

O-293-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION No. 2265152  
STANDING IN THE NAME OF MATTHEW'S FOODS  
(A SCOTTISH PARTNERSHIP)**

**AND**

**IN THE MATTER OF A REQUEST FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO. 81116 BY CHINA NATIONAL CEREALS, OIL AND FOODSTUFFS IMPORT  
AND EXPORT CORPORATION**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 81116  
for a declaration of Invalidity by China National  
Cereals, Oil and Foodstuffs Import and Export  
Corporation in respect of trade mark registration  
No. 2265152 in the name of Matthew's Foods (A Scottish Partnership)**

**BACKGROUND**

1. The following series of two marks is registered under No. 2265152:



2. The registration details contain the following explanatory clause. “The Chinese word/characters MEI HUA in the mark mean “plum blossom”. The registration specifies the following goods:

Sugar, rice, tapioca, sago, flour and preparations made from cereals, bread, biscuits, confectionery, crisps, prawn crackers, snack foods, all included in Class 30.

3. On 27 December 2002 China National Cereals, Oil and Foodstuffs Import and Export Corporation applied for a declaration of invalidity against the above registration. They are the registered proprietors of the marks shown in the Annex to this decision. The applicants claim to have used their marks in the UK since at least 1952 in relation to food and beverages. More specifically they refer to their trade in prawn crackers and related goods in respect of which their turnover is said to be approximately £4million per annum.

4. The applicants offer the following observations in relation to the respective marks:

“To the average consumer, taken to be a purchaser of the goods specified in the Registration and a non-speaker of Mandarin-Chinese, the mark registered and the Applicant’s Mark are confusingly similar by virtue of a number of points of visual and phonetic similarity. The first point of similarity is that both Marks feature a five-lobed, flower device. Indeed, such device features prominently in each Mark. A flower device has no descriptive significance in relation to the goods specified in the Registration and is inherently distinctive for those goods. A second point of similarity is that both marks feature two Chinese characters. A third point of similarity is that, in both Marks, the two Chinese characters are within the flower device. A fourth point of similarity is that, in each mark, one of the characters is identical. A fifth point of similarity is that both Marks feature an English transliteration of the two Chinese characters written directly beneath the flower logo, in emboldened roman script words, although these words are not recognised words in English or any other language which uses the roman alphabet. A sixth point of similarity is that, in both Marks, the identical character is transliterated identically as MEI.

To the average consumer, taken to be a purchaser of the goods specified in the Registration and a Mandarin speaker, the Mark registered and the Applicant’s Mark are confusingly similar by virtue of points of phonetic and conceptual similarity in addition to the points of visual similarity mentioned above. A Mandarin speaker will substantially ignore the transliteration of characters underneath the five-lobed flower device, since it is [of] little consequence to him how it is suggested that an English speaker should sound the words. The character which is common to both Marks means “plum/plum flower”. Overall, the Applicant’s mark means “red ornamental plum/plum flower” and the mark registered means “plum flower”. Thus, to the mandarin speaker, the Mark registered and the Applicant’s Mark are conceptually similar as both relate to varieties of plum/plum flower.”

5. They are also of the view that identical or similar goods are in play.

6. On the basis of these factual claims and submissions the applicants base their case on Section 47(2) of the Act read in conjunction with Section 5(2)(b), 5(3) and 5(4)(a). They ask that the registration be declared invalid or in the alternative declared invalid to the extent that grounds for invalidity subsist.

7. The registered proprietors filed a counterstatement denying the above grounds and putting the applicants to proof of these claims. In relation to the respective marks they say that:

“.....all the points of similarity set out by the applicant should be dismissed as immaterial given the perception of the disputed marks as a whole. The registered mark No 2265152 (“the Registration”) and the applicant’s Marks are not confusingly similar. Simple abstract shapes such as those depicted in the disputed marks does not confer any particular distinctiveness on either the Registration or the applicant’s Marks. Such a simple shape can have no distinctive character *per se* in relation to foods or food products: such devices are commonly-used embellishments for many different types of labels and brands. It is thus denied that the device within the disputed mark is either that of a flower or inherently distinctive for food and drink products. The Chinese characters and the words used in the Registration and the applicant’s Marks are different and will be read and seen quite differently from each other by either persons familiar with Chinese, or persons unfamiliar with Chinese, as each would focus on the English words (which are read and pronounced quite differently) or on the Chinese transliteration, in which the order of words becomes very significant as to how the meaning is interpreted. Furthermore, the Registration is pronounced “MI FA” and the applicant’s Marks “HUNG MEI” which gives a different identity to the marks as a whole.”

