

## TRADE MARK

### 1. Introduction

#### (i) Application for registration: s.38, TMO (Cap 559)

- (a) a request for registration of the trade mark;
- (b) the name and address of the applicant;
- (c) a statement of the goods or services
  - **S.40**: Goods and services to be classified according to a “prescribed system of classification”
  - From 1 Jan 2007: Nice Classification (9<sup>th</sup> ed)
- (d) a representation of the trade mark; and
- (e) such other information, documents or matter as may be required by the rules.

#### (ii) Examination: IF requirements met

- Registrar shall examine whether the application satisfies the requirements for registration under TMO: **s.42(1), TMO**
- If application accepted by Registrar, particulars of application would be published in *Official Journal* in accordance with the rules
  - Implications: Have to check from time to time to raise opposition against marks similar to clients’

#### (iii) Examination: IF requirements NOT met

- Registrar would inform the applicant by notice in writing: **s.42(3), TMO**
  - **TMR Rule 13(2)**: Applicant may, within 6 months, file written representations to establish that the requirements are met; or amend his application so as to meet those requirements
  - Registrar may EXTEND time for filing written representations for one further period of 3 months: **TMR Rule 13(3)**

#### (iv) Opposition

- **s.44, TMO**: Give notice under **s.43, TMO** to Registrar for opposition to registration; within prescribed period beginning on date of publication of particulars of application in *Official Journal*
- **TMR, Rule 16**
  - “Prescribed period”: 3 months from date of publication
  - Notice shall include statement of ground of opposition

#### (v) Applicant’s Counter-statement

- Within 3 months after receipt of copy of notice of opposition: **Rule 17(1)**
  - Otherwise, application deemed to have withdrawn: **Rule 17(4)**
  - Registrar may extend period by 2 months: **Rule 17(3)**
  - Registrar may stay proceedings on his own initiatives or on request of a party: **Rule 90**

## 2. *Relative Grounds: s.12, TMO*

- (1) *A trade mark shall not be registered if-*
- (a) *the trade mark is identical to an earlier trade mark; and*
  - (b) *the goods or services for which the application for registration is made are identical to those for which the earlier trade mark is protected.*
- (2) *A trade mark shall not be registered if-*
- (a) *the trade mark is identical to an earlier trade mark;*
  - (b) *the goods or services for which the application for registration is made are 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.*
- (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.*
- (4) *Subject to subsection (6), a trade mark which is-*
- (a) *identical or similar to an earlier trade mark; and*
  - (b) *proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,*
- shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.*

**NB:** Opposition under ss.(4) and (5) have to be raised by s.44 opposition proceedings: see **s.12(6),TMO**

- **For other grounds: could be raised by Registrar**
- Definition “*earlier trade mark*” (s.5(1), TMO)
  - (a) a registered trade mark with an earlier date of the application taking into account priorities claimed in respect of each TM; or
  - (b) a trade mark entitled to protection under the Paris Convention as a well-known trade mark
- **NB for (a):** “*Claim to priority*” under s.41, TMO
  - o A person who has duly filed an application for registration in or in respect of a Paris Convention country or WTO member shall enjoy a right of priority for a period of 6 months beginning on the date of filing of the 1<sup>st</sup> of any such applications, subject to compliance with any prescribed conditions

- See **TMR, r.9(1)**: To claim priority, the application in HK shall include:
  - (a) the name of each country, territory or area in respect of which a right of priority is claimed;
  - (b) the date of filing of the application filed in, or in respect of, each such country, territory or area; and
  - (c) the application number assigned to that application (if known to applicant)
- “*Date of application*” (**s.39(3), TMO**): filing date of application for registration [“filing date” as date on which s.38(2)(a)-(d) documents filed]
  - If documents are filed on different dates, filing date is the last of those dates

### (i) Quality of TM and Goods / Services

#### 1. Identical marks

- ***Richemont Int’l v Da Vinci***
  - D used first mark “Da Vinci” as “Da Vinci Italy”, etc.
  - Held:** for P
  - ***Decon*** cited: that additional of suffixes could NOT distinguish goods from those of registered proprietor
    - Principle function: refer to nature and quality of goods; Descriptive
  - **On facts:** D’s mark as “identical” to that of P
- ***SA Societe LTJ Diffusion v SA Sadas*** also referred to
  - NOT an exercise of directly comparing marks
  - Test of consumers who have imperfect recollection of signs and TMs

#### 2. Similar marks

- ***Pianotist Co’s Application***
  - Judged by look and sound
  - Consider relevant goods, nature and kind of customer who would be likely to buy those goods, and surrounding circumstances
    - **Also relevant to question of confusion in the minds of public**
- “***Lyforcin***” TM [1972]
  - Applicant: “Lyforcin” for pharmaceutical products
  - Opponent: “Lipoicin” already registered for pharm. products
  - Held:** for P; likely to confuse
  - ***Pianotist*** applied: Marks should be compared as a whole
  - Correct approach as in ***Rysta Ltd’s Application***: test of person who only knows the one word, and has an imperfect recollection of it, who would likely to be deceived or confused
    - Little assistance from meticulous comparison of two words, letter by letter and syllable by syllable
  - Relevant factors:
    - Tendency to slur the word, esp. among Chinese people
    - Especially when orders placed by telephone
    - In chemists’ shops: noise and bustle of people; attendant may not give full attention to order

- **Galway Int'l Application re mark "Vica" [1962]**
  - Applicant: "Vica" for vitamin tablets; Opponent: "Vicks" registered for treatment / prevention of colds, affections of the throat and nasal passages
  - Held:** for P; likely to confuse; Application refused
  - Approach in *Pianotist* and *Rysta Ltd's Application* followed
  - Relevant factors: cheap products [can be purchased without prescription]; Noise and bustle of shops; Imperfect speech of purchasers (esp. non-native English speakers)
  - **NB: Burden of proof NOW on Opponent: see "Audi-Med"; Oasis Stores**
- **Montres Tudor v Concord (No.1) and (No.2) [2001]**
  - NO likelihood of confusion as product involved were watches
    - Expensive item: NO impulse purchase

(ii) **Similar goods** [NB: Same meaning as old expression "same description of goods"]

