<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Protecting trade marks in Hong Kong: Re Omega</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Author(s)</strong></td>
<td>Lee, A</td>
</tr>
<tr>
<td><strong>Citation</strong></td>
<td>Hong Kong Law Journal, 1996, v. 26 n. 2, p. 180-193</td>
</tr>
<tr>
<td><strong>Issued Date</strong></td>
<td>1996</td>
</tr>
<tr>
<td><strong>URL</strong></td>
<td><a href="http://hdl.handle.net/10722/74965">http://hdl.handle.net/10722/74965</a></td>
</tr>
<tr>
<td><strong>Rights</strong></td>
<td>This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.</td>
</tr>
</tbody>
</table>
Conclusion

This note does not attempt to resolve the true meaning of s 27 MO and the interacting provisions of the DCO and CPO concerning amendment of charges. The whole of that effort could be negated by one stroke of the legislative drafter’s pen. Nor has the aim been to show that every amendment of a charge made by a District Court judge in the history of Hong Kong has been ultra vires, though some of them may have been. I merely wish to show that there are a number of serious and unnecessary difficulties with the law relating to amendment of charges and indictments in Hong Kong in all jurisdictions, certainly in magistracies, but especially in the District Court: the two jurisdictions where by far the bulk of amendments to charges occur.

Thus, there seems to be a clear case for a uniform and simplified set of rules governing amendment of charges and indictments throughout Hong Kong’s criminal court jurisdictions and it is hoped that this will be attended to as soon as possible.

Gary N Heilbronn*

Protecting Trade Marks in Hong Kong: Re Omega

The protection of trade marks and trade names has a century-long history in Hong Kong,¹ yet attempts to pass off one’s goods or services as those of another still occur — sometimes successfully. Trading individuals or corporations whose reputations have been undermined may obtain an injunction to halt these activities, and may be awarded damages or loss of profits. These remedial measures provide the plaintiff with some comfort after irreparable harm has been done, but a more effective way of preserving one’s goodwill is to prevent it from being attacked.

This strategy is recognised in the Trade Marks Ordinance which stipulates certain restrictions on the registration of trade marks, the most powerful of which is s 12(1) which provides that deceptive, scandalous, or immoral marks² can never be registered, and an application to register such marks may be opposed by the Registrar of Trade Marks or any other person.³

---

* Senior Lecturer, Department of Professional Legal Education, University of Hong Kong.

¹ The first Trade Marks Ordinance was enacted in 1873.

² The actual wording of the subsection is much more elaborate:

It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or would be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design.

³ s 15(1), Trade Marks Ordinance.
The case discussed here is a recent example of opposition to an application of this kind. The analysis is focused on s 12(1) first and then on other weapons for protecting well-known marks in Hong Kong.

The application to register

In October 1987, Charming Company Limited (the applicant) applied for registration in Hong Kong of a mark (the suit mark) in respect of ‘writing instruments, refills and parts thereof’ in Class 16 of Part A of the Register of Trade Marks. The suit mark is composed of three elements, the device ‘Ω,’ the word ‘OMEGA,’ and the Chinese characters ‘亞米茄,’ which are arranged vertically as follows:

Ω

OMEGA

亞米茄

Omega SA (the opponent) is the registered owner of, inter alia, marks which appear to be identical to the three components of the suit mark. For the purpose of comparison, the opponent’s marks are represented below.

Ω

OMEGA

亞米茄

The ‘OMEGA & DEVICE’ mark
(Reg No 450/1958)

The Chinese mark
(Reg No 451/1958)

Although these marks are separately registered in respect of watches and time pieces in Hong Kong (the ‘OMEGA & DEVICE’ mark being first registered in

---

4 Re Omega [1995] 2 HKC 473.
5 Apart from the marks mentioned in the judgment of the High Court, the opponent is also registered owner of the following marks:
   (i) marks composed of the word ‘OMEGA’ and a qualifying word, such as ‘OMEGA LADYMATIC’ (Reg Nos 1347/1967 and 1349/1967), ‘OMEGA SAPPHETTE’ (Reg Nos 1348/1967 and 1350/1967), and ‘OMEGA CONSTELLATION’ (Reg Nos 389/1954 and 390/1954); and
   (ii) single-word marks, such as ‘SEAMASTER,’ ‘CHRONOSTOP,’ and ‘MEGAQUARTZ’ (Reg Nos 785/1952, B648/1971 and B1482/1977 respectively).