8. Both sides ask for an award of costs in their favour. The matter came to be heard on 7 September 2004 when the registered proprietors were represented by Dr R. French of Cruikshank and Fairweather. The applicants for invalidity were not represented at, and did not attend, the hearing.

### **Applicants’ evidence**

9. The applicants filed a witness statement by Sandy Man, the Managing Director of Pacific Foods Limited; a subsidiary of Top Glory (London) Limited which is in turn a wholly owned subsidiary of the applicants.

10. Mr Man says that the applicants are suppliers of foodstuffs produced in China and formerly constituted the nationalised food industry in China. Mr Man himself has been involved in importing foodstuffs into the UK for over 25 years. His company has the job of marketing the applicants’ products in Europe.

11. Mr Man says that the applicants have a trade mark consisting of a five lobed plum flower device containing two Chinese characters, which translate from Mandarin Chinese into English as “RED PLUM BLOSSOM”, accompanied by HONG MEI, which is a transliteration of the two Chinese characters or, in other words, is a guide to the non-Chinese speaker as to the sounds that a Chinese speaker makes when reading the Chinese characters (“the HONG MEI Mark”). I interject at this point that the applicants’ registered mark contains the transliterated words HUNG MEI. It emerges later in Mr Man’s statement that the difference between HUNG MEI and HONG MEI is considered to be very slight. It is said that until recently there were no definitive rules for the transliteration of Chinese characters - to the Mandarin reader one of the characters in the mark transliterates as HONG, to the Cantonese reader the same character transliterates as HUNG (Mr Man is himself fluent in Mandarin and Cantonese Chinese and English).

12. In the UK the applicants are said to have used their mark for some considerable time in relation to canned fruit products and since 1985 in relation to prawn crackers. Prawn crackers, or at least the

material which, when fried, forms the prawn crackers are supplied in boxes weighing between 227g and 2kg. The following information is given in respect of sales of prawn crackers in the UK:

<b>Year</b>	<b>Weight MT</b>	<b>Value USD(million)</b>
2002	931	1.03
2001	1,868	2.08
2000	2,408	2.68
1999	2,786	3.10
1998	2,903	3.23
1997	2,812	3.13
1996	3,522	3.91
1995	3,920	4.36

13. The applicants are said to supply their foodstuffs (in the absence of detailed information as to the sales of other goods I take this to mean essentially prawn crackers) in the UK to importers who supply UK factories and wholesalers. The products are then sold on to restaurants, cash and carries and supermarkets. Mr Man says that he estimates that about 50% of products imported to the UK end up in Chinese restaurants and that 90% of people who work in Chinese restaurants have Chinese as their first language. In support of this trade the applicants produce brochures and leaflets and exhibit at various international trade fairs of which only one, IFE, appears to take place in the UK. No exhibits are provided in support of the above claims.

14. Mr Man says that he is not aware of anybody else having used a trade mark consisting of a plum flower device similar to that of the HONG MEI mark, or a mark containing Chinese characters transliterating as PLUM BLOSSOM or the English words PLUM BLOSSOM, in relation to foodstuffs in the UK until very recently, and the applicants are taking action with respect to all instances they have identified.

15. The remainder of Mr Man's witness statement consists largely of submissions in relation to how English or Chinese (Mandarin or Cantonese) speakers will approach the marks and his belief that there is a likelihood of confusion. I will come to these issues in due course.

16. There is one further issue that has exercised the parties in their evidence – that is the apparent fall-off in the applicants' trade in the UK in recent years as evidenced by the above sales figures. The applicants attribute this in part to sales of the registered proprietors' products under a similar mark. The registered proprietors in turn attribute it to deterioration in the quality of the applicants' goods rather than confusion between the marks. This is not a matter on which the tribunal can, or needs to, reach a concluded view. I do not propose to record the parties' arguments on the matter.