- Factors relevant in considering whether there's similarity (*British Sugar*)
  - Respective uses of the respective goods
  - Respective users of the respective goods
  - Physical nature of the goods
  - Respective trade channels through which the goods reach the market
  - Self-serve customers items: where in practice they are respectively found or likely to be found on supermarkets
  - Extent to which the respective goods are competitive, e.g. how those in trade classify goods
- As elaboration upon old judicial test in *Jellinek's Application*: Nature of goods; respective uses of goods; trade channels through which goods are sold
  - Used in interpretation of old s.20, TMO: *World Investment Co Ltd v Registrar of Trade Marks*
    - "Clothes" vs "singlets"
    - "Clothes": things worn to cover the body and limbs; "Singlets" clearly within the category of clothes [Under New Shorter English Dictionary]
    - Respective uses of goods: both worn as garments
    - Trade channels: both are sold in shops and department stores
    - **Held:** NO real distinction; goods of same description
- **British Sugar** case:
  - P had registered "TREAT" for "dessert sauces and syrups"
  - D had launched a sweet spread "Robertson's Toffee Treat"
  - P sued D for infringement [NB: same criteria to determine infringement of TMs, i.e. identical marks for identical / similar goods]
    - NOT identical goods: as goods NOT in same class [P's in Class 30; D's in Class 29]
    - Held:** NO identical goods: given nature of goods and how they are sold

**(iii) Likelihood of confusion**

- **s.7(1), TMO:** In determining whether the use of a mark is likely to cause confusion on the part of the public, Registrar and court may consider all relevant factors in the circumstances, including whether the use is likely to be associated with the use of the earlier mark
  
- **Sabel BV v Puma AG** (1998 ECJ)
  - Likelihood of confusion must be appreciated globally, considering all factors relevant to the case
  - Based on overall impression [in the mind of the average consumer of the type of the goods or services] given by the marks, particularly their distinctiveness and dominant components
    - **NB:** Likelihood of association NOT alternative to, but is merely a possible element of, likelihood of confusion
    - **Also confirmed in HK Trade Marks Registry Work Manual** [which reflects the practice of the Registrar: i.e. the question is one of confusion as to source, NOT whether likely to make association]

**(iv) Well-known TMs**

1. Define “well-known mark”: **S.4, TMO**

- (1) TM must be well known in HK and TM of a person who-
  - (a) is a national of, or is domiciled or ordinarily resident in, a Paris Convention country or WTO member;
  - (b) has a right of abode in Hong Kong; or
  - (c) has a real and effective industrial or commercial establishment in a Paris Convention country, a WTO member or Hong Kong,whether or not that person carries on business in Hong Kong or owns any goodwill in a business in Hong Kong.
- (2) In determining whether a trade mark is well known in Hong Kong, the Registrar or the court shall have regard to Schedule 2.

**[Considerations include:]**

- degree of knowledge or recognition of TM in the relevant sectors of public [see **General Motors** case: referred to as public concerned to those product]
- duration, extent and geographical area of any use of TM
- duration, extent and geographical area of any promotion of TM, including advertising or publicity and presentation of goods or services at fairs or exhibition
- duration and geographical area of any registration, or any applications for registration, of TM, to the extent that they reflect use or recognition of TM
  - [Registration NOT necessary, BUT relevant considerations]
- value associated with TM

## 2. Define “Reputation”

### ***General Motors v Yplon SA*** (1999 ECJ)

- P: registered proprietor of Benelux TM “CHEVY” (Class 4, 7, 9, 11 and 12 products, including motor vehicles)
- D: registered proprietor of Benelux TM “CHEVY” (Class 1, 3 and 5 products, including detergents)
- P applied for injunction to restrain D from using “CHEVY” for detergents on the ground that such use entailed dilution of its own TM and thus damaged advertising function [Promotion as high-ended products]
- D contended that P had NOT shown that its mark had a “reputation” in the Benelux region within HK equivalent of s.12(4)

### **Held:**

- “Reputation”: The degree of knowledge required is reached when the earlier mark is known by a significant part of the public concerned by the products or services by that TM
  - o “*Public*”: could be public at large or a more specialised public (e.g. traders in a specific sector)
  - o *Territorial extent*: sufficient if TM has acquired the necessary reputation in a substantial part of a Member State / territory
  - o On facts: Reputation in one of the Benelux countries sufficient
- Consider all relevant facts of the case, particularly market share held by the TM, the intensity, geographical extent and duration of its use, size of investment made by the undertaking in promoting it

## 3. Define “unfair advantage” and “detriment”

### ***C A Sheimer (N) Sdn Bhd’s TM Application*** [2000] RPC 484

- Sheimer applied to register VISA (contraceptive appliances and devices, condoms, etc.)
- VISA International (financial services relating to credit cards etc.) opposed under three grounds, including UK equivalent of s.12(4)

### **Held:**

- VISA International’s registered TM (earlier TM) has a reputation in UK
- The mark put forward for registration in Sheimer’s application (the later mark) is identical or similar to the earlier TM
- Goods NOT similar
- “***Unfair advantage***”: mere gaining attention of its products by feeding on the fame of the earlier TM NOT sufficient
  - o Have to show that something more to gain by way of marketing advantage
  - o On facts: NOT sufficient evidence to prove this
- “***Detriment***”: Cross-pollination between Sheimer’s use of “VISA” and VISA Int’l’s use of “VISA”
  - o Tarnish image of earlier product

***Inlima SL's Application for a 3-Dimensional Trade Mark*** [2000] RPC 661

- Drink bottle in the shape of a football boot, with 6 lines on each side of the "boot"
- Opposed by Adidas (owner of mark consisting of 3 equally spaced strips)

**Held:** Opposition succeeded

- Merely establishing a link with Opponent's mark insufficient
- **Opponent must establish that the link leads to a transfer of value or repute from Opponent to Applicant**
  - o Applicant's specification covered isotonic drinks: Establish a "sporting connection" such that consumers would be likely to believe that there was some connection in trade between parties

**(v) Other relative grounds**

**s.12(5), TMO:**

*(5) Subject to subsection (6), a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented-*

*(a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of **passing off**); or*

*(b) by virtue of an earlier right other than those referred to in paragraph (a) or in subsections (1) to (4) (in particular, by virtue of the law of **copyright or registered designs**),*

*and a person thus entitled to prevent the use of a trade mark is referred to in this Ordinance as the owner of an "earlier right" in relation to the trade mark.*

**[NB: Have to be raise in s.44 opposition proceedings: see s.12(6), TMO]**

For s.12(5)(a),

- NOT insufficient to raise mere allegation: BOP on Opponent to satisfy Registry on evidence that passing off existed
- I.e. evidence required to establish reputation + misrepresentation leading to likelihood of confusion
- See ***CODAS Trade Mark*** [2001]; ***Altecnic Ltd's Trade Mark Application*** [2001]; ***Harrison's Trade Mark Application*** [2004]

For s.12(5)(b),

- Word mark: NO © in "Ana Frank"; NO © even in title of book on its own: see ***ANNA FRANK Trade Mark*** [1998]
  - BUT see ***Guangdong Foodstuffs v Tung Fook Chinese Wine*** [2001]: © in picture, which formed part of logo of company [Opposition also raised on ground of passing off]

**S.12(7), TMO:** [Objection to SOME goods or services only]

**S.12(8), TMO:** [Consent is KING] [*cont'd*]

HK Trade Mark Registry Work Manual

Factors to be considered when examining application for registration with consent of the earlier TM:

- Consent for use and registration of TM for **all** goods / services in application?
- Consent only for some of the goods?
- Consent covers HK?
- Consent in writing and signed by the earlier TM owner?
- Consent unconditional?