All of the opponent’s marks which are referred to in this article were represented in the Acting Registrar’s decision.
1899 and the Chinese mark '亞米茄' in 1958' respectively), according to the opponent's evidence, where space allowed for the marks to be placed in a vertical arrangement, it had been the practice of the opponent to place the device in the top row, the 'OMEGA' mark in the middle, and the Chinese mark in the bottom.

The opponent contended that the suit mark was so similar to its marks arranged vertically that it should not be registered, and it based its opposition on the following grounds (sections referred to below are contained in the Trade Marks Ordinance):

(1) that the suit mark lacks a sufficient degree of distinctiveness as required by s 9(1);
(2) that it is likely to deceive members of the public or is disentitled to protection under s 12(1);
(3) that it is identical with or resembles the opponent's marks under s 20; and
(4) that, according to s 23, the Registrar should refuse to register the suit mark for it is identical with or nearly resembles the Swiss trade mark and the international trade mark of the Opponent.

Apart from these specific grounds on which a proposed mark may be rejected, the Registrar is also equipped with a wide discretion under s 13(2). As a last resort, the opponent contended that, even if the suit mark did not contravene any of the above provisions, the Registrar should exercise the discretion under s 13(2) against the applicant.

The only substantial defence put forward by the applicant was that it had no intention to take advantage of the opponent's reputation as it was itself a 'famous manufacturer, wholesaler and import and export agent of writing instruments in Taiwan' as well as the registered owner in Taiwan of a similar mark (the Taiwan mark), which is represented as follows:

![Omega Trademark](image)

6 The mark was initially registered in the old Class 10 of the register (Reg No 23/1899), then registered in the present Class 14 in 1958 (Reg No 450/1958). The device mark alone was also registered in Class 14 in 1960 (Reg No 800/1960).
7 Registration No 451/1958.
8 The reference to the 'Registrar' in this article is extended to include the Acting Registrar.
9 Section 13 of the Trade Marks Ordinance concerns application for registration. Subsection (1) stipulates that applications must be made in writing to the Registrar in the prescribed manner, and sub-s (2) goes on to confer a wide discretion on the Registrar in the following terms: 'Subject to the provisions of this Ordinance, the Registrar may refuse the application, or accept it absolutely or subject to such conditions, amendments, modifications, or limitations, if any, as he may think right.'
The application to register the suit mark was allowed by Mr H R Faux, Acting Registrar of Trade Marks, who dealt with each of the arguments put forward by the opponent in great detail. That decision was reversed by Deputy Judge Le Pichon, who focused mainly on s 12(1) and interpreted it differently from the Acting Registrar.

Section 12(1) is such a vigorous means of safeguarding the legitimate rights and interests of proprietors of registered marks that the need for a clear and uniform interpretation is strongly felt. Previous decisions on the interpretation of that subsection and its equivalent in England, namely s 11 of the Trade Marks Act 1938, have already clarified most, if not all, of the uncertainties surrounding the Hong Kong and English sections respectively. However, the conflicting opinions of the Acting Registrar and the High Court in Re Omega sounded the alarm and led the judge to confirm well-established principles by reference to leading authorities.

Section 12(1)

There are four reasons for unregistrability in s 12(1) and they appear in the following order: 'likely to deceive,' 'disentitled to protection in a court of justice,' 'contrary to law or morality,' and 'scandalous.' The first uncertainty used to be the relationship between these grounds of objection, in particular, that between the first two limbs, which were — and remain — the most commonly pleaded arguments against registration. The local subsection was once regarded as ambiguous because its structure departed from that of the corresponding section in England. It has been held that the wording of the latter impliedly suggests that the two limbs are interdependent and cumulative. After a series of divergent local decisions, Hunter J decisively held in 1983 that our subsection should be viewed differently. It has therefore been settled for more than a decade that the first two grounds of objection in s 12(1)

---

10 In the words of the judge, '[f]or the purposes of this appeal, which is a de novo hearing, I need only be concerned with ss 12(1) and 13(2) of the [Trade Marks] Ordinance. Mr Yau who appears for the opponent does not rely on either s 9 or s 25 and reserves his rights as regards s 20.' In fact, s 12(1) alone was the main ground of appeal because it was subsequently held that the exercise of the discretion under s 13(2) did not arise here.

11 For the full text, see note 2 above.

12 Section 11 of the Trade Marks Act 1938 reads as follows:

It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

(Emphasis added.)

The phrase 'by reason of,' which appears in the English provision, has not been included in s 12(1)

13 The House of Lords opined that the insertion of the phrase 'by reason of' suggested some causal connection between the limbs. That means 'likely to deceive' is one of the possible reasons for holding that a proposed mark be 'disentitled to protection' (GE Trade Mark [1973] RPC 297).

