

Honest Concurrent Use Under Hong Kong & Singapore Trade Mark Law

This article highlights the concept of 'honest concurrent use' by analyzing a judgment passed by the Court in Hong Kong and examining the corresponding position under Singapore law.

Background

The concept of 'honest concurrent use' allows a trade mark to be registered even though it may be identical or similar to another registered trade mark where the goods in question are also identical or similar. It has been stated in case law that the mere fact of honest concurrent use is not a defence which in itself will save an application, but it is only one of the "relevant" factors which should be taken into account in determining whether there is a likelihood of confusion.

Facts

In the case of **C.S.S. Jewellery Company Limited v The Registrar of Trade Marks [2010] HKCU 98**, the appellant and prior registrant were sons of the founder, who started a business in jewellery and goldsmithing during the 1930's, under the name of "周生生" ("Chow Sang Sang" in Chinese). In 1943, there was a settlement of the founder's assets between two branches of the family: the appellant and prior registrant. In 1946, the founder left a will giving equal rights over the use of the trade name "周生生" to the appellant and prior registrant. Since then, both branches of the family have set up further shops using the names "周生生" and "Chow Sang Sang" as integral and distinctive parts of their business. The appellant's 10 shops and the prior registrant's 37 shops have since co-existed in Hong Kong.

In 1994, the prior registrant registered the mark "A CORPORATE GIFT IDEA BY CHOW SANG SANG" in Class 14 under the 'Nice Classification System'. In 2004, the appellant sought to register the trade mark "CHOW SANG SANG" under Classes 14 and 35 for 'jewellery, goods and related services'. Registration of the latter mark was refused, taking into consideration the increased risk of confusion and that the mark applied for had been used in conjunction with other marks and as an integral element in composite marks for at least 10 years prior to the date of application. The appellant subsequently filed an appeal in Court.

Decision

The Court overruled the Registrar's decision and allowed the registration to proceed based on 'honest concurrent use' of the marks concerned, explaining that the provision involved a two-stage test:

1. The Court accepted the appellant's use of "Chow Sang Sang" on the price tags and the gold bullions, as well as the trading name "Chow Sang Sang Jeweller & Goldsmith", as concurrent use.
2. The Court took into consideration the following: public interest; extent of use of the mark in terms of time, quantity and area; the degree of confusion likely to ensue from the resemblance of the marks; the honesty of the concurrent use; whether any incidents of confusion have been proved, and the relative inconvenience which would be caused if the mark were registered.

The court then held that:

- (a) The marks could be traced to a common origin. There has always existed confusion or risk of confusion between the goods and services under the considered marks. Thus, the issue at hand was whether there would be any increased risk of confusion. The fact that the appellant had chosen to supplement "Chow Sang Sang" and "周生生" with words to dissociate itself from the proprietor meant that the increased risk of confusion was only moderate rather than substantial. Further, this does not indicate that the appellant had given up his rights over the marks mentioned above as a badge of origin of its own goods and service.
- (b) Without the protection of registration, an honest concurrent use, as opposed to a prior use, is no defense to an action for infringement brought by a registered trade mark proprietor.

Comments

The same principles from the above case have been considered by the Singapore Registrar of Trade Marks in **WBL Corporation Ltd v Warner Communications, Inc. [2005] SGIPOS 1**

36 Carpenter Street
Singapore 059915T: +65 6323 8383
F: +65 6323 8282
contact@cnplaw.com

www.cnplaw.com

In 2004, the applicants had applied for registration of the mark W stylised ("W logo") in Class 9, relating to their computer business. This application was opposed by the proprietors of the registered mark (opponents) "W Logo", who were in the business of producing content and selling or distributing such content in multiple carriage mediums. The applicant pleaded honest concurrent use.

Upon examining the evidence, the Registrar accepted that the applicant had significant sales between the years 1985 and 1994 in relation to the goods applied for, which indicated extensive use of the mark. There was also clear evidence of approximately nine years of concurrent use of the marks in dispute. The Registrar was of the view that although there was an overlap in the specification of goods, there was a clear divergence between the opponent's and applicant's business. The degree of confusion that would result was such that the public would not be greatly inconvenienced. Therefore, it was found that although there would be confusion in view of the honest concurrent use of the Applicants' mark, the mark may still proceed to registration.

In the case of **Tasco, S.A. v Tequila Cuervo, S.A. de C.V. [2005] SGIPOS 3**, the Applicants applied for registration of the mark 'Tequila' in class 35 for advertising services on June 20, 1996, claiming its use since August 25, 1995. The opponent manufacturer and distiller of the Tequila beverage opposed this mark. The Registrar dismissed the opposition stating that there was little nexus between advertising services and alcoholic beverages and that there was an honest concurrent use of the rival marks. To support its claim of use the Applicant furnished its annual turnover figures for the years 1995 and 1996, showing substantial growth. The Registrar, bearing in mind that there was no fixed rule relating to the minimum period of honest concurrent use, found the Applicants to have showed that there had been sufficient use of the mark in Singapore as at the relevant date.

This can be contrasted with the case of **Re Application for the mark "Cap Sauh" and device by FFM Berhad [2009] SGIPOS 14** in which the rival marks each contained a similarly prominent anchor device within an oval border that was used in respect to identical goods (wheat flour).

The Registrar dismissed the claim of 'honest concurrent use' since there was limited use of the mark in Singapore, amounting to total sales of \$12,570.00 over a period of 10 years prior to the filing of the mark in 2002 (which included a period of commercial inactivity between 1995 and 1999). Furthermore, the mark was not displayed on the invoices. Hence, the applicant had failed to establish that there was sufficient honest concurrent use of the mark as at the relevant date.

To conclude, it is often the case that two businesses, oblivious of each other's existence, find themselves using the same or similar trade mark in respect of the same or similar goods & services. Therefore, a basic precaution when applying to register a new trade mark is to undertake a trade mark search as comprehensively as possible. It is also important to keep records of using the mark in commerce so as to support the argument, in the event that any future dispute arises, that there was honest concurrent use of the mark.

If you wish to have further information on this update or wish to discuss how it may potentially have an impact on your business, please feel free to contact the following:

**See Tow Soo Ling**

Partner
Head, Intellectual Property
Practice Group
DID: +65 6349 8689
Fax: +65 6323 8282
Email: sseetow@cnplaw.com

Authors & Contributors:**See Tow Soo Ling**

Partner
Email: sseetow@cnplaw.com

**Priyanka Banerjee**

Senior Foreign Associate
Email: pbanerjee@cnplaw.com

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