

of the Laws of Hong Kong but has not been given chapter numbers in that Edition. The texts of 116 of 1997 and 117 of 1997 can also be found in this database under the unofficial 'chapter' nos. 2401 and 2602 respectively, which are assigned to that instrument for identification purposes only.

### [11.01] England

Cf s 3 of the Trade Marks Act 1994 [Eng]. See also s 4 of the 1994 Act as to the restrictions on the registration of specially protected emblems.

### [11.02] General note

The grounds set out in this section are 'absolute' in the sense that the objection is based on an assessment of the proposed mark on its own. The objection is different in nature from that under the 'relative' grounds set out in s 12 below, for which a certain degree of conflict between the proposed mark and another mark is required. Either the Registrar or any person who opposes the proposed registration may rely on the 'absolute' grounds and the first three 'relative' grounds (see s 12(1), (2) and (3) below), but only an opponent may invoke the 'relative' grounds set out in s 12(4) and (5) below: see s 12(6) below. See also s 44 below as to opposition proceedings.

### [11.03] Sub (1)(a): Signs which do not satisfy the meaning of 'trade mark'

There are two central features of a trade mark, namely, that it must consist of a sign which can be represented graphically, and that it must be capable of distinguishing the commercial origin of goods or services so as to serve as a badge or guarantee of origin to the average consumer who encounters the mark: see *Dyson Ltd's Trade Mark Application* [2003] RPC 47 (p 821) at 831. These features are captured in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS), Art 15(1), and are reproduced in the definition of 'trade mark' in s 3(1) above. Wide as it is, the word 'sign' means anything which can convey information: see *Philips Electronics NV v Remington Consumer Products Ltd* [1998] RPC 283 at 298, per Jacob J (see [3.03] above). A sign which cannot be represented graphically (see [3.06] above) or which cannot indicate trade origin (see [3.05] above) is not capable of constituting a trade mark, and an application to register such a mark will be refused on that ground. It could be said that ss 3(1) and 11(1)(a) are two sides of the same coin. Both are concerned with what constitutes a trade mark (that is, the definition of trade mark). Viewed this way, the phrase 'capable of distinguishing' in s 3(1), which is incorporated into s 11(1)(a), only reinforces the fundamental function of trade marks to indicate trade origin, and should not be treated as laying down a registrability requirement different from, or in addition to, that prescribed by s 11(1)(b) ('devoid of any distinctive character'). The difference between the two can be illustrated by the following examples: a word which is apt to be the name of the product, such as 'Soap' for soap, can never indicate trade origin and should be refused under s 11(1)(a), which incorporates s 3(1). On the other hand, a common laudatory word, such as 'Supreme', is normally devoid of any distinctive character, but

it may acquire distinctiveness through use and become registrable under s 11(2). It is noteworthy that a mark refused under s 11(1)(a) cannot be saved by use under s 11(2). As to the effect of s 11(1)(b) and (2), see respectively [11.04] and [11.07] below.

The European Court of Justice (ECJ) has decided that there is no class of marks with a distinctive character (whether inherent or acquired) which is not capable of distinguishing the goods or services of one undertaking from those of another within the meaning of Art 2 of Council Directive 89/104 for approximating the trade mark laws of member states of the European Community: see *Philips Electronics NV v Remington Consumer Products Ltd* [2003] RPC 2 (p 14), [2002] ETMR 955 at para 39. Article 2 of the Directive, like our s 3(1) and s 1(1) of the Trade Marks Act 1994 [Eng], lays down two conditions for a trade mark, namely, capable of distinguishing, and capable of being represented graphically. Article 3(1)(a) of the Directive, like our s 11(1)(a) and s 3(1)(a) of the 1994 Act, prohibits the registration of a sign that fails to satisfy the definition of trade mark; Art 3(1)(b), (c) and (d) of the Directive, like our s 11(1)(b), (c) and (d) and s 3(1)(b), (c) and (d) of the 1994 Act, prohibit the registration of non-distinctive, descriptive or customary signs as trade marks. A mark that falls within para (b), (c) or (d) may, however, be registered under Art 3(3) of the Directive, our s 11(2), or the proviso to s 3(1) of the 1994 Act, if it has acquired sufficient distinctiveness through use. In *Philips v Remington* [2003] RPC 2 (p 14), [2002] ETMR 955 at para 38, it was further said that 'Article 3(1)(a), like the rule laid down by Art 3(1)(b), (c) and (d), precludes the registration of signs or indications which do not meet one of the two conditions imposed by Art 2 of the Directive, that is to say, the condition requiring such signs to be capable of distinguishing the goods or services of one undertaking from those of other undertakings'. (The other condition, 'capable of being represented graphically', was not mentioned as it had nothing to do with distinctiveness). Decisions of the ECJ are not binding in the United Kingdom or in Hong Kong, but they are worth considering for reference purposes: see [11.04] below.