**(vi) EXCEPTIONS: S.13(1), TMO**

**S.13(1)(a), TMO:** Honest concurrent use of the trade mark and earlier mark

See *Pirie's Application* [with elaboration from *HK Trade Mark Registry Work Manual*, "Consent, honest concurrent use and other special circumstances"]

➤ [**NB:** factors NOT exhaustive]

- (1) Extent of use in time and quality and area of trade
  - Length of time in which mark used in HK
  - Volume of goods sold or turnover or services in relation to the extent of the market
    - E.g. relatively low volume of goods sold in the clothing market would need to be supported by long use
    - *C.f.* Relatively low sales of surgical instruments for use in specialised medical field would support an application based on comparatively short use
      - **I.e. nature of business matters**
- (2) Degree of confusion likely to ensue from resemblance of the marks, i.e. public inconvenience
  - Indicative of the measure of public inconvenience
- (3) Honesty of concurrent use
  - When applicant's mark has been in long use, or the use began prior to application for registration of the cited mark, the honesty of the applicant's use may be
  - *C.f.* Honesty of the applicant's use may be **doubted** where his **mark was copied** from the earlier mark, or where it was identical or very similar to the earlier mark, and the applicant does not satisfactorily explain why he adopted his mark
- (4) Any instances of actual confusion
  - Fact that commercial user has NOT produced any proof of confusion cannot be regarded as unimportant even though allowance be made for difficulty of proof



- (5) Relative inconvenience to parties
- Question is whether the inconvenience to the applicant registration will be greater than the inconvenience to opponent by allowing registration
  - Inconvenience to applicant: usually stem from the fact that if he has built up a business in the trade marked goods or services to establish a reputation in the mark by registration, he risks being sued for infringement and may suffer a decline in business because he can no longer use his mark
- Also consider:
- Generally: 5 years' use before date of application would be sufficient
    - **BUT** 2 years and 10 months' use on a very large scale was sufficient for registration: *Granada* (1979)
    - **Applicant should consider filing statutory declaration evidencing use of mark for 5 years prior to date of application**  
[**NB:** Admissible form of statutory declaration under **TMR, rr.81 and 82**]
  - Is the use of mark for genuine commercial use?
    - E.g. sale or turnover substantial; sales or provision of services evidenced by invoices or audited accounts for relevant period?
  - Are the marks the same or similar?
  - Are the goods / services the same or similar?
    - If use **ONLY** for some goods / services, specification of proposed mark should be amended accordingly
  - For closely similar marks, and goods /services are the same, if the applicant's use is relatively recent, satisfactory reason for use of mark?

**S.13(1)(b), TMO:** By reason of other **special circumstances**

- May consist of an applicant's use which tends to minimise risk of confusion or shows particular hardship
  - E.g. earlier mark in peril of removal from register on the ground of non-use throughout the period of the use of applicant's mark: *Electrolux v Electrix*
  - Also way customers referred to a product: *Budweiser Trade Marks* [NO confusion as similar abbreviation by customers: NO fault on user]
- Depends on relevant facts which arise in individual case and balanced exercise of Registrar's discretion: *Miss Elaine Trade Marks* (HK TMR decision)

**NB:** Discretion on Registrar [or court] to impose limitations and conditions

- If risk of confusion in future still exists
- Limitations, e.g. on colours, font [so as to make word sign appear differently; 2<sup>nd</sup> party could agree to do so on its own in any event]

### 3. Absolute Grounds: s.11, TMO

(1) Subject to s.s(2), the following shall not be registered

(a) signs which do not satisfy the requirements of s.3(1) (meaning of “trade mark”)

(b) trade marks which are devoid of any distinctive character

(c) trade marks which consists exclusively of signs which may serve to designate the kind, quality, quantity, intended purpose, value geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services **[i.e. descriptive]**

(d) trade marks which consist exclusively of signs which have become **customary** in the current language or in the honest and established practices of the trade

(2) A trade mark shall not be refused registration under ss.(1)(b) – (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

**[i.e. Could acquire distinctiveness after use]**

(3) A sign shall not be registered as a trade mark if it consists exclusively of-

(a) shape that results from nature of goods themselves

(b) shape that is necessary to obtain a technical result

(c) shape that gives substantial value to the goods

(4) (a) Contrary to accepted principles of morality

(b) Likely to deceive the public

(5) (a) Its use is prohibited in HK under any law

(b) Application for registration is made in bad faith

**NB:** Some overlap with **s.12(5), TMO** [Relative ground] for marks whose use is prevented in HK by any law protecting unregistered TM, esp. passing off

- BUT passing off concerns only deception related to origin of goods
- There could be other types of deception, e.g. about quality “All wool” for clothing not made of wool
- Use may also be objectionable on grounds other than deception, e.g. prohibition of use of marks which amounts to offence under Trade Description Ordinance

(6) (a) National flag; (b) National emblem; (c) Regional flag; (d) Regional emblem

(7) National flag or emblem of a Paris Convention country or WTO member (s.64), or emblems of certain int’l org (s.65)

(8) [Allow refusal for only SOME of the goods / services for which the application is made]

<b>S.11(1)(a), TMO</b>	<b>S.11(1)(b), TMO</b>
<p>- Signs which do not satisfy the requirements of s.3(1) (meaning of “trade mark”)</p> <p><b>S.3(1):</b> “trade mark” means any sign which is <u>capable of distinguishing</u> goods /services of one undertaking from those of other undertakings and which is capable of being represented graphically</p> <p>- Matter of defining “trade mark”</p> <p>- As reference to generic signs (not TM)</p> <p>- E.g. “Soap” for soap (example in <i>British Sugar</i>); 3-dimensional booklet substantially square in format (<i>Wicke’s Plc’s TM Application</i>)</p>	<p>- Trade marks which are devoid of any distinctive character</p> <p>- Matter of registrability</p> <p>- From least distinctive, e.g. laudatory words (e.g. “Good”, “Perfect”); descriptive words (e.g. “Clean” for detergent) [Need to acquire distinctiveness from actual use]</p> <p>- To most distinctive, e.g. invented words “Exxon”</p>

- 2<sup>nd</sup> requirement under **s.11(1)(a)**: “... capable of being represented graphically”
  - *Swizels Matlow Ltd’s Application* [1999]
    - NOT restrict means of representation, e.g. by way of writing, drawing, musical notation, written description or any combination

Smell marks: Contrasting cases

- *John Lewis of Hungerford Ltd’s Application* [2001]
  - “Smell, aroma or essence of cinnamon” for furniture: Relies on reader’s experience or perception
  - Perception liable to vary according to the nature, purity, concentration, quantity, age and temperature of the relevant material (cinnamon)
- *Venootschap onder Firma Senta* [1999] Community TM
  - “Smell of fresh cut grass” for tennis balls

