<u>"NAKED" – as Nature intended and as perceived by the Hong Kong Trade Marks Registry or</u> covered up as found by judicial wisdom – can "feeling naked" be the new "naked!"

## Hong Kong Court of First Instance Miscellaneous Proceedings No. 1607 of 2008

The Registrar of Trade Marks in Hong Kong refused the application to register "NAKED" as a trade mark for condoms in Class 10. The Registrar displayed an elastic imagination to stretch the meaning of the word "NAKED" to designating a characteristic of condoms – a characteristic seen by the Registrar as tantamount to a sensation of nakedness in both male and female participating users of the condom and accordingly unregistrable by virtue of Section 11(1)(c) of the Trade Marks Ordinance. Under the secondary hurdle under Section 11(1)(b) of the Trade Marks Ordinance, "NAKED" was insufficiently distinctive in itself to function as a trade mark.

- 1. The applicant appealed to the High Court and the appeal was allowed. The court rationalized its decision on the basis of the following guidelines :-
  - (a) a factual and objective relationship between a word and a product or a characteristic of the product renders a trade use of the word as a designation in trade and therefore unregistrable. However, the opposite is also true in that if the relationship between the word and the product is imaginative and subjective, a distinctiveness is created which augments acceptability for registration. In other words, common facts may be unregistrable but private dreams are not.
  - (b) the immediate perception of a word is relevant. An ordinary, definite and down-to-earth term would likely be understood by a consumer to designate a characteristic rendering the term unregistrable as a trade mark. However, quite the opposite effect is established where it is difficult or impossible to detect any connection between the goods and the designated characteristic. In such case, there are only the most weak grounds for refusing registration.
  - (c) it is the mind of the consumer that is pertinent to associate a significance of a characteristic in a mark in relation to the product. If the designated characteristic is essential or central to the product or represents a consumer choice importance associable with the mark, there is little resistance to a refusal to register. However, when it can be established that the designated characteristic is purely incidental or arbitrary to the product, the case for refusing objection is considerably weaker.
- 2. The court found on the present facts that "NAKED" did not directly describe a characteristic of condoms and did not accordingly contravene Section 11(1)(c) of the Trade Marks Ordinance. The reasoning was as follows :-
  - (a) "NAKED" plainly means "being without covering". A condom is undoubtedly a form of covering – that is the basic reason why the "consumers" use it and it is clearly contradictory to describe the form of

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covering constituted by a condom as being "NAKED".

- (b) any description which sets out to describe the form of covering represented by a condom as an absence of covering encapsulated in the use of the term "NAKED" neatly and precisely creates a paradox by which there is no discernible link between the "nakedness" and the characteristics of a condom.
- (c) any perception of condom characteristics supposedly designated by the word "NAKED" could only be arbitrary or subjective in the variable minds of different persons. Accordingly, there was no real commonality of linkage between "NAKED" and the characteristics of a condom.
- 3. Accordingly, and whatever the values attributed by the Appellant's marketing department to the term, because "NAKED" would not normally be taken as a generic description of any undertaking producing condoms, "NAKED" had the capability of bearing a distinctive character thereby taking it outside any contravention of Section 11(1)(b).

This case is very interesting both for the fact that "NAKED" has been found for excellent reasons not to be a generic description in the context of condom production, sale and usage but also because persuasive authority was found by the Hong Kong court in the European community case of OHIM v Wm Wrigley Jr Co (Doublemint) 2004 thus establishing the interesting reality of the product of a civil law system being brought into English law as a common law jurisdiction by the European Directive and therefore of a direct persuasive authority to the Hong Kong Trade Marks Registry and the Hong Kong courts – a principle of fundamental reality with which the Hong Kong Trade Marks Registry will have to acknowledge in future examination practice.

The writer understands that the Registrar of Trade Marks intends to appeal this decision and so we await with great interest the further developments of argument in the matter.

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