In *Dyson Ltd's Trade Mark Application* [2003] RPC 47 (p 821) at 832 Patten J construed the aforesaid ECJ ruling in *Philips v Remington* as accepting that the tests laid down by Arts 2 and 3(1)(a), (b) and 3(3) of the Directive (which correspond to the UK ss 1(1) and 3(1)(a), (b) and the proviso to s 3(1)) are the same, meaning that 'we need only answer a single question in relation to distinctiveness of origin': *ibid* at 832-833. The merit of a uniform standard of distinctiveness is obvious; what requires closer scrutiny is the further suggestion that all those sections are concerned with distinctiveness and that 'where the distinctiveness is acquired, the mark will overcome any objections on grounds of lack of distinctiveness which might otherwise exist under s 3 [of the 1994 Act], even though s 3(1)(a) (and by incorporation s 1(1)) are not themselves expressly subject to the proviso'. As said above, para (a) of our s 11(1) is not subject to s 11(2) as the other paragraphs in the same subsection are. One possible explanation, as suggested above, is that para (a) is different in nature from paras (b), (c) and (d), that the two conditions 'capable of being

represented graphically' and 'capable of distinguishing' together lay down a threshold for trade marks (a definition as opposed to a registrability requirement). A sign which fails to satisfy these minimum conditions does not qualify as a trade mark and cannot be accepted for registration even if it has been actually used in respect of the goods in question. It is submitted that such an approach provides a clearer division of labour between para (a) and the other paragraphs than the aforesaid ECJ approach. In practice, the two approaches are likely to yield the same result, except in the case of an application to register the name of a product, such as 'Soap' for soap, but such applications are not great in number. In each particular case, the ultimate question is that of 'assessing how individual or unique the sign must be, in order to be a distinctive indicator of origin', which 'will be fact and context specific, depending upon the type of sign in question and the product it relates to': see *Dyson Ltd's Trade Mark Application* [2003] RPC 47 (p 821) at 833.

**[11.04] Sub (1)(b): Trade marks which are devoid of any distinctive character**

In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 306, Jacob J held that the phrase 'devoid of any distinctive character' required consideration of the mark on its own, assuming no use. The relevant question, according to Jacob J, was: 'Is this the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?' In *Philips Electronics NV v Remington Consumer Products Ltd* [1998] RPC 283 at 301, the same learned judge opined that the test for distinctiveness was 'whether, no matter how much the sign may be used or recognized, it can really serve to convey in substance only the message: "here are a particular trader's goods".' A common laudatory word, such as 'Deluxe' or 'Classic', is the sort of word that would be refused on this ground because it is naturally capable of application to the goods of any trader; one must be careful before concluding that merely its use, however substantial, has displaced its common meaning and has come to denote the mark of a particular trader: see *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 302; *Premier Luggage & Bags Ltd v Premier Co (UK) Ltd* [2003] FSR 5 (p 69), where the Court of Appeal held that the mark 'Premier', though devoid of any distinctive character absent use, was shown to have acquired distinctiveness through use. See also *P.R.E.P.A.R.E. Trade Mark* [1997] RPC 884, where the full stops were ignored and the resultant mark 'Prepare' was such a common word that it was devoid of distinctive character. Likewise, the name of a famous individual or fictional character could hardly convey the message that the goods come from a particular source. Thus, an application to register the name 'Jane Austen' in respect of toiletries has been refused under s 3(1)(b) of the Trade Marks Act 1994 [Eng], which corresponds to s 11(1)(b) of the Trade Marks Ordinance: see *JANE AUSTEN Trade Mark* [2000] RPC 879. See also *Linkin Park LLC's Application* [2006] ETMR 74 (p 1017), where the rock band was not allowed to register its name 'LINKIN PARK' as a trade mark for printed matter, posters and books. Under the old law, a name represented in a special manner or in the form of a signature was prima facie distinctive and registrable without evidence of use: see s 9(1)(a) and (b) of the repealed Trade Marks Ordinance (Cap 43) and of the Trade Marks Act 1938 [Eng]. However, the expressions 'represented in a special manner' and 'signature' have been narrowly construed: see respectively *LAURA ASHLEY*