[NB: NOT int’l standard for smell, see *Eden case*]

**S.11(1)(b), TMO: Devoid of distinctive character**

- *John Lewis of Hungerford Ltd’s Application* [2001]
  - P had registered “TREAT” for “dessert sauces and syrups”
  - D had launched a sweet spread “Robertson’s Toffee Treat”
    - P sued for infringement under equivalent of s.18, TMO
    - D counterclaimed that P’s registration was invalid under s.11(1)(b) for not capable of being distinguishing

**Held:**

[cont’d]

- **Test: “Is it the sort of word which cannot do the job of distinguishing without first educating the public that it is a trade mark?”**
    - Meaningless word or a word inappropriate for the goods concerned (e.g. “North Pole” for bananas) can clearly do
    - On facts: **Common laudatory word** (e.g. “TREAT”), absent use and recognition as a TM, in itself devoid of any distinctive character
- s.11(2),  
TMO**
- 2<sup>nd</sup> Question: whether acquired distinctiveness through use under **s.11(2)**
    - A question of degree: in case of common or apt descriptive or laudatory words: **Compelling evidence necessary to show that the mark has become accepted by a substantial majority of persons as a trade mark**
    - On facts: insufficient evidence

### (i) Name marks

- **“TARZAN” Trade Mark** [1970]
  - “Tarzan” (fictitious character) with exceptional physical attributes was created by an American writer of adventure stories and was later portrayed in films
  - Applicant [American company exclusively entitled to produce films, records and merchandise centred on the character Tarzan]: Applied to register word TARZAN for films, toys, etc.
  - Registrar refused to register on grounds that TARZAN not invented word; direct reference to character and quality of goods; NOT distinctive

**Held:** Appeal dismissed by CA

  - TARZAN passed into language, well-known by adults and children: Failed to qualify for registration as an invented word
  - Direct reference to character and quality of goods: Because film would be described as “Tarzan” film, and applicants’ other goods were to be merchandise associated with Tarzan
    - **[NOT inherently adapted to distinguish]**
  - NO evidence of use: NOT factually adapted to distinguish

**Victim of their own fame: Lose distinctiveness of their names**

- E.g. Walkman , google, Xerox [Even “escalator”!!!]
- Sol<sup>n</sup>: e.g. Sony Ericsson Walkman® Phones [stating that this is a TM]

- **“ELVIS PRESLEY” Trade Mark** [1997]

**Held:** [Endorsed by CA, 1999]

  - NO © in name
  - At time of application: ELVIS was so well-known that his name possessed very little inherent distinctiveness
    - Peculiarly suitable for use on a wide range of products bearing the name and likeness of the singer and referred to back to him, **NOT because they come from a particular source**

- **“JANE AUSTEN” Trade Mark** [2000]
  - Applicant applied to register “JANE AUSTEN” in respect of toiletries: Applicant had NOT used mark
  - Application opposed by trustees of Jane Austen Memorial Trust, who owned Jane Austen’s house and museum and had developed trade in souvenirs relating to deceased author, her life and works, on the ground that the mark was devoid of any distinctive character under **s.11(1)(b)**
  - Registrar refused to register on grounds that TAR not invented word; direct reference to character and quality of goods; NOT as an indication

**Held:**

- Agree with argument of opponent:
  - If a well-known individual’s name was likely to result in a demand for memorabilia or commercial consumer items, then the general public were not likely to see that name as indicating trade origin, but rather as an indication of the content or character of the goods in question
- Factors affecting how a given name may be perceived [i.e. become descriptive] [for literary or artistic figures]: **NOT exhaustive**
  - Nature and extent of individual’s reputation
  - Whether any surrounding reasons why a trade in souvenirs may have developed, e.g. because an individual’s strong association with an area or a particular style
  - Whether individual established any TM rights during lifetime [for contemporary figures]
  - Whether any existing trade in souvenirs, memorabilia etc. exists, or (for someone recently deceased) can be expected to arise
  - Whether descendants, estate, trustees or other such body have, through use, established any rights in relation to name of individual (and if so, whether to exclusion to others)
  - Extent to which life and works of the individual are kept alive either by general public interest or media coverage etc in such a way as to generate demand for commercial consumer items
  - Nature of goods with respect of which registration is sought (see e.g. doubts by CA for application of objection to TARZAN toys)
- Well known literary figure (e.g. William Shakespeare): Likely to be a high level of demand for commercial consumer items generated by his widespread fame; name or image highly unlikely to be an indicator of trade origin for a broad range of souvenir type items
- C.f. Names of literary figures of somewhat lesser repute or whose memory is less well preserved may be capable of fulfilling the functions of a trade mark
  - On facts: As is apparent from the evidence, there is continuing interest from television companies and the novels have been turned into major television series and films

- Unless educated through use to see the name differently, the public will not in my view regard it as a badge of origin
- Opposition succeeds under **s.3(1)(b)**

**NB:** Reference to UK Trade Marks Registry Work Manual:

*"Full names have, by their nature, a greater capacity to distinguish the goods/services of one undertaking than a surname per se. The registrar takes the view that, **unless the full name is extremely common, e.g. JOHN SMITH and the number of traders involved in the relevant market is very large, e.g. clothing, the likelihood of a number of different traders using the same full name as a badge of origin is sufficiently remote that the public are likely to take a full name as a sign which indicates goods or services from a single source. Such marks will therefore usually be accepted prima facie.**"*

[See also *HK Trade Marks Registry Work Manual*, "Registrability of surnames, personal names, signatures and images of individuals"]

### **S.11(1)(c), TMO:** Exclusively descriptive

- "EUROLAMB" (lamb meat): **EUROLAMB Trade Mark** [naming below as such]
- "FRESH BANKING" (goods & services relating to banking)
  - o "Fresh" was apt to describe a new banking service and, accordingly served to designate intended purpose
- "FROOT LOOPS" (cereals containing fruit)
  - o "froot": Phonetic equivalent of "fruit"; mark as a whole designate the kind of goods, i.e. fruit or begin fruit flavoured
- "DAY BY DAY" (milk and milk products)
- "**BABY DRY**" Case (disposable diapers) (ECJ)
  - o **Held:** "*whilst each of the two words may form part of expressions used in everyday speech to designate the function of babies' nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies' nappies or for describing their essential characteristics*"
  - o Cited in *MGA Entertainment v Yokon International Ltd* (2006 HK)
    - ✧ P has registered "BRATZ" for dolls and dolls accessories
    - ✧ Ds challenged validity of P's registration by contending that "BRATZ" was a play on "BRATS", which means an ill-behaved child, thus descriptive
    - ✧ **Held:** NOT descriptive of goods in question, but children who play the dolls