### **Registered proprietors' evidence**

17. The registered proprietors have filed a statutory declaration by Matthew Ng, their founding partner and witness statements by Ruth French, their professional representative in this matter and Li Feng Gui of Dalian New Century Lianfa Trading Co.Ltd, a Chinese food exporter.

18. Mr Ng's business is a Scottish partnership which he set up with his wife in 1988 in Glasgow. Their aim is to provide both the Scottish community and businesses within the UK with a greater diversity of Chinese products being groceries and food staples.

19. He exhibits MN1, a copy of the labels used in connection with prawn crackers. The registered proprietors have been using this mark (it is the same as the registered mark) since October 2000. There is in fact a discrepancy in dates as between paragraphs 5 and 6 of Mr Ng's declaration (the first of these paragraphs refers to October 2001). The invoice evidence supports the earlier date. The mix-up over dates has according to Dr French extended to the subsequent turnover figures which should have been shown as starting in December 2000 rather than December 2001. No breakdown of the sales is given up to the material date of March 2001. In practice the registered proprietors' business could only have been of modest scale and duration by that time and is unlikely to have impacted on the outcome of the case. In these circumstances it would seem disproportionate to burden the registered proprietors with the task of filing amended evidence (or the applicants with the need to consider whether they wished to reply to such amended evidence). I would simply record that the applicants were not present at the hearing and so will be unsighted on this point. Suffice to say that the goods are sold to various distributors and retailers in the grocery, fast food and restaurant trade. Most promotional activity appears to have taken place in Scotland though I note that the proprietors have customers in Glasgow, Newcastle and Birmingham. Mr Ng goes on to say that:

"I have not been aware of any confusion, by my clients or others, between the Trade Mark and that of the applicant for revocation ("the Applicant"). Prior to stocking the prawn crackers under the Trade Mark, we also supplied HONG MEI prawn crackers under licence. However, due to the large number of complaints and returns from customers regarding the quality of the HONG MEI prawn crackers, we decided to cease HONG MEI prawn cracker importations. When prawn crackers under our trade mark were available for trade, we marketed our products and notified our clients of the withdrawal of HONG MEI prawn crackers from the product list, thus a distinction was made between the two products from the start."

20. Mr Ng goes on to deal with the five lobed flower device that appears in the parties' marks. He claims that this plum flower symbol is widely known in the Chinese population because it is the national emblem of China. He exhibits, MN2, the results of an internet search for "plum blossom" and "China" which, he says, show the popularity of the flower. He adds that the plum blossom mark has been used by other companies in the UK on foodstuffs in particular:

- (i) SW Trading Ltd – whose mark consists of a stylised five-lobed device containing Chinese characters which are said to mean plum blossom along with the English name 'Flower Brand'. A container showing the device on a label is exhibited at MN6. The mark is said to have been used in relation to a variety of snacks and frozen foods such as fish, vegetables, Chinese appetizers etc.
- (ii) Hoo Hing Ltd – who have supplied prawn crackers under their GOLD PLUM trade mark, also associated with plum blossoms for over 14 years. That company's CTM trade mark is shown at MN7 along with a print out from their website and carton blanks at MN8

21. The purpose of this evidence is to counter Mr Man's suggestion that the use of plum blossom devices in the UK is very recent and to show that it is a popular element of several trade marks. Attention is thus said to focus on the word elements of the marks rather than the devices. Also

exhibited, MN9, are copy extracts from the Chinese Trade Mark Register (along with certified translations) listing registered trade marks that co-exist for foodstuffs but use a similar flower device.

22. The remainder of Mr Ng's declaration gives his view on the respective marks and introduces statements from two traders indicating that they are aware of the brands and that "there has never been an issue of confusion". The statements appear to be completed pro-formas and do not show the actual marks. The applicants for invalidity later produce counter claims from two other traders who reach the opposite conclusion on whether the respective marks are confusable. None of these statements are in proper evidential form, display the actual marks or indicate on what basis these individuals were selected. Nor indeed is it clear whether others were approached and, if so, what their views were. I find these statements to be of negligible value and will not refer to them again.

23. Mr Li Feng Gui gives evidence about his experiences as an exporter of Chinese foodstuffs. He has been involved with both companies' products in the past. He comments on what he considers to be the drop in quality of the applicants' prawn crackers over the past three years (his statement is dated 18 November 2003). As I have already indicated, there is insufficient basis for concluding that any fall-off in the applicants' business can be attributed to confusion with the proprietors' goods. Accordingly I do not propose to give weight to this consideration in reaching my decision.