*Trade Mark* [1990] RPC 539 and *ELVIS PRESLEY Trade Mark* [1997] RPC 542, [1999] RPC 567 (CA). For the current approach, see the Hong Kong Trade Marks Registry Work Manual, the chapter entitled 'Names, signatures and images of individuals; fictitious character, titles of books, films and songs', where reference is made to the principles set out in *Nichols Plc v Registrar of Trade Marks* [2005] RPC 12 (p 243) (ECJ) for assessing the distinctive character of marks constituted by surnames.

Generic names or emblems relating to sports are unlikely to be distinctive, see *Rugby Football Union & Nike v Cotton Traders Ltd* [2002] ETMR 76 (p 861) (rose emblem of the English Rugby team); *Ferrero v FIFA* [2008] ETMR 76 (p 1220) ('WORLD CUP 2006'); *Score Draw Ltd v Alan Finch (CBD Trade Mark)* [2007] FSR 20 (p 508) ('CBD device' of the Brazilian governing body for sport): see [11.06] and [53.04] below. Cf *Jules Rimet Cup Ltd v Football Association Ltd* [2008] FSR 10 (p 254), where applications to register marks containing the words 'WORLD CUP WILLIE', the name of the mascot for the 1966 World Cup hosted by the Football Association, were successfully opposed by the Football Association on the absolute ground of bad faith (see [11.12] below) and on the relative ground of passing off (see [12.07] below), but the distinctiveness of the marks was not an issue.

A mark formed by combining two ordinary English words, such as 'BEST-BUY', would not be accepted for registration if the relevant public would perceive it as a promotional or advertising formula rather than as an indication of the commercial origin of the goods or services in question: see *Best Buy Concepts Inc v Office for Harmonization in the Internal Market* [2004] ETMR 19 (p 226) (ECJ). The Office for Harmonization in the Internal Market (OHIM) deals with applications for registration of Community trade marks. Although ECJ decisions involving Community trade marks are not binding on the English or Hong Kong courts or Registry, their approach is likely to be followed, given the similarity of the registration requirements, and worth considering for reference purposes. 'The decisions of the ECJ do have implications for the Registry's examination practices', as stated under the heading 'Trade Marks Decisions' at the old UK Patent Office website (<http://www.patent.gov.uk>) (now <http://www.ipo.gov.uk>). Cf *Patak (Spices) Ltd's Application* [2007] ETMR 3 (p 66), where the OHIM Board of Appeal, in holding that the mark 'TIKKA TIKKA' was not registrable in respect of food items on the grounds of descriptiveness and non-distinctiveness, pointed out that the fact that the relevant authorities in the United Kingdom and India had found the mark to be distinctive did not bind OHIM. As to whether the word 'TIKKA' was descriptive, given that the application was for a Community trade mark, and as the mark had a meaning in both English (a spicy Indian dish) and Finnish (dart), the relevant public to consider for the purpose of the mark's meaning was the public in the European Union with a knowledge of at least one of those languages: *ibid* at para 16. The combination 'TIKKA TIKKA' when used in relation to food items could be understood by the relevant public as an immediate reference to an essential characteristic of the goods, namely, that they are intended to be used in order to prepare 'TIKKA' meals: *ibid* at para 19. The mere repetition of the same

**[19.01] England**

Cf s 11 of the Trade Marks Act 1994 [Eng].

**[19.02] General note**

This is not the only section setting out exceptions or defences to infringement of registered trade marks. The acts constituting infringement are specified in s 18 above, which is subject to the exceptions specified in ss 19, 20 and 21: see s 14(2) above. While s 21 makes comparative advertising an exception to infringement, s 20 provides for exhaustion of the rights conferred by a registered trade mark when goods bearing the mark have been put on the market anywhere in the world, that is, parallel importation.

Moreover, a defendant may counterclaim for revocation and/or a declaration of invalidity of the registration of the plaintiff's marks under ss 52 and 53 below, respectively. There are also provisions relating to acquiescence in s 59 below, as to which see [18.02] above and [59.02] below.