14 For instance, Excello TM [1972] DCLR 57, Crown Brand TM (P Murphy; 30 January 1981), Bodelac TM (AC Waters; 27 October 1982), and Patricia TM (AC Waters; 15 November 1982). The last three cases are reported in Supreme Court Miscellaneous Decisions, Vols 3 and 4, File Ref Nos 1725/75, 31/78, and 705/78 respectively.
are disjunctive and independent, and there is no disharmony between the Acting Registrar and the learned judge as far as this aspect of the subsection is concerned.

The real issue in Re Omega is the meaning and scope of the first ground of objection under s 12(1), namely, likelihood of deception, and it is on this point that the judge diverged from the opinion of the Acting Registrar. The opponent contended that the applicant had made a deliberate attempt to cause deception and confusion by representing and arranging the three components of the suit mark in exactly the same manner as that in which the opponent's marks were arranged, and hence to exploit the reputation enjoyed by the opponent in respect of its marks. The Acting Registrar held, inter alia, that the purported registration was not prohibited by s 12(1) because that subsection requires that the applicant's goods are 'closely allied to the pre-existing fields of the opponent's activities.' The opponent failed to meet this requirement as 'no one would think of pens when seeing the Opponent's marks or hearing the Opponent's name.'

It was correctly pointed out by Deputy Judge Le Pichon that the Acting Registrar asked the wrong question. The real question is: what would people think if they see the applicant's pens with the suit mark? The judge applied the test laid down by Evershed J in Smith Hayden. The test is whether having regard to the user by the Opponent of its trade marks, in particular in the vertical arrangement in which they are almost invariably represented in Hong Kong, the use by the Applicant of the suit mark in a normal and fair manner in connection with writing instruments will not be unreasonably likely to cause deception and confusion.

This has been regarded as an 'authoritative statement of the law.' The Acting Registrar had also referred to the same test of Evershed J and stated in the earlier

---

15 Hong Kong Caterers Limited v Maxim's Limited [1983] HKLR 287. In this case, Hunter J compared our s 12(1) with the English s 11, and considered the various ways of interpreting statutory provisions of this kind. After referring to GE Trade Mark (note 12 above) and Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd [1979] RPC 410 (New Zealand), the judge preferred the latter approach as the structure of the New Zealand section (s 16 of the Trade Marks Act 1953) is much more similar to that of our s 12(1).

16 The Acting Registrar held that the objection under ss 20 and 23 failed as well. He further held that the mark was registrable under s 9(1) and decided to exercise the discretion under s 13(2) in favour of the applicant. (1946) 63 RPC 97, 101.

17 The original passage of Evershed J in Smith Hayden (note 17 above) is in the following terms: 'Having regard to the reputation acquired by the name "Hovis," is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons? It is suggested in a subsequent case that regard should be had to the user (not reputation) of the opponent's mark: Bali [1989] RPC 472, 496, per Lord Uphol. Although no reference was made to Bali in the judgment, by substituting the word 'user' for 'reputation' the learned judge had impliedly endorsed the view of Lord Uphol in that case.

part of his decision that s 12(1) also "extends to cases where an applicant's mark has been used upon goods of a different description from or not closely related to those for which registration is sought." However, by accident or design, the Acting Registrar described the scope of the subsection in much narrower terms in the later part of his decision. After referring to three English cases, Ferodo Ltd's Application,\textsuperscript{21} Esso Trade Mark,\textsuperscript{22} and Laura Ashley Trade Mark,\textsuperscript{23} the Acting Registrar stated the requirement for s 12(1) in the following (rather different) terms:

The relevance of these cases in the context of this present discussion is that unless it can be shown that the Opponent's watches are goods which are the same or of the same description as any of the specified goods or that the specified goods or any of them are goods (to use the wording of Whitford J in Esso Trade Mark) 'which can on a reasonable basis be said to be fairly closely allied to the pre-existing fields of the [Opponent's] activities,' the likelihood that use of the suit mark on the specified goods will confuse or mislead members of the public into believing that the specified goods are associated with the Opponent will be seriously dismissed. (Emphasis added.)

The inconsistency in the Acting Registrar's decision was discerned by the judge, who rejected the three cases referred to above as being irrelevant to the interpretation of s 11 of the Trade Marks Act 1938, the English equivalent to s 12(1) of the Trade Marks Ordinance.\textsuperscript{24} They are not, therefore, authorities for the proposition that s 12(1) requires that the goods of the opposing parties be 'closely allied.'

