

Bills Committee for the Trade Marks Bill

Introduction

This note sets out the rationale for clause 50 of the Trade Marks Bill, which deals with the revocation of registration of trade marks. It also sets out the concept of “similarity” of trade marks with reference to the relevant case law under the UK Trade Marks Act 1994.

Clause 50 of the Trade Marks Bill

2. This clause sets out the various circumstances where a registered trade mark could be revoked.

Clauses 50(2)(a) and (b)

3. The provisions mirror section 37(1)(a) of the existing Trade Marks Ordinance (Cap. 43) and are compliant with Article 19 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The TRIPS Agreement stipulates a minimum period of 3 years of “non-use” of a trade mark as the basis for revocation proceedings.

Clauses 50(2)(c), (d) and (e)

4. These sub-clauses are not mandated by provisions in the TRIPS Agreement, but have been incorporated as grounds for revocation as they have always been under the existing law. Clauses 50(2)(c), (d) and (e) merely put these grounds in clearer terms.

Clause 50(2)(c)

5. This clause provides a basis for revocation where a registered trade mark has become generic through the acts or inactivity of the trade mark owner. Although not explicitly spelt out in Cap 43, this ground is understood to be covered by the expression “any entry wrongly remaining on the register” under Section 48(1)(a) of Cap 43. Case law of persuasive authority in the UK has confirmed this interpretation, as in “DAIQUIRI RUM” Trade Mark [1969] RPC 600, a decision of the House of Lords.

DAIQUIRI RUM decided, *inter alia*, that since there was proved use of the word “Daiquiri” in respect of rum cocktails, the mark was deemed wrongly remaining on the register and liable to be revoked.

Clause 50(2)(d)

6. This clause provides for revocation if the use of the mark renders it liable to mislead the public as to the nature, quality or geographical origin of the goods or services. Under Cap 43, this would also fall under the ambit of the expression “wrongly remaining on the register” in section 48(1)(a). As in the case of clause 50(2)(c), this interpretation has evolved out of case law. See for example, GE Trade Mark (General Electric Co (of USA) v General Electric Co (of UK) [1973] RPC 297), where the House of Lords accepted that a mark would be liable to be removed from the register when it had become deceptive through some blameworthy act of the proprietor.

Clause 50(2)(e)

7. Revocation on breach of any condition of registration has always been possible under section 49 of Cap. 43. For the sake of clarity, we consider it appropriate to group this collectively under clause 50(2) along with other grounds.

The Concept of “Similarity”

8. The term “similar to” can be found in clauses 11 (relative grounds for refusal of registration) and 17 (infringement of registered trade mark) of the Bill. There are two aspects of similarity to consider – similar goods/services and similar marks. Clauses 11 and 17 of the Bill are modeled on sections 5 and 10 of the UK Trade Marks Act 1994 respectively.

Similar Goods/Services

9. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281, Justice Jacob pointed out that the question of similarity was separate from the question of likelihood of confusion. If there was no similarity between the goods or services in question, there is no need to dig into the issue of confusion. In determining whether the goods or services were similar for the purposes of s.10, Justice Jacob elaborated on the old judicial test for goods of the same description in *Jellinek’s Application* [1946] 63 RPC 59 and gave some general guidance for consideration -

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-service consumer items, where in practice they are respectively or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
- (f) the extent to which the respective goods or services are competitive with each other.

Similar marks

Polaclip Trade Mark [1999] RPC 282

10. In this case, the registered proprietor of “*Polaroid*” opposed the application for registration of the mark “*Polaclip*” for reasons that *Polaclip* would be seen as a reference to *Polaroid* as the two bore the same prefix “*Pola*”.

11. The Court adopted the approach by the European Court of Justice (ECJ) in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199 to consider whether there were similarities between the two marks. At page 289, the ECJ said “it is clear from *Sabel BV v Puma AG* that marks must be compared as wholes and it is the overall degree of resemblance and the likelihood of confusion which must be considered. Although the marks share a common prefix (POLA) the ending of the marks are completely different resulting in marks that look significantly different to the eye. The endings of the words are sometimes slurred or swallowed in speech, but the ending POLACLIP appears unlikely to be lost in this way. I cannot envisage any circumstances where POLACLIP is likely to be misheard as POLAROID. Even allowing for imperfect recollection, I do not think that it is likely that members of the relevant public will confuse one mark for the other.” Accordingly, the Court allowed the application to proceed.

React and Device Trade Mark [1999] RPC 529 & *Wagamama Ltd v City Centre Restaurants Plc & Anor* [1995] FSR 713

12. The applicant applied for the registration of “REACT & Device” in Class 25 for clothing. The registered proprietor of the mark “REACTOR” opposed the application on the ground that the mark applied for was similar to the opponent’s earlier trade mark and was to be registered for identical goods with the result that there existed a likelihood of confusion.

13. When comparing the marks as wholes, the Court found that they were visually different. Although there might be aural confusion or confusion through imperfect recollection, the Court did not consider that the marks were sufficiently similar to give rise to a likelihood of confusion. The mark undergoing registration procedures consisted primarily of a device. Device marks appeal primarily to the eye. That should be taken into account in considering the likelihood of aural confusion. The Court said further that each case must be determined on its own merits taking account of the circumstances in the trade. Having considered all the circumstances, the Court held that the opposition could not succeed.

14. In determining whether a mark is similar to another, the doctrine of imperfect recollection will also be relevant. The marks should not be compared side by side. The court will proceed upon the assumption that customers may have but “an imperfect recollection” of a mark and then confuse it with another, although the two are not precisely the same. In *Wagamama Ltd v City Centre Restaurants Plc & Anor* [1995] FSR 713, the Court found that “Raja Mama” conflicted with “Wagamama” (where both had applied for restaurant services).

Observations

15. As mentioned in the case of *British Sugar*, Jacob J. said the test for similar goods/services under the new UK law was actually an elaboration of the old UK law to meet new circumstances. The test under the old UK law was set out in *Pianotist* [1906] 23 RPC 774. In *Pianotist*, when comparing the two word marks in question, Parker J. said, “You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.”

The Trade Marks Bill

16. The test for similarity in the Trade Marks Bill follows that of the UK Trade Marks Act 1994, on which the above cases were based. These cases are of persuasive authority in Hong Kong and have added clarity to the meaning of “similarity”.

Trade and Industry Bureau
November 1999

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