24. Mr Li Feng Gui also offers his own observations on the likelihood of confusion. He adds that:

"In China the presence of the plum blossom name or logo on all sorts of products is very common, such as plum blossom wool clothing, and I am well used to distinguishing between all the various brands that use plum blossoms. Plum blossom is a commonly seen brand in China, and MEI HUA (plum blossom) and HONG MEI (red plum) are two different trade marks with a distinct difference in their designs and meanings. The domestic and foreign consumers and myself have never heard of any confusion over the two brands of MEI HUA and HONG MEI."

25. Dr French's witness statement has simply been filed to correct the name of the registered proprietors' Chinese exporter. The point appears to be uncontentious.

### **Applicants' evidence in reply**

26. Mr Man filed a further witness statement. Much of this statement rehearses arguments that have already been made. I note this material but do not need to summarise it here. The main additional points to emerge are that:

- Mr Man says that the plum flower is not the national flower of China. He exhibits, SM1, extracts from a Chinese website confirming that the national emblem for China is Tiananmen Gate under the light of five stars;
- in relation to the mark used by SW Trading Ltd he notes that it does not contain any Chinese characters and is not accompanied by the word MEI. Furthermore, the actual flower used could be any type of lobed flower of a similar shape;
- in relation to the Hoo Hing Limited mark he notes that it is still pending;
- the registered proprietors' evidence as to the state of the Chinese register is irrelevant to the consideration of the position in the UK.

27. Mr Man also refers to an earlier attempt by the registered proprietors to register the applicants' mark for goods in Class 30 (No. 2288300). His statement indicates that "details of this application are attached". There is no such attachment in the material before me. Reference is also made to an attempt to register the applicants' mark on prawn cracker packaging (under No. 2284555). Again Mr Man refers to the details being attached but they do not form part of the evidence before me. It seems that both applications were refused. Mr Man suggests that both applications were made contrary to the provisions of Section 3(6) of the Act. I mention these points simply to make it clear that to the best of my knowledge there has been no request to amend the pleadings in this case to formally introduce any such objection. I will not, therefore, deal with it.

28. That concludes my review of the evidence.

## DECISION

29. I now turn to the grounds of opposition commencing with that under Sections 47(2)(a) and 5(2)(b). These read:

"47(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration."

and

"5.(2) A trade mark shall not be registered if because -

- (a) .....
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

30. Dr French referred me to the well established guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77. I have added *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723 which gives further guidance on the relevant association. For the benefit of the private applicant and in case the matter goes to appeal the guidance from these cases can be summarised as being:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, paragraph 29.

The relevant date is the filing date of the registration in suit (see BL O/244/04 for a recent example of the application of this principle).

31. It is clear from this guidance that the likelihood of confusion must be judged through the eyes of the average consumer who is assumed to have the qualities referred to in the Lloyd case ((b) above). Identifying the average consumer is, therefore, a matter of some importance. It is particularly so in this case as the opponents have suggested that there are two distinct groups of consumers, according to whether or not they speak or understand Mandarin or Cantonese Chinese or are of Chinese origin. The point is significant to the extent that it may influence the perception and understanding of the marks. Dr French, realistically, accepted at the hearing that there were indeed two potential consumer groups but submitted that, on the basis particularly of her client's evidence that their clientele consists overwhelmingly of Chinese-speaking food retailers and restaurant owners, this was the consumer group that should be the primary focus of attention. It is apparent from the way in

which the debate has been conducted in the course of the parties' evidence that they are approaching the concept of the average consumer primarily from the standpoint of their existing trade in prawn crackers where they are now in direct competition with one another but where, it would seem, the relationship was previously supplier and licensee (paragraph 10 of Mr Ng's evidence).

32. In deference to the parties' evidence and submissions in this respect I will address the issues that have been raised but, given that neither side's specification in Class 30 is limited to prawn crackers, I regard the argument as being too narrowly focussed. I will return in due course to the generality of the respective specifications.