**[19.03] Sub (2): Use of a registered trade mark**

A trade mark must be registered in relation to specified goods or services: see ss 38(2)(c) and 40 below. Registration confers upon the trade mark owner exclusive rights in the mark: see s 14(1) above. Thus, the use of a registered trade mark in relation to goods or services for which it is registered should not constitute infringement of any other registered mark. This is what s 19(2) seeks to confirm. Note, however, that this subsection contains an express reference to the effect of a declaration of invalidity as set out in s 53(9) below. If a mark is found to have been registered in contravention of s 11 above (absolute grounds for refusal of registration) or s 12 above (relative grounds for refusal of registration), its registration is liable to be declared invalid under s 53 below, in which case it will be deemed never to have been registered, and its use may be challenged by the owner of an earlier trade mark or other earlier right unless there has been acquiescence in such use: see [18.02] above and [59.02] below.

**[19.04] Sub (3)(a) and (b): Own name defence**

Even under the old law, the use by a person of his own name was a defence to infringement under s 34 of the repealed Trade Marks Ordinance (Cap 43) and s 8 of the Trade Marks Act 1938 [Eng]: see for instance *Gucci Co Ltd & Anor v Ng Kwok Pun (t/a Kwok Hang Co)* [1984] HKC 335. Thus, in *Daimlerchrysler AG v Javid Alavi (t/a Merc)* [2001] RPC 42 (p 813) at 846, Pumfrey J opined that the approach in such old cases as *George Ballantine & Sons Ltd v Ballantine Stewart & Co Ltd* [1959] RPC 47 should be applicable in construing s 11(2)(a) of the Trade Marks Act 1994, which, like our s 19(3)(a), makes the use of person's own name or address an exception to trade mark infringement. The UK exception, however, does not extend to the name of a person's predecessor in business or the name of his predecessor's place of business as our s 19(3)(b) does.

It is clear from the decided cases that the 'own name' defence is not limited to natural persons; it also covers the use of a company name: see *Euromarket*

*Designs Inc v Peters and Crate & Barrel Ltd* [2001] FSR 20 (p 288), where *Scandecor Development AB v Scandecor Marketing AB* [1998] FSR 500 was followed, and *NAD Electronics Inc v NAD Computer Systems Ltd* [1997] FSR 380 was doubted. See also *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40 (p 767), [2004] EWCA Civ 159 (CA) at para 116, where Jacob LJ referred to what Lord Nicholls said in *Scandecor Development AB v Scandecor Marketing AB* [2001] 2 CMLR 30 (p 645), [2002] FSR 7 (p 122)(HL) as 'the settled opinion within the United Kingdom'. In *Scandecor*, at para 54, Lord Nicholls (with whom the other members of the House of Lords agreed) said the 'better view is that a company can claim the protection of this provision [s 11(2)(a) of the 1994 Act]'. Even under the old law, "in case after case, s 8(a) of the 1938 Act ('bona fide use by a person of his own name') was assumed to apply to companies": see *Euromarket Designs Inc v Peters and Crate & Barrel Ltd* [2001] FSR 20 (p 288) at 298, per Jacob J, citing *Baume & Co Ltd v AH Moore Ltd* [1958] RPC 226(CA) and *Parker-Knoll Ltd v Knoll International Ltd* [1962] RPC 265(HL). Moreover, "there can be no rational basis for protecting the use of a natural person's address but not that of a company": see *Euromarket Designs Inc v Peters and Crate & Barrel Ltd* [2001] FSR 20 (p 288) at 299. The defence applies whether the company name is being used as a trade mark as well as being used as the company's name, and whether the word 'Limited' or 'Ltd' is included or omitted provided that the full company name is used: *ibid* at 299, citing *Scandecor Development AB v Scandecor Marketing AB* [1998] FSR 500, and *NAD Electronics Inc v NAD Computer Systems Ltd* [1997] FSR 380. (The judge's ruling in *Scandecor* on the 'own name' defence was unaffected by the subsequent appeal to the Court of Appeal and the House of Lords; see [1999] FSR 26 and [2002] FSR 7 (p 122), respectively.) See also *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40 (p 767), [2004] EWCA Civ 159(CA) at para 122, where Jacob LJ, citing *Premier Luggage & Bags Ltd v Premier Co (UK) Ltd* [2003] FSR 5 (p 69)(CA), confirmed that a trade mark use by the defendant may be within the scope of the own name defence.