Instead, the judge referred to Players\textsuperscript{25} and Golden Jet,\textsuperscript{26} two leading authorities on the scope of s 11 of the Trade Marks Act 1938. However, no reference was made to the relevant facts and arguments raised in those cases. If such reference had been made, it would have been clear that the opponent in Re Omega had a stronger case than the opponents in both Players and Golden Jet.

\textsuperscript{20} The narrower interpretation of s 12(1) (see the text following this note) was enunciated by the Acting Registrar immediately after he had considered the scope of s 20 and concluded that the latter was inapplicable in the present case. Section 20 is a more specific anti-deception provision, requiring an applicant's goods to be the same or of the same description as those of the opponent. The Acting Registrar might still be under the influence of the earlier discussion on s 20 when he proceeded, or purported to proceed, to deal with the construction of s 12(1).

\textsuperscript{21} Ferodo: s 17 — registration of defensive trade marks
\textsuperscript{22} Esso: s 10(2)(b) — distinctiveness for Part B registration
\textsuperscript{23} Laura Ashley: s 9(3)(b) — distinctiveness for Part A registration
\textsuperscript{24} As pointed out by the judge, those cases relate to three other provisions of the Trade Marks Act 1938:
\textsuperscript{25} Players: s 35 — protection of trade marks
\textsuperscript{26} Golden Jet: s 19.
The strength of the opponent's case

Different markets v same market
In Players, the marks in question were identical, not merely resembling. The opponents were owners of the mark 'PLAYERS,' registered in respect of tobacco. They successfully opposed an application to register the same mark in respect of confectionery, including confectionery in the shape of cigarettes ('confectionery cigarettes'), because there was evidence\(^{27}\) that confectionery cigarettes sold under the name 'PLAYERS' would be taken as an advertisement for the opponents' tobacco cigarettes. In Golden Jet, an application to register a three-pointed star mark for clothing was refused as the proposed mark was held to be similar to the Mercedes-Benz star and there was evidence of the use of the latter on T-shirts as promotional gifts.

In neither case was there any suggestion that the public would be led to think that the opponents had branched into a different area. The nature and uses of tobacco cigarettes and confectionery cigarettes are entirely different, the one being smoked and the other eaten. Furthermore, it was pointed out by the applicants that it was an offence to sell tobacco cigarettes to children aged ten or below.

The opponent in Re Omega put forward a bolder argument. It adduced evidence, which was accepted by the judge as relevant, that owners of famous trade marks tend to use them for a wide range of 'luxury products' including, in particular, time pieces and writing instruments. Ten such examples\(^{28}\) were given to support the contention that people might be misled to think that the opponent, a world-renowned manufacturer of watches, has branched into another area of the market for luxury goods, that of writing instruments.

This is an innovative argument as the earlier English cases are concerned with goods in different markets and price ranges, such as motor vehicles and T-shirts in Golden Jet. It is submitted that when the applicant's and opponent's goods are in the same market, as in Re Omega where watches and writing instruments were held to be in the 'market of luxury goods,' it is more likely that the public would be deceived or confused and, as a result, the damage to the opponent's reputation and sales turnover would be much more serious. It is beyond doubt that a new product bearing an existing well-known mark has greater chance of success than an entirely new brand for the simple reason that people are generally reluctant to try unfamiliar brands. Such inertia, or 'brand name loyalty,' is especially obvious in the case of brands famous for their special

\(^{27}\) The opponents were able to adduce as evidence answers to a questionnaire which was relating to the use of the word 'PLAYERS' in various circumstances and distributed by a research services company on the opponents' behalf.

design or quality because there will be hardly any comparable substitute in such cases. Albeit luxury goods are usually selected with great deliberation, the marks in question are so strikingly similar that even careful and educated persons\textsuperscript{29} are not able to know, merely by looking at the marks, that they emanate from different manufacturers. Therefore, there is a substantial risk that people buy the applicant's pens believing that they are the opponent's products.

\textit{Copying of marks v adoption of unusual translation}

The proposed mark in \textit{Players} had only one component, the plural form of a simple English word, 'player.' The applicants in \textit{Golden Jet} attempted to distinguish its mark from that of the opponents by adding the words 'GOLDEN JET' and 'GARMENT PRODUCE' to the three-pointed star, but the most prominent feature in the mark being the Mercedes-like star, the likelihood of deception was still unacceptably high. In both cases, a single component was being copied, the word 'PLAYERS' in the former and the star logo in the latter.