33. The parties' evidence dealing with the outlets for their goods variously indicates that:

“The applicant supplies its foodstuffs in the UK to importers who supply UK factories and wholesalers. The wholesaler's products then go to restaurants cash and carries and supermarkets.” (Mr Man, paragraph 6):

“We sell prawn crackers ..... to various distributors and retailers in the grocery, fast food and restaurant trade .....” (Mr Ng, paragraph 8);

“..... my clients who are, generally, Chinese-speaking food retailers and restaurant owners (95%) .....” (Mr Ng, paragraph 19);

“I estimate that about 50% of the prawn crackers bearing the HONG MEI mark imported into the UK end up in Chinese restaurants” (Mr Man, paragraph 6).

34. It seems, therefore, that as matters currently stand, most of the goods are destined for Chinese restaurants and it would be the trade intermediaries and restaurant owners who would be aware of the marks rather than the restaurant customers. Many of the intermediate wholesalers and distributors can also be expected to be of Chinese origin or extraction. But I note that the applicants' goods are also sold through cash and carries and supermarkets which suggests a wider customer base for the goods and hence exposure of the mark. Both sides also attest to wider promotion of their marks at the IFE international food fair in London (Mr Man, paragraph 7) and food fairs at the Scottish Exhibition Centre and at evening cookery classes (Mr Ng, paragraph 9). Again this suggests exposure of the goods/marks to a wider audience.

35. None of this is particularly surprising. Ethnic food products tend to be introduced initially through restaurants specialising in the cuisine of a particular country or region. But when established the finished products and/or ingredients become more widely available through general retails such as supermarkets and other such outlets. I, therefore, take the view that it would be wrong to take too straight-jacketed a view of who might constitute the average consumer for the goods that are currently of prime interest to the parties even though the indications are that existing trade is predominately directed towards those who speak or understand one of the Chinese languages.

36. Furthermore, there is clearly nothing about items such as prawn crackers that restricts their appeal or availability to a particular ethnic community. The same would be true of a wide range of Chinese food products. The position in relation to food products can be contrasted in this respect with, say, a clothing item such as a yashmak which is only likely to be sold to and worn by a particular ethnic or religious group (and thus where the average consumer test should be similarly focussed).

37. But, as I have already suggested, my consideration of the issues must allow for notional use across the full range of goods specified by the parties. Both sides' Class 30 specifications cover a very wide range of goods which are by no means restricted to ethnic foodstuffs. Full allowance must be made for future business expansion by the current proprietors or, indeed, future proprietors in the event that ownership should change hands. In short I consider that due allowance must be made for both Chinese and non-Chinese speakers.

By way of comparison I note the following passage in the Court of First Instances (CFI) judgment in *Oriental Kitchen SARL v OHIM*, Case T-286/02 in connection with an application for the mark KIAP MOU (which was said to be descriptive of certain goods in the Laotian language) in the face of an existing registration of the word MOU:

“31. Nor need account be taken of the applicant's assertion that the goods referred to in the trade mark application are intended exclusively for a clientele of Chinese or Indochinese (Vietnamese, Laotian, Thai) origin living in Western Europe.

32. First, the Office has rightly pointed out that there is nothing in the wording of the contested application for registration to suggest that the goods in question are intended exclusively for such a clientele. The general terms used by the applicant suggest instead that those goods are intended for the usual, average clientele of the food products also covered by the earlier marks. Without being contradicted on that point by the applicant, the Office states that those goods are distributed through the same channels and sold at the same points of sale to the same type of purchasers.

33. Second, the Office has also rightly submitted that, without further specification in the wording of the contested application, the mere fact that the word mou [pork] means something in an Indochinese language or that the expression kiap mou [crispy pork] refers, in that same language, to a characteristic of the goods is not sufficient to establish and define a particular category of consumers targeted by the contested trade mark application.

34. In any event, that assertion of the applicant does not seem to be relevant for the purposes of applying Article 8(1)(b) of Regulation No 40/04 since, as the Office and the intervener have pointed out, following the Board of Appeal, the way in which the goods are described in the trade mark application does not preclude the later use of the mark in question for a broader market, namely the market targeted by the earlier marks.

35. Accordingly, account must be taken, for the purposes of the global assessment of the likelihood of confusion of the point of view of the relevant public made up of the end users of everyday food products in the United Kingdom.”

38. That decision is not, of course, binding on me but it is of interest in showing how the CFI approached a similar issue.

