

O-196-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 81450
BY MS WANG LEI
FOR THE REVOCATION OF TRADE MARK No. 1056909
IN THE NAME OF CHINA NATIONAL CEREALS, OILS
& FOODSTUFFS IMPORT & EXPORT CORPORATION**

TRADE MARKS ACT 1994

**IN THE MATTER OF an Application under No. 81450
by Ms Wang Lei for the Revocation of Trade Mark No. 1056909
in the name of China National Cereals, Oils & Foodstuffs
Import and Export Corporation**

BACKGROUND

1. Registration No. 1056909 is in respect of the following trade mark which is registered in Class 30 for a specification of “Non-medicated confectionery, rice, farinaceous products for food for human consumption, condiments and food dressings included in Class 30”.



2. Registration is effective from 30 December 1975. The registration stands in the name of China National Cereals, Oils & Foodstuffs Import & Export Corporation.

3. By an application dated 2 October 2003 Ms Wang Lei applied for the registration to be revoked on the following grounds:

(i) Under Section 46(1)(a) of the Act in that within the period of five years following the date of the completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with its consent, in relation to the goods for which it is registered and there are no proper reasons for non-use; and/or

(ii) Under Section 46(1)(b) of the Act because such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.

4. In support of the application, the applicant’s Statement of Case refers to a witness statement of 5 June 2003 made by Mr Sandy Man in Opposition No. 91028 against the applicant’s proposed registration of trade mark KANG MEI (No. 2272249) which it states, infers that the registered proprietor has used the trade mark HONG MEI rather than HUNG MEI. A copy of this statement is attached as Exhibit WL2 to the Statement of Case.

5. The registered proprietor filed a Counterstatement denying that the mark had not been put to genuine use in the UK “upon the goods in respect it is registered in the relevant five year period, at least insofar as the goods “farinaceous products for food for human consumption” are concerned”.

6. In its Counterstatement the registered proprietor goes on to state that while the registered proprietor admits that the trade mark has been used primarily in its variant form HONG MEI, that variant form does not alter the distinctive character of the trade mark in the form in which it was registered. It submits that under the provisions of Section 46(2) of the Act, use of the mark in the variant form HONG MEI constitutes genuine use for the purposes of Section 46(1)(a) and (b).

7. Both parties have filed evidence in these proceedings. The parties did not require a hearing and the registered proprietor forwarded written submissions for the Hearing Officer’s attention.

REGISTERED PROPRIETOR’S EVIDENCE UNDER RULE 31(2)

8. This consists of a witness statement dated 8 January 2004 by Mr Michael Freeman. He is a Trade Mark Attorney at Mewburn Ellis, the registered proprietor’s professional representatives in these proceedings.

9. Mr Freeman states that the facts in his statement come from documents and information supplied to him by CCPIT Patent and Trade Mark Law Office, Beijing (CCPIT), the registered proprietor’s Chinese attorneys.

10. CCPIT has informed Mr Freeman that the proprietor has used the trade mark in the UK since the date of completion of its registration, in relation to the goods for which it is registered. He is also told that since about 1985 the trade mark has been used continuously in the UK solely in relation to “prawn crackers” consisting mainly of starch, prawn-meat, salt and sugar. Thus, having regard to the specification of goods of the trade mark Mr Freeman states that it has been used in relation to “farinaceous products for food for human consumption”.

11. Mr Freeman has also been informed that since at least 1985, if not before, the trade mark as used in the UK shows the transliteration of the Chinese characters as being ‘HONG MEI’ and not the transliteration ‘HUNG MEI’ as shown in the trade mark as registered. The reasons for this slight variation in the transliteration clause as between the trade mark in use and as registered is explained in the Witness Statement of Sandy Man exhibited in Exhibit WL2 accompanying the Statement of Case for revocation in the present proceedings. Mr Freeman submits that the variation is not significant enough to alter the distinctive character of the trade mark as registered.

12. CCPIT has also told Mr Freeman that the goods manufactured by the proprietor to which it has applied the trade mark in either its registered form or variant form have for many years been distributed in the UK using a wholly-owned UK subsidiary (details of which are given in the Witness Statement of Sandy Man as exhibited in these present proceedings) and in more recent years using the services of local Chinese companies, such as ‘Shenyang Kangda Foods & Marine Products Co.’ and ‘Liaoning Foodstuffs Import & Export Corporation’.

13. Mr Freeman goes on to refer to the following Exhibits accompanying his statement –

- (i) Exhibit “MF1” – copies of 2001 and 2000 licenses (with English translations) from the registered proprietor, “owner of trade mark “HUNG MEI + Chinese Characters + Device” “to Shenyang Kangda Foods & Marine Products Co Ltd and Liaoning Foodstuffs Import & Export Corporation to respectively export to the UK and sell in the UK “prawn crackers”;
- (ii) Exhibit “MF2” – an example of the registered proprietor’s packaging bearing the trade mark in the variant form used.