### **S.11(1)(d), TMO:** Exclusively customary

- ***West v Fuller Smith*** [“E.S.B.” for beer]
  - D had brewed and sold bitter under the mark “Extra Special Bitter” from 1971, and registered “E.S.B.” in respect of beers in 1988
  - Claimant sold pilsner beer known as “ESP” standing for “Eastenders Strong Pils”; sought revocation of “E.S.B.” Arguments:
    - Devoid of distinctive character
    - Consisted exclusively of initials which served, in trade, to designate kind or quality of goods, or which had become customary in the current language and practices of the trade
    - Alternatively: Sought partial revocation on the ground that mark was used for bitter type beers

#### **Trial Held:**

- The fact that some mental activity was necessary to discern a reference to the quality of or characteristic of the goods could assist in its registrability [**i.e. NOT descriptive**]
- Judge found that while for some, mark “E.S.B.” had a descriptive connotation, it had *in addition* a distinctive character
  - Descriptiveness and distinctiveness NOT mutually exclusive: Mark could be both distinctive (in that it communicated a message as to the trade origin of the goods to which it was applied), while simultaneously conveying a clear description of those goods
- Initials found to possess a secondary meaning additional to purely descriptive meanings attaching to the words which the initials represented
  - D failed to establish on evidence that the initials “E.S.B.” were customary
  - This was a multi-factorial determination where the evidence of the witnesses had been assessed by an experienced tribunal
- BUT Non-use by D for beers other than bitter: Beer drinkers either drank lager or bitter, but not both; little overlap of trade marks between two classes
  - Limited the specification to “bitter”
  - **CA: Upheld trial judge** [Judge had determined the question of the width of the specification of goods in part as a question of the perception of the average reasonably informed consumer]

### **S.11(2): Factual Distinctiveness** [EXCEPTION to **s.11(1)(b), (c), (d)**]

- ***Windsurfing Chiemsee***: Overall assessment of all evidence
  - Factual distinctiveness established if significant portion of the relevant public identify the goods because of the trade mark
    - May use opinion poll as guidance in difficult cases
    - Must NOT rely solely on pre-determined percentages [NOT magic % to decide if “significant enough portion of public identify goods]
    - See also HKTMR Manual, “Absolute Grounds for Refusal”: Question of degree; onus on applicant to prove case [5 yrs is a useful benchmark; but extensive use over shorter period may be suff.; 2 yrs generally insufficient]

- Relevant factors:
  - o Market share of the mark
  - o geographical and temporal extent of use
  - o amount of promotional effort
  - o extent of recognition by relevant public
  - o statements from traders in the field

### **S.11(3): Shape Marks**

*A sign shall not be registered as a trade mark in relation to goods if it consists exclusively of –*

*(a) shape that results from the nature of the goods themselves*

[HK TMR Manual: For basic or organic shapes ONLY

- E.g. shape of an egg tray dictated by need to accommodate the shape of eggs; see also Book case]

*(b) shape of goods that is necessary to obtain a technical result*

[Functional shapes: “functional” in the sense that the shape is the result of technical considerations, i.e. Patents

- Objection is NOT overcome by showing that other shapes are capable of producing the same technical result: ***Philips v Remington*** [NOT absolute “necessity”]
- ***Philips v Remington***: Failed to register “three-headed shape” of shaver

*(c) shape that gives substantial value to the goods*

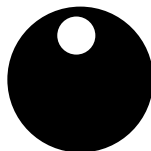
[Aesthetic type shapes, i.e. shapes which appeal to the eye; As registered design!!

- NOT perform TM’s function of designating trade origin

### ***Sony Computer Entertainment v Registrar of TMs***

- Applied to register shape of Play Station consoles and accessories under old TMO, Cap 43 [as shape marks allowed in HK since 1996]
- Judge agreed with Registrar that the shape of the consoles was essentially that a “flat rectangular box”, which was necessary for the obtaining of a technical result [i.e. putting console stably on flat surface, and safely containing the components inside]
- Objection under s.11(3)(b) upheld

### ***Re Movado Watch Co SA*** [2003]



- Application to register 3D disc with a smaller concave circular section in 12 o’clock position
- Objected to under ss.(b) as trader chose this sign, believing that this would be appealing to the eye



### **S.11(4)(a): Contrary to morality**

*Ghazilian's Trade Mark Appn* ("TINY PENIS") [2002] RPC 628, following *Masterman's Design* [1991] RPC 89

- Contrary to morality if it is plain that the sign is of such nature that its use would offend the moral principles of right-thinking members of society
- Mere offence to a section of the society that the sign is distasteful, insufficient

*FCUK Trade Mark* [2007] RPC 1, citing *Basic Trademark SA's Appn* ("JESUS") & *Scranage's Trade Mark Appn* ("FOOK")

- NB in *Scranage's Case*: Sign objected to as slang similar to the "FXXX" word
- Cf. Use in Hong Kong: As "Fortune"

### **S.11(5)(b) bad faith**

- *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999]  
*"Bad faith ... includes dishonesty and ... some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined."*
- Also bad faith if application is made by someone who is not entitled to the mark: see *CA Sheimer (M) Sdn Bhd's TM Application* [2000]
  - o Taking unfair advantage of the previous registered mark; **NB** also protection for "well-known" TMs
- *SAXON Trade Mark* [2003] FSR 704
  - o Departing member of a band had registered "SAXON" (name of band) for music-related products and services
  - o **Held:** Bad faith if "*proprietor of mark, having no existing title to the mark, had registered it with the intention of interfering with the rights of others who did and had consistently used the mark*"

## **3. DURATION OF REGISTRATION**

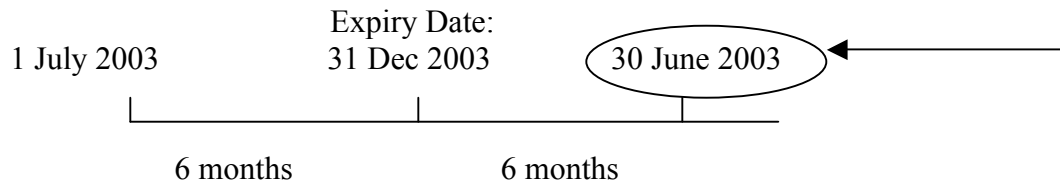
- Rights of owner of a registered trade mark have effect from the date of registration of the trade mark: **S.14(3), TMO**
- TM shall be registered for a period of 10 years beginning on its date of registration: **S.49(1), TMO**
  - Filing date of application deemed to be date of registration: **S.48**
  - Registration may be renewed in accordance with **s.50** for further periods of 10 years: **S.49(2)**

(i) Renewal: S.50, TMO

(1) The owner of a registered TM may, in the prescribed manner, request renewal of the registration, subject to payment of prescribed renewal fee