39. With these preliminary findings in relation to the average consumer in mind I turn to the goods and the marks themselves. The applicants have registrations in Classes 29, 30, 32 and 33. It will suffice for present purposes to concentrate on the Class 30 registration. The registered proprietors concede that there are some similar goods but say that “the goods of Class 30 are not similar to the extent that confusion is likely”.

40. The applicants' specification contains a mixture of the general (non-medicated confectionery, farinaceous products for food for human consumption) and the specific (rice, condiments and food dressings). Rice also appears as a specific item in the specification of the mark under attack. In other respects the broad term non-medicated confectionery must be held to overlap in large measure at least with confectionery. It is clear, therefore that identical goods are involved. I would also hold that the broad term farinaceous products in the applicants' specification are either identical or closely similar to flour and preparations made from cereals, bread, biscuits, crisps, prawn crackers and snack foods. In this respect I note that Collins English Dictionary describes the term prawn cracker as 'a puffy savoury crisp made from rice flour'. The remaining items in the registered proprietors' specification are also in my view similar – tapioca and sago to rice and sugar to food dressings (caster sugar for instance).

41. The marks in issue are as follows:-

Registered proprietors'  
(No 2265152)



Applicants for Invalidation  
(No 1056909)



42. The guiding authorities require me to consider the visual, aural and conceptual similarities between the marks having regard to their distinctive and dominant components.

43. The parties differ in their views as to the distinctive character of the elements that make up the marks. In particular the applicants are of the view that the devices are of plum flowers and that the Chinese characters and transliterations thereof reinforce the interpretation to be placed on the devices referring as they do to plum blossom and red ornamental plum blossom respectively. Their

contention is that the plum flower is, variously, the national emblem for China (Mr Ng, paragraph 4) or an unofficial Chinese national emblem (Dr French's skeleton argument). On that basis it is said that the only point of similarity between the marks, the flower device, is non-distinctive, and by implication should be accorded less weight within the totality of the marks. The analogy drawn by Mr Ng is with the thistle in relation to Scotland and things Scottish.

44. The evidence in support of the claim as to the significance of the plum flower is to be found in Exhibit MN2 containing the results of an internet search. Many of the references do no more than establish that there are plum blossom festivals and that the plum blossom along with peach blossoms and peonies are much favoured by the Chinese. An article from People's Daily of 26 November 2001 (strictly it is after the relevant date) records that the Chinese are still trying to make a decision on their national flower between the peony and Chinese plum blossom but with some saying that "China is so vast that no flower can represent it".

45. The applicants have filed evidence of their own to demonstrate that the plum flower is not the national emblem of China (Tiananmen Gate under the light of five stars is). They claim that the plum flower is uniquely associated with their goods.

46. Making the best I can of the material before me, I find that plum blossom is not the national emblem of China but that it is one of the most popular flowers in that country. I am unable to determine from the evidence precisely what plum blossom looks like. It does, however, seem to me that the applicants' device must be considered a stylised but much simplified representation of the actual flower. In fact, without the explanatory Chinese text and transliteration, it would surely be somewhat difficult to determine what sort of flower it was intended to be. The issues that arise are therefore, whether traders generally or, more particularly in this goods area, wish to use plum blossom to indicate the Chinese origin or nature of their goods; and what the average consumers' reaction would be to the particular forms of the plum blossom device that are contained within the marks at issue.

47. The exhibit MN2 evidence referred to above does little to answer either of these questions. However, Dr French urged me to consider the other parts of the registered proprietors' evidence which in her view suggested that there were several marks in the market place employing the plum blossom device. The exhibits concerned are MN 6 to 9.

48. MN 6 is a photograph of a container of an unidentified and unidentifiable product imported by a company called SW Trading Ltd. The brand labelling shows, inter alia, a much more intricate but still stylised flower device with Chinese characters above and outside the flower and the words FLOWER BRAND below. Without explanation as to the meaning of the Chinese characters there is nothing in the mark to indicate a connection with plum blossom.

49. MN 7 is a print-out of details of a Community Trade Mark application by Hoo Hing Holdings Ltd, who Mr Ng says have been "associated with plum blossom for over 14 years". The application has not yet progressed to registration and in itself is not evidence of trading. The mark consists of a five lobed flower of slightly more elaborate design than those before me. It is presented with an arching line over the top, Chinese characters to the side and the words GOLD-PLUM completing the circle as it were underneath.