The risk of deception or confusion was much higher in \textit{Re Omega} as the suit mark was composed of three distinct elements, all of which were copied from the opponent. The combination of the device 'Ω' and the word 'OMEGA' is easy to justify as the former is the symbol of the latter, being the last letter of the Greek alphabet. The connection between these two components was also obvious to the Acting Registrar who cited the relevant entry in a reputable dictionary.\textsuperscript{30} However, neither the Acting Registrar nor the judge\textsuperscript{31} examined in sufficient depth the relationship, or the lack of it, between the Chinese characters and the other components of the mark. The Acting Registrar only stated at the beginning of his decision that the Chinese characters ‘亞米茄’ were to be transliterated and translated as ‘Ah Mai Keh’ meaning 'inferior, uncooked rice, the egg plant,' without indicating the source of such transliteration. It appears as if the Acting Registrar thought that ‘亞米茄’ was the standard or universal translation of the word 'OMEGA' as '瑪利' is the widely accepted translation of the English name 'Mary' in Chinese-speaking countries.

It is submitted that ‘Ah Mai Keh’ is not the phonetic equivalent of 'OMEGA' and that the applicant's choice of the same Chinese characters as those used by the opponent would increase the likelihood of deception for the following reasons:

\textsuperscript{29} The persons to be considered in determining whether there is likelihood of deception are those who are likely to become purchasers of the goods upon which the marks in question are used: GE Trade Mark [1973] RPC 297.

\textsuperscript{30} Collins English Dictionary (3rd ed).

\textsuperscript{31} The learned judge did not even consider the connection between the device and the word 'OMEGA.'
(i) The three Chinese characters ‘亚米茄’ do not appear in the entry for ‘OMEGA’ in any English-Chinese dictionaries, nor does the Cantonese pronunciation ‘Ah Mai Keh’ (or its equivalent, if another phonetic system is used) appear in the entry for the same word in any English-Cantonese dictionaries.

(ii) The opponent's Chinese mark ‘亚米茄,’ though transliterated as ‘Ah Mai Keh,’ has never been pronounced as such. Instead, the three characters have been pronounced as ‘Ah Mai Ga’ in its advertisements in Hong Kong since the mark was first used here. Although the character ‘茄’ has two different pronunciations and meanings, ‘Keh’ meaning ‘the egg plant’ and ‘Ga’ meaning ‘the stem of water lilies,’ it is now virtually used only in the first sense and the former pronunciation is much more popular than the latter. The exact reason for choosing the character ‘茄,’ which is commonly pronounced as ‘Keh’ instead of ‘Ga,’ is not known, but the local practice of adopting the latter and less common pronunciation might have been due to the obvious phonetic resemblance between ‘Ga’ and the last syllable of ‘OMEGA.’ Therefore, ‘亚米茄’ is not a common Chinese translation for the last letter of the Greek alphabet. It is, rather, a special choice of the opponent.

(iii) As the Chinese translation ‘亚米茄’ has been the unique choice and practice of the opponent for a long period, the combination of the same Chinese characters with the other two components of the suit mark called for an explanation. This is not just a case of using the same word or logo, but one of adopting the same translation, which may be regarded by many

33 See, eg, *English-Cantonese Dictionary (Cantonese in Yale Romanization)* (New-Asia-Yale-in-China Chinese Language Centre, Chinese University of Hong Kong, 1991), in which the entry for ‘OMEGA’ is as follows: omega N: (1) (the end) jing-goh-k; (2) (biblical) ngoh-muih-ngaat.
34 The present author had the opportunity to discuss the pronunciation of the last character of the Chinese mark with the opponent’s (Hong Kong) Regional Office on 29 March 1996. It was confirmed by the Regional Office that it had been pronounced as ‘Ga’ instead of ‘Keh.’
35 The two meanings can be found in the entry for ‘茄’ in any Chinese dictionaries, an example of which is *A Grand Dictionary of Chinese Language* (Han Yu Da ZI Dian) (Hu Bei Dictionary Publisher and Si Chuan Dictionary Publisher, 1993). For the two Cantonese pronunciations of ‘茄,’ see *Chinese-English Dictionary (Cantonese in Yale Romanization and Mandarin in Pinyin)* (New-Asia-Yale-in-China Chinese Language Centre, Chinese University of Hong Kong, 1989).
36 See, for instance, the entry for ‘茄’ in *Chinese-English Dictionary (Cantonese in Yale Romanization and Mandarin in Pinyin)* (note 35 above), which is as follows: 茄 keh, ga (Md qie, jia)
37 According to the Opponent’s Regional Office, the character ‘茄’ was chosen such a long time ago that the reason for such choice could no longer be ascertained, but it was admitted that the intention was to find Chinese characters which sound like the English name ‘OMEGA.’ That is why the Chinese (Cantonese) translation of the mark in Hong Kong is different from that in mainland China, where most of the people speak Putonghua. In order to achieve uniformity between all Chinese-speaking markets, the local Chinese translation of the mark has also been changed to ‘恨未茄’ recently.
as unusual,\textsuperscript{38} and from that an intention to copy could be easily inferred. An analogy may be drawn from those copyright cases where the presence of the same errors\textsuperscript{39} or idiosyncrasies in style\textsuperscript{40} in the plaintiff’s and defendant’s works was held to be indicative of copying. Although the test for copyright infringement is entirely different from that for trade mark infringement, the choice of the same unfamiliar translation as that used by the opponent would inevitably increase the likelihood of deception and lead to an irresistible inference of copying. The mere fact that the applicant owns another similar mark, the Taiwan mark, would not defeat such inference as the applicant’s allegation that it had been using the Taiwan mark since 1957 was unsupported by evidence\textsuperscript{41} and thus rejected by the judge. Based on all of the above factors, it is submitted that the opponent could have strengthened its case by relying on the uniqueness of its Chinese mark.