APPLICANT’S EVIDENCE UNDER RULE 31(4)

14. This consists of a witness statement by Wang Lei (the applicant) dated 23 August 2004.

15. Ms Wang Lei wishes to make it clear that the application for revocation is to revoke the registered trade mark HUNG MEI and she states that in Exhibit MF1 to Mr Freeman’s statement on behalf of the registered proprietor, in the unsigned translated version of the three copies of the “Certificate for Going Through Customs” and the translated Licence of Use, the Trade Mark was all translated as the registered trade mark “Hung Mei”, whereas one can see from all other untranslated documents, the Agency Agreement, in particular, “Hong Mei” was used. She adds that there is no endorsement as to who translated the documents, but the translation tends to mislead, and the Statement cannot be relied upon as cogent.

16. Ms Wang Lei submits that, in English, there is a significant difference between “Hung” and “Hong” as a matter of common sense. “Hung” is different from “Hong”, “Lung” is different from “Long”, “Bun” is different from “Bon”, “Dune” is different from “Done”, “Sung” is different from “Song”, and “Tung” is different from “Tong”. One would not call Mr “Tung” as Mr “Tong”. She adds that S46(2) of the Trade Marks Act 1994 is to allow normal and fair use of the registered mark, e.g. allowing variations of colour and forms of lettering, and not for changing the registered name altogether.

17. Ms Wang Lei states that there is no evidence that the registered Trade Mark “Hung Mei” (or “Hong Mei”) has been used at all by the registered Proprietor. Although Mr Sandy Man in this witness statement dated 5.6.2003 exhibited in “WL2” that in 2002, US\$1.03 million worth of prawn crackers were supplied to the UK. Ms Wang Lei states that there is only one invoice from an unknown source to S W Trading Ltd in Wembley for USD 10,471 as “Hong Mei” Brand White Prawn Crackers, and there are other five or six invoices specifying quantity but not price to Belfast *and* Shah Jalal. She concludes that these can hardly be evidence of use of the registered Trade Marks to the sum of US\$1.03 million a year to the UK.

18. Ms Wang Lei accepts that there is an agency agreement exhibited in “MF 1” between Liaoning Foodstuffs Import & Export Corporation and J K Foods UK but she submits that (i) there is no evidence to show that the Registered Proprietor is Liaoning Foodstuffs Import and Export Corporation, and (ii) the Agreement is for “Hong Mei” brand Prawn Crackers and not “Hung Mei”.

19. Ms Wang Lei refers to the decision of Mr Mike Foley, the Registrar's Hearing Officer, dated 9 August 2004, In the Matter of Application No. 2272249 in the name of Wang Lei and In the Matter of Opposition thereto under No. 91028 in the name of China National Cereals, Oils & Foodstuffs Import & Export Corporation (BL O/240/04) which is copied as Exhibit WL 3 to her statement. She draws attention to the following paragraphs 41 and 42 of the decision which, she states, are self explanatory:

“41. The opponents claim to have been using the mark HONG MEI in the UK since at least 1977 in relation to canned fruits, and since about 1985 in connection with material which when fried becomes a prawn cracker. However, the opponents' earlier marks are not HONG MEI but HUNG MEI. There is no evidence of them having carried on a trade using the mark HUNG MEI, and they do not claim to have done so. They rely on the use made of HONG MEI saying that to the Chinese speaking consumer, HONG MEI and HUNG MEI have the same meaning. That may well be the case, but it does not mean that use of one equates to use of the other, and in my view they are not the same marks. But even if they were, I do not consider that this would further the opponents' case.

42. Whilst there is some evidence that refers to the export of HONG MEI prawn crackers from China to the United Kingdom, there is no confirmation that the shipments ever took place. This documentation refers to the HONG MEI trade mark, but does not show the actual mark, nor is there any other evidence that shows actual use of the words HONG MEI in the UK let alone in conjunction with Chinese characters and a plum blossom shaped border. Even setting this aside, the position is not any better for the opponents.”

20. Ms Wang Lei concludes by stating that there is no evidence that the registered trade mark has been used by the registered proprietor and that it should be revoked.

REGISTERED PROPRIETOR'S EVIDENCE UNDER RULE 31(6)

21. This consists of a second witness statement by Mr Michael Freeman. It is dated 25 November 2004.

22. Mr Freeman attaches as Exhibit MF 3 a copy of the witness statement of Sandy Man that was filed in evidence in support of Opposition No. 91028 (see paragraph 19 above). Mr Freeman states that Mr Man's statement sets out in detail the nature and extent of use in the UK of the trade mark of the registered proprietor. Mr Man's statement refers to use of the HONG MEI mark. However, the statement contains submissions to the effect that the marks HONG MEI and HUNG MEI are substantially identical both to the Chinese or English speaker as the visual difference amounts to very little and the HUNG and HONG sounds are indistinguishable.