50. MN 8 is a print-out from the Hoo Hing website and carton blanks showing the mark in use. Prices are in sterling and UK addresses and texts appear on the cartons so I believe it is safe to infer

that this is UK use. The main heading appearing over pictures of the products shown on the website identifies the goods by the words GOLD PLUM. MN 8 also shows KANG MEI prawn crackers with a flower device. The representation is small so discerning some of the detail is difficult but it would seem that this may be the mark which the current applicants successfully opposed in case BL O/240/04. When use of this latter mark commenced is not clear.

51. MN 9 contains copies of extracts from the Chinese Trade Mark Register showing registered marks that co-exist for foodstuffs using a similar flower device. In fact there are only three marks shown for diverse and largely unconnected goods. There is no indication that these marks are in use in China let alone the UK. It is, in my view, surprisingly thin evidence as to the extent of use of plum blossom devices in trade if it is indeed a favoured national emblem.

52. The collective force of the evidence is to suggest that there is some desire on the part of traders in goods of Chinese character or origin to use devices of one of the flowers that is said to be emblematic of that country. But the degree of stylisation used and features of presentation vary from mark to mark. Mr Li Feng Gui, the Chinese exporter, refers to the presence of plum blossom names or logos “on all sort of products” but only gives one example (in relation to clothing) and does not express a view on whether the position is likely to be the same in the UK.

53. In relation to the goods of particular interest to the parties the GOLD PLUM mark is the high point of the registered proprietors’ case. The applicants have not suggested that Mr Ng is wrong to claim that there has been a longstanding trade under this mark. But that usage is not in itself enough to establish that plum blossom words/devices are prevalent in this area of trade (and the mark itself would be likely to give rise to different considerations to those before me in this case). The other examples are the proprietors’ own use and the KANG MEI six lobed flower device. I approach these uses with caution. In the registered proprietors’ case they were previously in a trading relationship with the applicants and in the case of the KANG MEI mark the current applicants have been successful in opposition proceedings.

54. Turning to the marks themselves, both parties’ marks consist of or incorporate a five-lobed flower device within which appear Chinese characters. Beneath the flower device are the words HUNG MEI and MEI HUA respectively. There are other elements/variations in the registered proprietors’ series of two marks, in particular the fact that the flower device is itself set against or contained within a circle. The additional points of styling do not in my view materially impact on the underlying similarities/dissimilarities.

55. A Cantonese or Mandarin speaker is likely to focus on the device and the Chinese characters within it and will have little, if any interest, in the transliteration of those characters. Such a person will nevertheless not fail to notice the presence of the transliterated words as part of the totality of the mark even if he or she has no interest in or need of the transliterated form. In this respect I have in mind that with composite marks such as those before me here I must consider not just the elements that make up the mark but also the disposition or arrangement of those elements within the body of the mark. Even to this category of consumers it seems to me that the visual similarities may be said to outweigh the differences.

56. However, for the reasons given above, whilst current trading activity largely focusses on Chinese speakers, consideration of the notional scope of the specifications and the normal development of trade suggests that importance must also be attached to the impact of the marks on English speakers. For this group, an overall visual appreciation of the marks will be particularly important. English

speakers are highly unlikely to compare and contrast the Chinese script. Rather they will simply take away a recollection of a flower device containing Chinese characters that they do not understand and transliterated words that similarly carry no meaning for them. A more careful analysis would yield the fact that one of the transliterated words is the same and the other different (as well as the order). But as an English speaker would not derive any benefit from the transliteration (and consumers do not generally pause to analyse marks) he or she is more likely to retain an overall impression of the composition and general content of the marks. That impression is in my view of marks that are similar to quite a high degree.

57. Turning to aural considerations, the transliterations contained in each of the marks are intended to convey to an English speaker how the Chinese characters will sound when spoken. Mr Man suggests that the first element of his company's mark may be pronounced HUNG or HONG according to whether the speaker is a Cantonese or Mandarin reader. There is no material dispute regarding the pronunciation of the common element MEI. According to Dr French's skeleton argument and her client's counterstatement HUA is pronounced as FAR or FA. If that is so (the applicants have not dealt with this issue) then it puts some distance between the marks when considering their effect on the ear rather than the eye. Or at least it does so for the Chinese speaker. The position for an English speaker is likely to be somewhat different. The latter will either refer to the marks by reference to the transliterations or, because they in themselves will carry no discernible meaning, will refer to the flower device (or, just possibly, a combination of the two). The degree of aural similarity between the marks will thus vary according to the propensity of the individual consumer to adopt one or other of these approaches to the marks.