Onus of proof and decision on s 12(1)

The suit mark which the applicant seeks to register is substantially different from its Taiwan mark.\textsuperscript{42} If the applicant does have reputation in the latter mark as alleged, it is difficult to understand why the mark it seeks to register is not that mark, but rather a mark that is virtually the same as the opponent’s marks arranged vertically: the same device, the same English word, and the same Chinese characters, in the same script and order of arrangement. As the applicant did not offer any explanation for choosing the same components and using the same arrangement, ‘there is unchallenged evidence that the Applicant has copied the Opponent’s mark and seeks to trade on the Opponent’s goodwill.’

The onus of proof is upon the applicant to show that there is no reasonable probability of deception,\textsuperscript{43} yet it did not adduce any evidence in this regard. Consequently, the judge is entitled to draw an inference against the applicant\textsuperscript{44} and to find for the opponent in its objection on the first ground under s 12(1).

\textsuperscript{38} It is so out of the ordinary that it was not even suggested to the Acting Registrar or the judge in the case under discussion.
\textsuperscript{39} Deeks v Wells [1928-35] Mac CC 353; see also Copinger and Skone James on Copyright (London: Sweet & Maxwell 13th ed), para 8-12.
\textsuperscript{40} Ravenscroft v Herbert [1980] RPC 193; see also Copinger (note 39 above).
\textsuperscript{41} There was no evidence that the Taiwan mark was in use before 1984. The applicant was only able to adduce evidence of its advertising expenditure and sales turnover in respect of its writing instruments bearing the Taiwan mark during the period 1984 to 1990.
\textsuperscript{42} The visual difference between the suit mark and the Taiwan mark is not brought out in the report in [1995] 2 Hong Kong Cases as the same script is used there for both marks.
\textsuperscript{43} Eno v Dunn (1890) 7 RPC 311, 315; Aristoc v Rysa (1945) 62 RPC 65.
\textsuperscript{44} Slazenger & Sons v Feltham & Co (1889) 6 RPC 331, 538.
Relationship between likelihood of deception and other grounds of opposition

Disentitlement to protection under s 12(1)
Having held that the first two limbs of s 12(1) were independent grounds of opposition and that the suit mark was 'likely to deceive,' the judge decided that it was unnecessary to consider the other ground, namely, 'disentitlement to protection.'

Deceptive resemblance under s 20
A proposed mark which is 'identical with or nearly resembles' another mark cannot be registered according to s 20(1) if the other mark is 'belonging to a different proprietor and already on the register' in respect of the same goods or goods of the same description. Although s 20 does not contain any express reference to notions such as 'deception' and 'confusion,' its underlying rationale is that an identical or resembling mark which is likely to deceive or confuse should not be allowed to be registered.

The accuracy of such interpretation can be confirmed by the definition of 'near resemblance' in s 2(4) as 'a resemblance so near as to be likely to deceive or cause confusion' and by the relevant judicial enunciations in England as well as in Hong Kong. In Smith Hayden, the leading English authority on deception relating to registered trade marks, the question to be asked under s 12(1) of the Trade Marks Act 1938, the equivalent of our s 20, is formulated as follows:

Assuming user by [the opponents] of their marks in a normal and fair manner for any of the goods covered by the registrations of these marks ... is the court satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if [the applicants] also use their mark normally and fairly in respect of any goods covered by their proposed registration? (Emphasis added.)