It is noteworthy that the defence is subject to a proviso that the use must be in accordance with honest practices in industrial or commercial matters. In *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40 (p 767), [2004] EWCA Civ 159(CA) at para 129, Jacob LJ sought to distill the principles relating to the proviso from the relevant UK and ECJ decisions as follows: 'a man may use his own name even if there is some actual confusion with a registered trade mark. The amount of confusion which can be tolerated is a question of degree — only if objectively what he does, in all the circumstances, amounts to unfair competition, will there also be infringement. In practice there would have to be significant actual deception — mere possibilities of confusion, especially where ameliorated by other surrounding circumstances (mere aural confusion but clearly different bottles) can be within honest practices. No doubt in some cases where a man has set out to cause confusion by using his name he will be outside the defence (cf the English passing off cases cited above) — in others he may be within it if he

has taken reasonable precautions to reduce confusion. All will turn on the overall circumstances of the case'. The English passing off cases cited in the case included *Dunhill v Sunoptic* [1979] FSR 426, *Guccio Gucci v Paulo Gucci* [1991] FSR 81, and *Asprey and Garrard Ltd v WRA (Guns) Ltd* [2002] FSR 31 (p 487) (CA). In the *Asprey and Garrard* case, it was said, in relation to the passing off claim, that the 'own name' defence had never been held to apply to the names of new companies as otherwise the route to piracy would be obvious. As Jacob LJ pointed out in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40 (p 767), [2004] EWCA Civ 159 (CA) at para 109, there was only a very limited own name defence to passing off. 'Actually no case comes to mind in which it has succeeded. Because the test is honesty, I do not see how any man who is in fact causing deception and knows that to be so, can possibly have a defence to passing off': *ibid* at para 112. In the view of Jacob LJ, the judge at first instance was correct in saying that the 'own name' defence in a passing off action was a narrow one: *ibid* at para 112. For the judge's decision, see *Reed Executive Plc v Reed Business Information Ltd* [2003] RPC 12 (p 207). For the essential elements of a passing off action, see [10.03] above.

In *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] RPC 9 (p 209), Arnold J held that the 'own name' provisions should also be narrowly construed as an exception to trade mark infringement. It was argued, but rejected by Arnold J, that the provisions could protect use of a trading name of a company even if the trading name was different from the formal registered name of the company: *ibid* at para 136. In dismissing the 'own name' defence, the learned judge maintained that he was bound by *Asprey and Garrard* and *Premier Luggage*; but even if he were not, he would reach the same conclusion: *ibid* at paras 137 and 138. On appeal, it was held that "the mischief of a misleading name, whether a corporate name or a trade name, is to be dealt with by reference to the proviso, not by a rigid rule that a trade name cannot be an 'own name' for this purpose": see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2010] RPC 16 (p 485) (CA), at para 69. In the view of Lloyd LJ, *Asprey and Garrard* only decided that a trade name 'newly adopted by a company' would not suffice, without going so far as to hold that a company could only rely on the defence in respect of its correct corporate name: *ibid* at para 66. Just like an individual ought to be able to use the defence in relation to an adopted name by which he or she is known for business purposes or generally, for example an actor's stage name or a writer's nom de plume, a corporate entity should be able to do so, if it can show that it uses a distinct name for trading purposes: *ibid* at para 66. On the other hand, just as an individual could not justify using a trading name newly adopted which conflicted with a registered trade mark, nor could a company do so, any more than a company could justify trading under a changed corporate name which produced such a conflict, and an individual could not achieve the same by changing his name by deed poll: *ibid* at para 67. The explanation for the difference is that using an established trading name may well satisfy the test of honest use, whereas to adopt a new corporate or trading

name for a new business which conflicts with an existing registered trade mark is unlikely to do so: *ibid* at para 67.