*See Trade Marks Rules*

- Schedule, para 7: fees for renewal
- R.32: Request filed on specified form (Form T8); fee must be paid within 6-month period ending on expiry date of registration



- (3) If owner fails to make request or pay fee before expiry, may still do so within such further period, of not less than 6 months, as may be prescribed, in which case an additional fee must also be paid

*See Trade Mark Rules*

- R.32(3): Renewal of the registration of a trade mark may also be effected by filing a request for renewal on the specified form and paying the applicable fee for renewal and the applicable fee for late renewal within 6 months after the date of expiry of the registration

- (5) If the registration is not renewed in accordance with this section, the Registrar shall remove the trade mark from the register

- **BUT** subject to restoration under ss.(6) [Further provisions in sub. leg.]
  - *Trade Marks Rules, r.35*: Owner must make request on specified form (Form T8) and pay applicable fee within 6 months after date of removal
    - Registrar may restore the mark if, having regard to circumstances of the failure to renew, he is satisfied that it is just to do so
    - I.e. have to give reason for refusal

## 4. OWNERSHIP AND ASSIGNMENT, etc.

### S.27 TMO:

- (1) A registered trade mark is personal property.
- (2) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law [*i.e. intestacy*] in the same way as other personal property; and it is so transmissible either in connection with the goodwill of a business or independently.
  - Necessitated by Old law: TM and goodwill of business concerned should be assigned together, otherwise the link between TM and business would be broken
    - Statutory control (under old law): Assignment w/o goodwill shall NOT take effect until assignee, within 6 months from date of

assignment or any extended period allowed by Registrar, applies to Registrar for directions with respect to advertisement of assignment  
→ NO such requirement under new TMO

- (3) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply -
- (a) in relation to some but not all of the goods or services for which the trade mark is registered; or
  - (b) in relation to use of the trade mark in a particular manner or in a particular locality [*i.e. manner and locality of use*]

**Formality requirement:**

- (4) An assignment of a registered trade mark is not effective unless it is made in writing and is signed by or on behalf of the *assignor*

**(ii) Licensing: S.33, TMO**

- (1) A licence to use a registered TM may be general or limited
- (2) A limited licence may, in particular, apply -
  - (a) in relation to some but not all of the goods or services for which the trade mark is registered; or
  - (b) in relation to use of the trade mark in a particular manner or a particular locality
- (3) A licence is not effective unless it is in writing and is signed by or on behalf of the *grantor*

**(iii) Registration of Transactions**

- Assignment or a licence is a registrable transaction: **S.29(2)**
- Person claiming to be entitled to an interest in or under a registered trade mark by virtue of a registrable transaction can apply for registration of the transaction  
→ Prescribed particulars of transaction shall be entered in register: **S.29(1)**

*Trade Marks Rules, r.62*

- (1) Application shall be filed on the specified form i.e. Form T10
  - (2) To register an assignment, the application shall EITHER
    - Signed by / on behalf of the *assignor* OR
    - Accompanied by such documentary evidence as suffices to establish assignment, i.e. NO need to provide assignment if properly signed[C.f. **S.27(4)**: Assignment to be signed by or on behalf of *assignor*]
  - (3) To register a licence, the application shall EITHER
    - Signed by / on behalf of the *grantor* OR
    - Accompanied by such documentary evidence as suffices to establish licence
- Significance of registration: **S.29(4)** [Necessary to get remedy in case of infringement]

[*cont'd*]

- (4) *Where a person becomes the owner or a licensee of a registered trade mark by virtue of a registrable transaction, then unless -*
- (a) *an application for registration of the transaction is made before the end of the period of 6 months beginning on the date of the transaction; or*
  - (b) *the court is satisfied that it was not practicable for such an application to be made before the end of that period and that an application was made as soon as practicable thereafter,*
- he is not entitled to damages or an account of profits in respect of any infringement of the registered trade mark occurring after the date of the transaction and before the prescribed particulars of the transaction are registered*

- Also Significance under **s.29(3)** for priority:

- (3) *Until an application has been made for registration of the prescribed particulars of a registrable transaction -*
- (a) *the transaction is ineffective as against a person acquiring a conflicting interest in or under the registered trade mark in ignorance of the transaction*
  - (b) *a person claiming to be a licensee by virtue of the transaction does not have the protection of*
    - S.35 [Rights of licensees generally];
    - S.36 [Rights of certain exclusive licensees];
    - S.37 [Rights of sub-licensees under certain exclusive licences]
- [For (a), e.g. A assigns to B, who fails to register; A then assigns or grants a licence to C, who is ignorant of the assignment
- o *Kerly (2001): Even non-exclusive licence may be conflicting; NO requirement that C must have given consideration*

### Summary

- Assignment signed by assignor: Otherwise not effective between parties
- Application for registration (signed by both): Otherwise not entitled to remedies & not effective against third parties

### (ii) Exclusive Licence

- Definition: “*A licence, whether general or limited, authorizing the licensee to the exclusion of all other persons, including the person granting the licence, to use a registered trade mark in the manner authorized by the licence”* (**s.32, TMO**)
- Parties **may** define the scope of the licence: **S.34**
  - (1) *An exclusive licence may provide that the exclusive licensee shall, to such extent as may be provided by the licence, have the same rights and be entitled to the **same remedies** in respect of matters occurring after the grant of the licence **as if the licence had been an assignment***
  - (2) *An exclusive licensee has the same rights against a successor in title who is bound by the licence as he has against the person granting the licence*

- See also **S.33(6)**: A licence **may** authorize a licensee to grant a sub-licence
  - o Sub-licence may be exclusive unless licence provides otherwise: *Kerly* (2001)
- If exclusive licence does provide same rights as assignment [As allowed under **s.34(1)**], then under **S.36**:
  - (2) *The exclusive licensee is entitled, **subject to the provisions of the licence** and to this section, to bring infringement proceedings in his own name against any person other than the owner of the registered trade mark*
  - (3) *The rights of the exclusive licensee and the remedies to which he is entitled are concurrent with those of the owner*
  - (5) *Where proceedings for infringement brought by owner or an exclusive licensee relate wholly or partly to an infringement in respect of which they have concurrent rights of action, the owner or exclusive licensee, as the case may be, may not, without leave of the court, proceed with the action unless the other is either joined as a plaintiff or added as a defendant*

**NB:** (11) Subsections (5) to (10) have effect subject to any agreement to the contrary between the owner of the registered trade mark and the exclusive licensee

<b>TMO</b>	<b>Copyright Ord.</b>
<b>S.36(5)</b> : NO guidance given as to when Court should grant leave	<b>S.113(3)</b> : Court shall not grant leave <b>UNLESS</b> there are exceptional circumstances, other than cost considerations, beyond the control of copyright owner or exclusive licensee
<b>S.36(11)</b> : subject to contrary agreement	Nil

✧ New policy in UK and HK: Leave TM owners to take care of their marks, so contrary agreement prevails