---

45 'Disentitlement to protection' is not as controversial as the first ground, and is not necessary for the decision in the instant case, hence no elaboration on its meaning.
46 Subsection (1) prohibits the registration of identical or similar marks relating to goods. Subsection (2) is the corresponding provision for marks relating to services.
47 Section 20 is made expressly subject to s 22 which provides that in case of honest concurrent use or of other special circumstances, more than one proprietor may be permitted to register, in respect of the same goods or goods of the same description, marks that are identical or nearly resemble each other. When these two sections are read together, it becomes clear that what is prohibited under s 20 is not resemblance simpliciter. As to the scope of this section, see the text following this note.
48 Note 17 above.
49 In the original passage, Evershed J referred to the names of the applicants and opponents, Smith Hayden & Co Ltd and Hovis Ltd, respectively. The test laid down by the same judge in respect of s 11 of the Trade Marks Act 1938 has already been set out in note 18 above.
This test has been accepted in Hong Kong as applicable to the construction of s 20 of the Trade Marks Ordinance.\(^{50}\) It is therefore beyond dispute that both ss 12(1) and 20 are designed to prevent registration of deceptive trade marks. The scope of s 12(1) is, however, wider than that of s 20 in three aspects: first, s 12(1) combats deception and confusion generally whereas s 20 is aimed specifically at deception and confusion arising from resemblance between marks; second, it is required only under s 20, but not under s 12(1), that the opponent's mark be registered; finally, s 20 alone requires that the applicant's and opponent's goods be the same or of the same description. It is the last hurdle which the opponent was unable to overcome in Re Omega. Watches and pens are goods of different description, even though they may be sold through the same trade channels. The inapplicability of s 20 had been clearly and correctly pointed out by the Acting Registrar in rejecting the opponent's arguments on that section, hence no further submission on this line was made in front of the judge. It suffices to say that Re Omega illustrates the limited embracing ability of s 20, and that the Acting Registrar might have confused that section with s 12(1) when he stated that the latter requires the parties' goods to be 'closely allied.'\(^{51}\)

**Lack of distinctiveness under s 9**

Section 9 is different in nature from ss 12(1) and 20 in that it lays down a positive requirement for registration in Part A of the Register\(^ {52}\) whereas the other two sections prescribe restrictions on registration, whether in Part A or Part B. The positive requirement under s 9(1) is that a proposed mark must be distinctive as defined in subss (2) and (3).\(^ {53}\) If the mark is a name represented in a special or stylised manner,\(^ {54}\) a signature\(^ {55}\) or an invented word,\(^ {56}\) it will normally be acceptable for registration without other proof of distinctiveness.\(^ {57}\) The suit mark in Re Omega does not fall within any of the above categories, but the Acting Registrar found for the applicant on the ground that the suit mark had a sufficient degree of inherent distinctiveness under s 9(3).\(^ {58}\)

---

\(^{50}\) See, eg, *Welcume Foundation Ltd v Otsuka Pharmaceutical Co Ltd* [1989] 2 HKLR 365.

\(^{51}\) See note 20 above.

\(^{52}\) A similar positive requirement for registration in Part B of the Register is laid down in s 10.

\(^{53}\) Subsection (2)(a) defines the word 'distinctive' as follows: 'adapted in relation to the goods in respect of which the trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected, in the course of trade, from goods in the case of which no such connection subsists'; para (b) contains a similar definition for marks relating to services. Subsection (3) further explains the meaning of the phrase 'adapted to distinguish.' See note 58 below.

\(^{54}\) s 9(1)(a), Trade Marks Ordinance.

\(^{55}\) s 9(1)(b), ibid.

\(^{56}\) s 9(1)(c), ibid.

\(^{57}\) See Michael Pendleton, *The Law of Intellectual and Industrial Property in Hong Kong* (Hong Kong: Butterworths, 1994), paras 255-75 and 279.

\(^{58}\) By virtue of this subsection, both inherent distinctiveness as well as factual distinctiveness of a mark may be considered by the tribunal in determining whether the mark is adapted to distinguish. There was no evidence of factual distinctiveness in the present case, so the Acting Registrar examined the inherent distinctiveness of the features of the suit mark, both individually and collectively.
One of the differences between s 9 and the anti-deception sections is that a finding of distinctiveness, or the lack of it, under that section does not call for any comparison between the applicant’s and opponent’s marks as that required under s 12(1) or s 20. Hence, the Acting Registrar was correct when he rejected the opponent’s submission that the suit mark was so similar to its (the opponent’s) marks that it could never be distinctive.

Protection of marks registered in country of origin: s 23
The opponent in Re Omega, being a well-known international watch-making company, has also registered the mark ‘OMEGA’ in respect of watches and time pieces in other countries, including, of course, Switzerland, where its goods are manufactured. According to s 23, the proprietor of a foreign mark which has already been registered in its place of origin may oppose the application for a confusingly similar mark in Hong Kong.