It is ultimately a question of honest practices. In *Guccio Gucci SpA v Cosimo Ludolf Gucci* [2009] 5 HKLRD 28, the first defendant was a great grandson of Mr Guccio Gucci of the plaintiff company, but Deputy Judge Wong SC held that there was a serious issue to be tried as to whether the first defendant's use of his own name was not 'in accordance with honest practices' and therefore not excepted from infringement, in that it did give the impression of a commercial connection between the plaintiff and the defendant, and that it took unfair advantage of the distinctive character or repute of the plaintiff's marks and affected its value: *ibid* at para 99. In holding that the condition of honest practices constituted in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner, Deputy Judge Wong SC quoted the following passage from the ECJ's ruling in *Gillette Co v LA-Laboratories Ltd Oy* [2005] 2 CMLR 62, [2005] FSR 37 (p 808) (ECJ): 'Use of a trade mark will not be in accordance with honest practices in industrial and commercial matters if, for example, it is done in such a manner as to give the impression that there is a commercial connection between the third party and the trade mark owner, or it affects the value of the trade mark by taking unfair advantage of its distinctive character or repute.' See also the ECJ's ruling in *Celine Sarl v Céline SA* [2007] ETMR 80 (p 1320) (ECJ) at para 34, that "in assessing whether the condition of honest practice is satisfied, account must be taken first of the extent to which the use of the third party's name is understood by the relevant public, or at least a significant section of that public, as indicating a link between the third party's goods or services and the trade mark proprietor or a person authorised to use the trade mark, and secondly of the extent to which the third party ought to have been aware of that".

In *Richemont International SA v Da Vinci Collections (HK) Ltd* [2006] 3 HKC 403, the defendant tried to rely on both 'own name' and name of place of business but in vain. It was held that the defendant was entitled to use only its full name 'Da Vinci Collections' but not 'Da Vinci', the latter being a registered trade mark of the plaintiff. The defendant's further submission that 'Da Vinci' was the name of its place of business was also rejected by Deputy Judge L Chan, who quoted from an Australian case that the protection given to one's place of business was 'an aspect of the same policy which generally prohibits registration of a geographical name as a trade mark' and that '[i]n any particular case the aptness and accuracy of the name chosen must be approached as one of fact and degree': *ibid* at para 45, quoting from *Angoves Pty Ltd v Johnson* (1982) 43 ALR 349 at 374.

**[19.05] Sub (3)(c) and (d): Use of signs which serve to designate the kind, quality etc of goods or services; use of trade mark where it is necessary to indicate the intended purpose of goods or services**

Section 19(3)(c) corresponds to s 11(2)(b) of the Trade Marks Act 1994 [Eng], though the latter is differently worded. A similar provision can also be found in s 34(b) of the repealed Trade Marks Ordinance (Cap 43) and s 8(b) of the

- (2) In the case of bad faith in the registration of a trade mark, the Registrar himself may apply to the court for a declaration of the invalidity of the registration.
- (3) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in contravention of section 11 (absolute grounds for refusal of registration).
- (4) Where the trade mark was registered in contravention of section 11(1)(b), (c) or (d), it shall not be declared invalid if, in consequence of the use which has been made of it, it 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 trade mark may also be declared invalid on the ground-
  - (a) that there is an earlier trade mark in relation to which the conditions set out in section 12(1), (2) or (3) (relative grounds for refusal of registration) apply; or
  - (b) that there is an earlier right in relation to which the condition set out in section 12(4) or (5) (relative grounds for refusal of registration) is satisfied.
- (6) The registration of a trade mark may not be declared invalid under subsection (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 or other earlier right, as provided for by section 13 (honest concurrent use, etc.), the registration of a trade mark may not be declared invalid under subsection (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 or other earlier right.
- (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.

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**[53.01] England**

Cf s 47 of the Trade Marks Act 1994 [Eng].

**[53.02] General note**

The main difference between revocation and a declaration of invalidity is that the former takes effect from the date of the application for revocation (s 52(7)) whereas a registration that is declared invalid is deemed never to have been made (s 53(9)): see [52.02] above. The provisions in ss 52 and 53 are not mutually exclusive. In *ANNE FRANK Trade Mark* [1998] RPC 379, for instance, an application was made for revocation under s 46(1)(d) of the Trade Marks Act 1994 [Eng] (our s 52(2)(c)) on the ground that the use of the registered mark was liable to mislead the public, and for a declaration of invalidity under s 47(2)(b) of the 1994 Act (our s 53(5)(b)) on the ground that the applicants had an earlier right (copyright), but both applications were dismissed on the facts. See also *Associated Newspapers Ltd v Express Newspapers* [2003] FSR 51 (p 909), where the defendant, who was being sued for passing off and trade mark infringement, counterclaimed for revocation and for a declaration of invalidity of the registration of the mark 'THE MAIL' on the ground that the mark was incapable of distinguishing and descriptive (that is, the absolute grounds set out in our s 11(1)(a) and (c)) and that its use was liable to be prevented by an action for passing off (that is, the relative ground set out in our s 12(5)(a)). As to how the registration of a mark may be declared invalid on one of the absolute or relative grounds, see [53.04] and [53.05] below. See also *Scandecor Development AB v Scandecor Marketing AB* [1998] FSR 500, discussed in [53.07] below.