## 4. INFRINGEMENT

**S.18, TMO** [Corresponding to **S.12** Relative Grounds: pp 3-7, above]

- (1) *A person infringes a registered trade mark if he uses in the course of trade or business a sign which is identical to mark in relation to identical goods or services*
- (2) *A person infringes a registered trade mark if -*
  - (a) *he uses in the course of trade or business a sign which is identical in relation to similar goods or services; and*
  - (b) *the use is likely to cause confusion on the part of the public*
- (3) *A person infringes a registered trade mark if -*
  - (a) *he uses in the course of trade or business a sign which is similar in relation to identical or similar goods or services; and*

- (b) *the use is likely to cause confusion on the part of the public*  
(4) *Use of well-known trade mark on dissimilar goods or services*

**O2 Holdings v Hutchison 3G** [2006] RPC 29 (p 699)

- Any use of TM in the course of business would constitute infringement; NOT confined to used in TM sense
  - o **British Sugar**: NO gloss on phrase “use in the course of business”
  - o Cf. Old law had the additional requirement of
    - (4) *use as a trade mark; or*
    - (5) *use on goods or in advertising materials so as to import a reference to some person having the right either as proprietor or registered user to use the mark*
  - o **Stichting Greenpeace Council v Income Team Ltd** [1997] FSR 149
    - o **Held**: Use of GREENPEACE on Ds’ hang-tags, shopping bags, sales memos, business cards etc (original marks / labels of overseas manufacturers on goods) constitutes “*use as a trade mark*”
  - o **NOW “Use” inexhaustively defined in S.18(5), TMO**
    - (a) *applies it to goods or their packaging;*
    - (b) *offers or exposes goods for sale under the sign;*
    - (c) *puts goods on the market under the sign;*
    - (d) *stocks goods under the sign for the purpose of offering or exposing them for sale or of putting them on the market;*
    - (e) *offers or supplies services under the sign;*
    - (f) *imports or exports goods under the sign; or*
    - (g) *uses the sign on business papers or in advertising*
- Infringement under UK s.10(2), (3) / HK s.18(2), (3), (4): See pp 3-7, above

**(i) EXCEPTIONS**

- **S.20, TMO**: Parallel import not infringement
- **S.21, TMO**: Use in advertising etc
  - (1) *Nothing in S18 shall be construed as preventing the use by any person of a registered trade mark for the purpose of identifying goods or services as those of the owner of the mark or a licensee, but any such use which is otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the mark*
    - [I.e. Comparative ad. Allowed so long as w/I honest practice]
  - (2) *In determining whether the use is in accordance with honest practices in industrial or commercial matters, the court may consider such factors as it considers relevant including, in particular, whether -*
    - o *the use takes unfair advantage of the trade mark;*
    - o *the use is detrimental to the distinctive character or repute of the trade mark; or*
    - o *the use is such as to deceive the public*

[cont’d: for cases]

[Comparative ad. Under s.21, TMO]

See **British Airways v Ryanair** [2001]

- Two advertisements: EXPENSIVE BA \_\_\_ \_DS! EXPENSIVE BA
- Both featured columns of prices headed “Ryanair” and “BA”
- BA: “BA” was their registered trade mark; Price comparison was unfair because D’s midweek return fare compared with P’s return same week fare, not with its lower return fare which required Saturday night stay

**Held:**

- BOP on registered owner to show that factors indicated in the section exist
  - Ad. must be considered as a whole under the objective of Section allowing comp. ad.
  - Objective test: Would a reasonable reader be likely to say, upon being given the full facts, that the advertisement is not honest?
    - o Statutory or industry agreed codes of conduct are NOT a helpful guide as to whether an advertisement is honest
    - o Honesty has to be gauged against what is reasonably to be expected by the relevant public of advertisements for the goods or services in issue
  
    - o General public are used to the ways of advertisers and expect hyperbole (exaggeration)
      - NOT for the court to enforce a stricter moral standard than the general public would expect from advertising copy
    - o Significantly misleading ad. is NOT honest
    - o **NB:** For interlocutory purposes,
      - Court should NOT hold words used in ad to be seriously misleading **UNLESS** on a fair reading of them in their context and against the background of the ad as a whole, they can really be said to justify that description
      - Court should NOT encourage a microscopic approach to the construction of a comparative advertisement: Minute textual examination is not something upon which the reasonable reader of an advertisement would embark
  - On facts: NO misleading as customers would look at fine print for this type of air fare ads.
  
  - **S.19, TMO: “Own name” exception**
    - (3) *A registered trade mark is not infringed by-*
      - (a) *the use by a person of his own name or address or the name of his place of business;*
      - (b) *the use by a person of the name of his predecessor in business or the name of his predecessor’s place of business;*
      - (c) *the use of signs which serve to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services*
- Provided** the use is in accordance with honest practices in industrial or commercial matters

***Euromarket Designs v Peters and Crate & Barrel* [2001]**

- P: American Co. running chain of stores “Crate & Barrel” in US selling household goods and furniture; name registered as TM in UK
- Ds ran a single shop in Dublin called “Crate & Barrel”; also selling household goods and furniture
- P claimed that Ds infringed its UK registered TM:
  - o Ad. in a magazine published in UK but circulated in UK and Ireland; using name “Crate & Barrel” on Ds’ website
- **Ds counterclaimed for revocation of P’s mark in UK:** Relied on “own name” defence under TMA 1994

**Held:**

- “Own name” defence: NOT limited to natural persons; Covers use of Co. name
  - o Applicable whether name is used as TM or as Co.’s name
- NOT matter even if Co. drops the word “Limited” from its full company name
- NO requirement for Co. name to be known before use could come within the section
  - o *C.f. If name unknown, the commencement of the use of that name might not satisfy the proviso to the section*

➤ **Proviso under s.19(3), TMO: “honest practices in industrial or commercial matters”**

- o See *Asprey & Garrard v WRA (Guns) Ltd* [2002]
  - NO applicable to new company names [other’w route to piracy]
  - If clear that what he is doing is causing deception [i.e. confusion], difficult to see that he would actually continue to do it
    - o Might provide a defence for the past, NOT for the future
  - Objective test of “honesty”: Court looks at what D is actually doing and then asks whether it is in accordance with honest practice
    - o Honest practice cannot involve causing deception, even if unanticipated / unintended
- Applied in *Richemont Int’l SA v Da Vinci Collections* [2006]

- **S.19(2), TMO: Other Exceptions**

(2) *A registered trade mark is not infringed by the use of another registered trade mark in relation to goods or services for which the latter is registered*

[i.e. cover cases involving consent, honest concurrent use or other special circumstances]

➤ **But you may challenge validity of registration of former TM by applying for declaration of invalidity: see *Leung Ting v Lee Yuen Tim***