REGISTERED PROPRIETOR'S WRITTEN SUBMISSIONS

23. The registered proprietor's written submissions are attached to a letter dated 27 May 2005 from Mewburn Ellis.

24. The registered proprietor takes issue with the applicant's submissions on the words HUNG and HONG (see paragraph 16 of this decision). It states where HUNG and HONG are linked with the word MEI, they are placed in a Chinese context, thus taking them away from an "English environment" so reducing the grounds for distinguishing them. The registered proprietor also refers to Mr Man's statement on this point.

25. The registered proprietor states that the copy documents in Exhibit MF 1 of Mr Freeman's statement of 8 January 2004 clearly indicate that there were consignments destined for the UK for goods bearing the mark HONG MEI.

DECISION

26. Section 46 of the Act reads as follows:

"46.-(1) The registration of a trade mark may be revoked on any of the following grounds -

- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;
- (d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or

resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that -

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) 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.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from -

- (a) the date of the application for revocation, or
- (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

27. In addition Section 100 of the Act is relevant. It reads:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

28. The applicant's grounds fall within Section 46(1)(a) and (b) of the Act. Once this application for revocation was made, the effect of Section 100 was to place the onus on the registered proprietor to show the nature and extent of the use made of the mark in suit.

29. The registered proprietor must show genuine use of the mark within the relevant period if the registration is successfully defended. Under Section 46(1)(a) the relevant period is the five year period following completion of the registration procedure. Under Section 46(1)(b), the relevant five year period is one prior to 2 October 2003, the date of the application for revocation.

30. Such examples of use of the mark as there are, show use of the mark incorporating the words HONG MEI and not HUNG MEI, as registered.

31. Section 46(2) of the Act is relevant and it reads as follows:

“46-(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.”

32. From the above it follows that if the change of the word HUNG to HONG, alters the distinctive character of the mark in the form in which it was registered, there will have been no use of the mark for the purposes of Section 46(1) of the Act.

33. In my considerations in relation to the distinctive character of the mark I am guided by the following comments of Lord Walker of Gestingthorpe who in the recent Court of Appeal decisions in *Budejovicky Budvar Narodni Podnik v Anehuser Busch Inc* [2003] RPC 477, stated at paragraphs 43 to 45:

“43 The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

“Bare ruin’d choirs, where late the sweet birds sang”

is effective whether or not the reader is familiar with Empson’s commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose-eyes? – Registrar or ordinary consumer?’ is a direct conflict. It is for the Registrar, through the hearing officer’s specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who “normally perceives a mark as a whole and does not proceed to analyse its various details.”

The quotations are from paragraph 26 of the judgment of the Court of Justice in *Lloyd Schufabrik v Klijsen Handel* [1999] ECR I – 3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

34. The mark in suit is a composite mark which contains Chinese characters within a “flower shaped” outline background device, under which are the prominent words HUNG MEI.

35. I must consider the mark in the context of the average customer for the goods and it seems to me that the average customer for the goods at issue, whether they be all the goods within the specification, or merely “farinaceous products” or “prawn crackers” is the UK public at large, who are regular consumers of such foodstuffs. On this point I would add that Chinese food is widely purchased, appreciated and enjoyed throughout the UK society ie. English language speakers, and not just by the ethnic Chinese Community ie. those having a knowledge of Chinese words and characters.

36. While the mark must be considered in its totality, it is my view that the words within the mark ie. HUNG MEI, will form the strongest visual and aural point of reference to the average customer, who will be familiar with the English language, but not Chinese. The words for all practical purposes will form the dominant component and certainly in oral use, “words speak louder than devices” (or Chinese characters) and goods are likely to be ordered by the customer by reference to the words. While MAI HUNG and MAI HONG may possess aural similarities they are not aurally identical and are different in their distinctive nature. Furthermore, in a visual context I am certain that it is the words that are likely to be uppermost in the customers mind in relation to recognition of the source of the product e.g. in repeat purchases.

37. It is my view that the alteration of the word HUNG to HONG by the registered proprietor has an obvious and significant impact upon the mark as a whole and the distinctive character of the mark. HONG MAI is distinctively different to HANG MAI and given the importance of the word element within the mark this has a strong impact upon the totality. While the words, and mark in its totality, may have no strong conceptual identity to the UK customer, other than that of denoting a Chinese connotation, it is my view that the difference has an obvious impact which effects overall perception of the mark. To conclude, I believe the mark used by the proprietor possesses a different distinctive character from the mark as registered.

CONCLUSION

38. The application for revocation succeeds as within the relevant five year period the mark shown to be used is in a form differing in elements which alter the distinctive character of the mark in the form in which it is registered.

39. In accordance with Section 46(6)(a) of the Act the rights of the registered proprietor shall be deemed to have ceased as from the date of the application for revocation.

COSTS

40. The applicant is entitled to a contribution towards costs. I therefore order the registered proprietor to pay the applicant the sum of £1000 which takes into account that no hearing took place on this case. This sum is to be paid within seven days of the expiry of the period allowed for appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of July 2005

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General