**[53.03] Sub (1): Application for declaration of invalidity**

Section 48 of the repealed Trade Marks Ordinance (Cap 43) vests in the court and the Registrar a discretion to expunge or vary any entry made in the register without sufficient cause or wrongly remaining on the register upon the application of any person aggrieved by such entry. As to the meaning of 'person aggrieved' under the old law, see [52.03] above. Now, any person may apply to the Registrar or the court for a declaration of invalidity of the registration of a trade mark: see *Ferrero v FIFA* [2008] ETMR 76 (p 1220) at para 13, where it was confirmed that the conduct of such an applicant 'cannot be considered abusive just because, in such a situation of legal insecurity, it requests both for invalidity of certain trade marks and in parallel for registration of similarly structured marks'. See also *Lancome Parfums et Beaute & Cie SNC v OHIM* [2010] ETMR 34 (p 601) (ECJ), where the application was made by a law firm and the European Court of Justice confirmed that any natural or legal person and any group or body having the capacity to sue or be sued may make an application for a declaration of invalidity. As to the relevant procedure, see r 46 of the Trade Marks Rules (Cap 559A).

According to s 80 below (or s 72 of the Trade Marks Act 1994 [Eng]), registration of a person as owner is prima facie evidence of the validity of the original registration. 'This clearly casts the onus on he who wishes to attack the validity of the original registration. But once the attacker can show the registration was wrongly made (particularly for non-compliance with s 3(1)(b)-(d)) and the proprietor wishes to rely on the proviso s 47(1) it is for the proprietor to show that his mark is distinctive': see *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 302, per Jacob J, quoted in *Premier Luggage & Bags Ltd v Premier Co (UK) Ltd* [2003] FSR 5 (p 69) at

90. The proviso to s 47(1) in the UK Act is equivalent to our s 53(4), which reiterates the exception relating to acquired distinctiveness as that laid down in s 11(2) above: see [53.04] below.

**[53.04] Subs (2), (3) and (4): Absolute grounds for refusal**

The absolute grounds for refusal of registration are set out in s 11 above. Subject to the exception relating to acquired distinctiveness, no mark that contravenes that section may be registered as a trade mark, or if registered, may remain on the register: see s 53(3) and (4), incorporating the absolute grounds in s 11 and the 'acquired distinctiveness' exception in s 11(2), respectively. For an example of an inherently non-distinctive mark being saved by, and held valid as a result of, distinctiveness acquired through use, see *Premier Luggage & Bags Ltd v Premier Co (UK) Ltd* [2003] FSR 5 (p 69) (CA). See also *West (t/a Eastenders) v Fuller Smith & Turner Plc* [2003] FSR 44 (p 816) (CA), where 'E.S.B.', the abbreviated form of 'Extra Special Bitter', was saved as the initials were held to possess a secondary meaning additional to their purely descriptive meanings: see [11.05] above. Cf *Ferrero v FIFA* [2008] ETMR 76 (p 1220) ('WORLD CUP 2006' declared invalid for being descriptive and non-distinctive); *Lancome Parfums et Beaute & Cie SNC v OHIM* [2010] ETMR 34 (p 601) (ECJ) ('COLOUR EDITION' declared invalid for being descriptive of cosmetics); *Score Draw Ltd v Alan Finch (CBD Trade Mark)* [2007] FSR 20 (p 508) ('CBD device' held not customary, but declared invalid for being descriptive and non-distinctive): see [11.04] to [11.06] above.