## 5. REVOCATION

Revocation	Declaration of invalidity
<p><b><u>s.52(6), TMO:</u></b> Rights of the owner shall be deemed to have ceased as from -</p> <ul style="list-style-type: none"><li>○ the date of the application for revocation; or</li><li>○ if the Registrar or the court is satisfied that the grounds for revocation existed at an earlier date, that earlier date</li></ul>	<p><b><u>S.53, TMO:</u></b> The registration of a trade mark may be declared invalid on absolute grounds (s.11) or on relative grounds (s.12)</p> <ul style="list-style-type: none"><li>- Registration shall be deemed never to have been made</li></ul>

### (i) Revocation

#### **S.52, TMO:**

- (1) *An application for revocation may be made by any person, and may be made either to the Registrar or to the court*
- (2) *The registration of a trade mark may be revoked on any of the following grounds, namely -*
  - (a) *that the trade mark has not been genuinely used in Hong Kong by the owner or with his consent, in relation to the goods or services for which it is registered, for a continuous period of at least 3 years, and there are no valid reasons for non-use (such as import restrictions on, or other governmental requirements for, goods or services protected by the trade mark)*

#### **BUT subject to s.(4):**

- (4) *Subject to subs (5), the registration of a trade mark shall not be revoked on the ground mentioned in subs (2)(a) if the use described in that subsection is commenced or resumed after the expiry of the 3-year period and before the application for revocation is made.*
  - Re-use after 3 yrs' non-use, AND before application

#### **... BUT again, s.(4) subject to s.(5):**

- (5) *Any commencement or resumption of the use described in subs (2)(a) after the expiry of the 3-year period but within the period of 3 months before the making of the application for revocation shall be disregarded unless preparations for the commencement or resumption began before the owner of the registered trade mark became aware that the application might be made.*
  - BUT re-use has to be at least 3 months before application

#### (1) "Genuine use"

[See e.g. *Richemont Int'l SA v Da Vinci Collections* [2006]; *Laboratoire de la Mer Trade Mark* [2006] -- Pendleton & Lee, pp 112-3]

[cont'd]

- **Imperial Group v Philip Morris** [1982]
    - o P wanted to stop Philip Morris (PM) from introducing a brand of cigarettes called “Merit”, so P registered word “Nerit” as TM so that PM’s use of “Merit” would amount to infringement of “Nerit”
    - o P did NOT intend to use “Nerit” in its business: ONLY arranged for packs of “Nerit” cigarettes to be prepared and sold on a limited scale
- Held (CA):**
- o NO bona fide use (As “ghost mark”)
- 
- See also **s.52(3), TMO**: Use of a TM in Hong Kong, includes applying TM to goods or to packaging of goods in Hong Kong solely for export purpose [Book, p 112-3]

(2) NO “valid reason” (HK) / no “proper reason” (UK)

**INVERMONT Trade Mark** [1997]

- o Phrase “proper reason for non-use” had to be viewed in a business sense
- o Meant “apt, acceptable, reasonable, justifiable in all the circumstances” and related to abnormal situations in industry or the market and also to temporary but serious disruptions affecting the registered proprietor's business alone
- o Examples given in **s.52(2)(a), TMO**

Other grounds for revocation under **S.52(2), TMO**:

- (b) *that the trade mark consists of a sign that, in consequence of the acts or the inactivity of the owner- [i.e. generic]*
  - (i) *has become the common name in the trade for goods or services for which the trade mark is registered; or [i.e. originally descriptive]*
  - (ii) *has become generally accepted within the trade as the sign that describes goods or services for which the trade mark is registered;*
- (c) *that in consequence of the use made of it by the owner or with his consent, in relation to the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services; or*  
**[E.g. licensee; Mislead public: “All wool”; then move from selling wool products to non-wool products]**
- (d) *that there has been a contravention of or a failure to observe any condition entered in the register in relation to its registration*

**S.52, TMO**:

- (6) *Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only. [i.e. Partial revocation]*

## (ii) Declaration of Invalidity

### S.53, TMO:

- (1) An application for a declaration of invalidity of the registration may be made by any person to the Registrar or to the court*
- (2) In the case of bad faith in the registration of a trade mark, the Registrar himself may apply to court for such a declaration [i.e. s.11(4)(b), TMO]*
- (3) Registration may be declared invalid on the ground that mark was registered in contravention of S.11 (absolute grounds)*
- (4) In case of S11(1)(b), (c) or (d), it shall not be declared invalid if, in consequence of the use which has been made of it, mark has after registration acquired a distinctive character in relation to the goods or services for which it is registered*
- (5) Subject to subsections (6) and (7), the registration of a mark may also be declared invalid on relative grounds (S.12)*

#### - EXCEPTIONS: S.53, TMO

- (6) The registration of a trade mark may not be declared invalid under subs (5) if the owner of the earlier trade mark or other earlier right has consented to the registration.*
- (7) Where a trade mark has been registered on the ground that there has been an honest concurrent use of the trade mark and the earlier trade mark, as provided for by s13 (honest concurrent use, etc.), the registration of a trade mark may not be declared invalid under subs (5) unless the Registrar or the court is satisfied that in fact there had been no honest concurrent use of the trade mark and the earlier trade mark.*

#### - Miscellaneous: S.53, TMO

- (8) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.*
- (9) Without affecting transactions past and closed, where the registration of a trade mark is declared invalid under this section to any extent, the registration shall to that extent be deemed never to have been made.*

**[i.e. NOT affect past transactions]**

## 6. CRIMINAL SANCTIONS

### Trade Descriptions Ordinance (Cap 362)

- “forged trade mark” (偽造商標) has the meaning assigned to it by **S.9(3)**
  - o Person is deemed to forge a trade mark if he
    - (i) w/o consent of the owner of TM, makes that trade mark or a mark so nearly resembling that trade mark as to be calculated to deceive; or
    - (ii) falsifies any genuine trade mark, whether by alteration, addition, effacement or otherwise

Offences under **S.9(1)**: Any person who -

- (a) forges any trade mark;
- (b) falsely applies to any goods any trade mark or any mark so nearly resembling a trade mark as to be calculated to deceive;
- (c) makes any die, block, machine or other instrument for the purpose of forging, or of being used for forging, a trade mark;
- (d) disposes of or has in his possession any die, block, machine or other instrument for the purpose of forging a trade mark; or
- (e) causes to be done anything referred to in (a), (b), (c) or (d),

commits an offence unless he proves that he acted without intent to defraud.

Offences under **S.9(2)**:

Any person who

- sells or
- exposes or
- has in his possession for sale or any purpose of trade or manufacture

any goods to which any forged trade mark is applied, or to which any trade mark or mark so nearly resembling a trade mark as to be calculated to deceive is falsely applied, commits an offence.

Penalties **S.18(1)**: Any person who commits an offence under S9 shall be liable to a fine of \$100,000 and to imprisonment for 2 years.