58. Conceptually, both marks converge on a similar idea – that of plum blossom. That convergence comes about primarily because of the words used but is reinforced by the flower device, the significance of which will be interpreted in the light of the words. The registered proprietors' defence is that the plum blossom message or motif will simply be seen by the Chinese speaker as indicating the Chinese origin/nature of the goods and hence will be of diminished significance when considering the distinctive character of the mark. As already indicated, I am not persuaded that that is necessarily the case. But to the extent that it is so, it underplays the overall impression conveyed by the marks which includes the particular form of presentation of the devices and the arrangement of the component elements within the marks.

59. For the non-Chinese speaker the parties' marks have no conceptual significance beyond the devices and the fact that both contain Chinese characters and transliterated (but meaningless) words.

60. Likelihood of confusion is a matter of global appreciation taking all relevant factors into account. An applicant for invalidity's use may be relevant. On the face of it the figures Mr Man gives for sales values and volumes appear to be very significant. Mr Man says that HONG MEI is the most popular brand in the UK. Properly substantiated, such a claim may have enhanced the applicants' case. However, there is not a single exhibit in support of the generality of the claim despite the fact the Mr Man says (at paragraph 7 of his witness statement) that every year the applicants produce brochures and leaflets promoting all of their products. Thus, I have no evidence before me to even confirm the precise mark used. There is also the question as to whether it is right to assimilate use of HONG MEI into HUNG MEI (the latter being the form in which it is registered). In all the circumstances I do not see how the applicants' claims to use and reputation (contributing to an enhanced distinctive character) can materially assist them.

61. To summarise, I have found that there is identity and/or similarity between the goods in Class 30. Current trading patterns suggest that the respective marks are primarily used in relation to a particular sub-set of goods, namely prawn crackers, and sold predominantly to consumers who are likely to be Chinese speakers. However, the specifications are not restricted to Chinese foodstuffs and are cast in much wider terms. I must allow for notional use across the full range of goods and for the natural development of existing trade. In this latter respect I consider that it is within the boundaries of reasonable expectation that future trading patterns may result in the goods finding their way onto supermarket shelves where the average consumer is unlikely to be familiar with the Chinese language(s). For this latter group generally the respective marks are similar to a sufficiently high degree that in relation to the goods at issue there is a likelihood of confusion. The position may be somewhat less clear if a predominantly Chinese speaking customer base is considered. But it has not been clearly shown that this latter group will discount the capacity of plum blossom words and motifs to function as indicator of origin to the point where the differences between these particular marks will be sufficient to distinguish between the separate trade sources.

62. In the result the application for invalidity succeeds under Sections 47(2)(a)/5(2)(b).

63. There are further grounds under Sections 47(2)(a) and (b)/5(3) and 5(4)(a). As the applicants have been successful under Section 5(2)(b) I see no need to consider these grounds save to say that in the absence of any substantiating exhibits they would be unlikely to succeed under either of the alternative grounds.

64. Pursuant to Sections 47(5) the registration will be declared invalid in its entirety. In accordance with Section 47(6) the registration will be deemed never to have been made.

65. The applicants are entitled to a contribution to their costs. I order the registered proprietors to pay them the sum of **£1500**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of the case if any appeal against this decision is unsuccessful.

**Dated this 23rd day of September 2004**

**M REYNOLDS  
For the Registrar  
The Comptroller-General**

ANNEX

Details of the registrations relied on by the applicants:

No.	Mark	Class	Specification
1056908		29	Meat, fish, poultry, fruits, vegetables, jams and juices included in Class 29, all being canned; game (none being live); food dressings included in Class 29.
1056909		30	Non-medicated confectionery, rice, farinaceous products for food for human consumption, condiments, and food dressings included in Class 30.
1056910		32	Beer; fruit juices.

			
1056911		33	Wines, spirits (beverages) and liqueurs.