The only absolute ground that is singled out here is that of bad faith (see s 11(5)(b) above) — the Registrar may, upon discovering that a mark has been registered in bad faith, apply to the court for a declaration of invalidity on that ground: see s 53(2). In the United Kingdom, s 47 of the Trade Marks Act 1994 [Eng] also 'contains a subsection which gives the registrar specific power to act when he believes that a mark on the register is invalid': see *DUCATI Trade Mark* [1998] RPC 227 at 231. As in Hong Kong, 'that power is limited to situations where the registered mark is believed to be invalid because of bad faith in the registration of the mark': *ibid* at 231. 'Furthermore, it must be observed that even where the registrar is satisfied that there has been bad faith in the registration of the mark (an absolute ground of refusal under s 3(6)) he cannot, on his own initiative, remove the mark from the register. Instead, s 47 requires that he apply to the court for a declaration of invalidity, whereupon the court would decide whether or not the mark should be removed from the register': *ibid* at 231. As to the meaning of bad faith, see [11.12] above.

**[53.05] Subs (5), (6) and (7): Relative grounds for refusal**

The relative grounds for refusal of registration are set out in s 12 above. For the relative grounds under s 12(2) and (3), there is a requirement of likelihood of confusion. It has been held that, in the context of declaration for invalidity, likelihood of confusion is an abstract question rather than whether anyone has been confused in practice: see *Rousselon Freres et Cie v Horwood Homewares Ltd (JUDGE SABATIER & STELLAR SABATIER Trade Marks)* [2008] RPC 30 (p 817) at para 99, per Warren J. In cases of alleged invalidity, it is necessary to look across the whole range of goods covered by the registration as the mark may be declared invalid in respect of some but not all

of the goods: *ibid* at para 99, and see [53.06] below.

Subject to the exceptions relating to consent and honest concurrent use, no mark that contravenes s 12 may remain on the register: see s 53(5), which is subject to s 53(6) and (7). Section 53(6) echoes s 12(8) above in providing that consent of the owner of an earlier trade mark or other earlier right is an exception to the prohibition in s 53(5), whereas s 53(7) incorporates the 'honest concurrent use' provisions contained in s 13 above. As to the requirement of consent, see [12.10] above. As to the test for honest concurrent use, see [13.03] above. Furthermore, if the owner of the earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark ('later trade mark') in Hong Kong, he will lose his entitlement on the basis of that earlier mark or right to apply for a declaration that the registration of the later trade mark is invalid, unless the application for registration of the later mark was made in bad faith: see s 59(1)(a) below.

For an illustration of the registration of a trade mark being declared invalid on the ground that its use is liable to be prevented by virtue of the law of passing off (which is a relative ground for refusal under s 12(5)(a) above), see *Artistic Upholstery Ltd v Art Forma (Furniture) Ltd* [2000] FSR 311, where it was held that the registered proprietor, who had been expelled from an association that had been using the name 'Long Point' in connection with its exhibitions, had no legitimate interest to register or to use the mark 'Long Point'. In that case, all the necessary elements to support a claim in passing off were established; the registration was liable to be declared invalid under s 47(2)(b) of the Trade Marks Act 1994 [Eng], the equivalent of our s 53(5)(b). For a local illustration, see *Re Ping An Securities Ltd* [2006] 4 HKC 355 (CFI), [2008] 1 HKC 501 (CA), [2009] 4 HKC 332 (CFA). At first instance, the mark 'PING AN', registered in the name of a mainland insurance company, was declared invalid under s 53(5)(b) as the judge accepted that the applicant, a local stockbroker, and its predecessor had a long history of using the disputed mark and had thus acquired sufficient reputation for passing off: see *Re Ping An Securities Ltd* [2006] 4 HKC 355 (CFI). The appeal by the registered owner was allowed by the Court of Appeal on the grounds that the local stockbroker had only a limited client base and that its reputation extended little beyond that: see *Re Ping An Securities Ltd* [2008] 1 HKC 501 (CA). It was pertinent that the local stockbroker changed its name from 'PING ON' to 'PING AN' just a few months before the mainland company's application for trade mark registration: *ibid*. The Court of Final Appeal, however, came to a different conclusion regarding the reputation and the change of name — the change of the English version of the name to include 'PING AN' instead of 'PING ON', while the Chinese characters remained unchanged, would not have detracted from the reputation established as a result of trading in securities from 1970 to 2003 under the name 'PING ON': see *Re Ping An Securities Ltd* [2009] 4 HKC 332 (CFA). The registered mark was in the end declared invalid in relation to services in financial and monetary affairs.