws, publicity and education activities, as well as automation services;
- Provision of staff training by SIPO upon IPD’s request;
- Exchange of information and publications of both places;
- Promoting the concepts and trends of the intellectual property trading to facilitate the restructuring and upgrading of enterprises; and
- Co-organizing exhibitions, seminars, technical exchanges and conferences.

Statistics and Performance

The following are the statistics for trademarks applications filed and registered in Hong Kong between 1 September 2011 and 31 August 2012 (“the relevant period”) as released by the Intellectual Property Department:-

1. Statistics of trademark applications filed and registered in Hong Kong during the relevant period as compared with the period between 1 September 2010 and 31 August 2011 (“the previous reporting period”):-

	1 September 2010 to 31 August 2011	1 September 2011 to 31 August 2012	% increase
No. of trademark applications filed	31,729	34,376	8.34
No. of trademark applications registered	23,461	25,469	8.56

Compared with the previous reporting period, the numbers of trademark applications filed and registered have slightly increased by 8.34% and 8.56% respectively.

2. A monthly breakdown of the trademark applications filed and registered in Hong Kong during the relevant period:-

	No. of trademark applications filed	No. of trademark registered
September 2011	2626	2243
October 2011	2555	2053
November 2011	2843	2185
December 2011	2760	1945
January 2012	2112	1850
February 2012	2651	2047
March 2012	3328	2474
April 2012	2964	2025
May 2012	3033	2234
June 2012	3170	2344
July 2012	3113	1977
August 2012	3221	2092
Total	34,376	25,469

The number of trademark applications received each month has remained relatively stable during the relevant period. In particular, compared with the previous reporting period, March remains to be the month receiving the highest number of trademark

applications, whereas January has replaced February as the month receiving the lowest number of the trademark applications.

For a graphic view of the above statistics, please see the chart attached in Annex A.

3. A breakdown of the principal countries where trademark applications were filed in Hong Kong during the relevant period:-

	Applications filed	
	Number	% of total
HONG KONG, CHINA / HONG KONG	12567	36.56
PEOPLE'S REPUBLIC OF CHINA / CHINA	6698	19.48
UNITED STATES OF AMERICA / UNITED STATES	3662	10.65
JAPAN	2810	8.17
FRANCE	879	2.56
UNITED KINGDOM	795	2.31
SWITZERLAND	711	2.07
TAIWAN, PROVINCE OF CHINA	709	2.06
GERMANY / GERMANY : FEDERAL REPUBLIC OF	686	2.00
ITALY	587	1.71
BRITISH VIRGIN ISLANDS / VIRGIN ISLANDS, BRITISH	585	1.70
KOREA, REPUBLIC OF	530	1.54
SINGAPORE	386	1.12
AUSTRALIA	300	0.87
NETHERLANDS	232	0.67
SPAIN	222	0.65
MALAYSIA	137	0.40
SWEDEN	136	0.40
CANADA	128	0.37
CAYMAN ISLANDS	127	0.37

Compared with the previous reporting period, Hong Kong, China, the United States, Japan, and France remain to be the top 5 home jurisdictions with the most trademark applications filed in Hong Kong.

4. A breakdown of the principal countries where trademarks were registered in Hong Kong during the relevant period:-

	Registrations granted	
	Number	% of total
HONG KONG, CHINA / HONG KONG	8679	34.08
PEOPLE'S REPUBLIC OF CHINA / CHINA	5061	19.87
UNITED STATES OF AMERICA / UNITED STATES	2930	11.50
JAPAN	2116	8.31
FRANCE	658	2.58
UNITED KINGDOM	643	2.52
SWITZERLAND	561	2.20
GERMANY / GERMANY : FEDERAL REPUBLIC OF	517	2.03
TAIWAN, PROVINCE OF CHINA	480	1.88
KOREA, REPUBLIC OF	456	1.79
BRITISH VIRGIN ISLANDS / VIRGIN ISLANDS, BRITISH	451	1.77
ITALY	413	1.62
SINGAPORE	296	1.16
AUSTRALIA	291	1.14
NETHERLANDS	200	0.79
SPAIN	172	0.68
CANADA	140	0.55
CAYMAN ISLANDS / CAYMAN ISLANDS, BRITISH WEST INDIES	121	0.48
LUXEMBOURG	90	0.35
MALAYSIA	84	0.33

Compared with the previous reporting period, Hong Kong, China, the United States, and Japan remain to be the top 4 home jurisdictions with the most trademark registrations granted in Hong Kong. France, however, has replaced Switzerland as at the 5th place.

Annex A