The opponent’s argument on this ground was rejected because it failed to give an undertaking, pursuant to s 23(3)(b), to the satisfaction of the Registrar that he would, within three months from the giving of the notice of opposition, apply for registration in Hong Kong of the foreign mark.

Although s 23 is entirely independent and distinct from s 20, which deals with similarity between local marks, the rationale behind both sections is the same, namely, protection of registered marks from being copied or imitated and prevention of deception caused by such copying or imitation. However, in order to justify the protection of marks of a foreign origin, s 23(3) requires that link between such marks and Hong Kong be shown explicitly, and failure to overcome this hurdle is fatal to an opposition based on s 23(1), as in the Re Omega case.

Registrar’s and court’s discretion: s 13(2)
The last provision relied on by the opponent was s 13(2). Under this subsection, the Registrar and the court may refuse an application to register a mark even though it complies with s 9 and is not prohibited by s 12(1) or s 20. This is a very wide discretion as the Registrar in exercising it is not limited to any type of consideration, though he may be required to state in writing the grounds for his decision.

There was no place, however, for such discretion in the present case as the objection under s 12(1) had been sustained. Despite the wide terms in which

---

59 The purpose of this section, which has no equivalent in the English Act, is explored by Hunter J in Hong Kong Caterers Limited v Maxim’s Limited [1983] HKLR 287, 301.
60 The phrase used in s 23(1) is ‘a country or place from which such goods originate.’ Compare sub-s (2) for foreign marks relating to services. Both subsections are subject to sub-s (3), which specifies circumstances under which an objection under this section shall fail.
61 Section 13(2) confers the same discretionary power on the court when dealing with an appeal from a decision of the Registrar.
62 s 13(4).
the discretion is formulated in s 13(2),\textsuperscript{63} it has been held in a number of cases\textsuperscript{64} that the Registrar is not thereby empowered to accept an application for a mark which falls within one or more of the express statutory prohibitions.

**Prevention of deception: how many sections do we need?**

The first limb of s 12(1) is so wide and comprehensive that other limbs of the same section and other anti-deception sections, such as s 20, only play a minor role in the battle against dishonest trading. *Re Omega* is a case of blatant copying of well-known registered marks in an attempt to trade on the reputation and goodwill of the proprietor of the latter. A number of statutory provisions were raised and relied upon by the opponent, but the opposition was only upheld on the ground of 'likelihood of deception' under s 12(1). The fallacies in the Acting Registrar's interpretation of this ground were easily detected and repaired by the judge. As a result, it was unnecessary to consider other grounds of objection and there was no room for the exercise of discretion.

It can therefore be said that other anti-deception sections, such as s 20, do not operate as an effective alternative to s 12(1). If an opponent succeeds in relying on s 20 he will also succeed under s 12(1). However, the reverse may not always be true as the latter is broad enough to embrace cases where the opponent's mark is registered in respect of goods of a different description, as in *Re Omega*, or has not been registered at all.

In spite of the inevitable overlapping between the first limb of s 12(1) and s 20 and the limited usefulness of the other limbs of s 12(1), it is unlikely that the legislature would consider simplification of this area of the law. Amendments to the Trade Marks Ordinance have been proposed,\textsuperscript{65} but they are only to bring the ordinance into line with the requirements of the World Trade Organisation Agreement and none of the proposals touches upon the deception issue.\textsuperscript{66} As the English equivalents of our ss 12(1) and 20 are preserved, though in a different form,\textsuperscript{67} in the Trade Marks Act 1994 and the current global trend is to increase protection of intellectual property rights, the various anti-deception sections in our ordinance should be retained, or even expanded.

*Alice Lee*\textsuperscript{*}

\textsuperscript{63} According to this subsection, the Registrar may refuse or accept, absolutely or conditionally, an application to register marks.

\textsuperscript{64} For instance, *Habv* (1940) 58 RPC 91, 108; Broadhead (1950) 67 RPC 209, 213; *KSKK* (1957) RPC 297, 306.

\textsuperscript{65} See the *Intellectual Property (World Trade Organisation Amendments)* Bill which was published on 6 October 1995.

\textsuperscript{66} The most revolutionary proposal is to broaden the definition of a 'mark.' The English statute has already been amended in this respect — see s 1(1) of the Trade Marks Act 1994.

\textsuperscript{67} See s 3(3)(b) (replacing the former s 11) and ss 5(1) and 5(2) (replacing the former s 12(1)) of the Trade Marks Act 1994.

* Lecturer, Department of Law, University of Hong Kong.