

C A S E S
DECIDED BY
THE SUPREME COURT OF CYPRUS
ON APPEAL
AND
IN ITS ORIGINAL JURISDICTION

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[LORIS, J.]

IN THE MATTER OF ARTICLE 146
OF THE CONSTITUTION
THE PROFESSIONALS 13 LIMITED.

Applicants.

v.

THE REPUBLIC OF CYPRUS, THROUGH
THE REGISTRAR OF TRADE MARKS.

Respondent.

(Case No. 432/84)

The Trade Marks Law, Cap. 268—Section 14(1)—Resemblance likely to deceive or cause confusion—Degree of resemblance incapable of definition a priori—Decision of Registrar should be duly reasoned in order to enable the judicial scrutiny of the way he ascertained, construed and applied the Law to the facts verified by him after a due inquiry.

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Administrative act—Reasoning—The vacuum by the lack of reasoning cannot be supplemented by arguments of counsel.

Applicants applied for the registration in part A of the Register of Trade Marks of the word "RACE" (written in plain capital letters) with a device of a race car enclosed in a frame, for goods in respect of clothing products classified in Class 25 of the International Classification of goods.

The Registrar of Trade Marks raised an objection to the said proposed registration based on s. 14(1) of Cap. 268 on the ground of similarity to trade marks already registered, namely "ROY'S" in Class 25 and "RAZZY" in Class 25, both referring to clothing products.

As a result a hearing has held before the Registrar who, "on the arguments put forward at the said hearing and on the evidence adduced", decided that the said objection could not be waived and consequently dismissed the application.

Hence the present recourse. It should be noted that no record of the said hearing was contained in the administrative file. Nor could anything be traced in the file in connection with the trade marks "ROY'S" and "RAZZY" and in particular whether they are accompanied by a device or not. Furthermore the Court could not trace whether the respondent took into consideration the alleged resemblance of the marks in question with reference to the ear as well as to the eye.

Held, annulling the sub judice decision: (1) Section 14(1) of The Trade Marks Law, Cap. 268 reads as follows:

"Subject to the provisions of sub-section (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion".

5 (2) The respondent registrar must have been confronted with quite a task at least so far as the Law is concerned in view of the vastness and on occasions vagueness of the field covering the likelihood of deception or confusion which might have been caused by the resemblance or not of the Trade Marks under consideration. (Passage from Kerly on Trade Marks and Trade Names 10th Edition page 455 cited with approval).

10 (3) This task of the registrar is the subject of the present judicial scrutiny. The sub judge decision must be duly reasoned in order to enable this scrutiny.

15 (4) The "arguments put forward at the hearing" might have been of great assistance as their rejection would give a clue as to the respondent's factual and legal stand. But no record was kept of such arguments. Further the Court is not in a position to know whether the two trade marks "ROYS" and RAZZY" are accompanied by a device or not. In this respect it is important to note that "considerations of comparison differ appreciably when
20 device marks are to be compared or when a device mark is to be compared with a word mark (*Kerly supra* page 456). The question whether the alleged resemblance was considered with reference to the ear as well as the eye is of the utmost importance (passage from *Kerly (supra)* at
25 page 648 cited with approval). Nothing could be traced in the file concerning such question.

30 (5) It follows that the sub judge decision is not duly reasoned. The arguments of counsel for the respondent cannot fill the vacuum existing through lack of due reasons dating back to the material time.

*Sub judge decision annulled
No order as to costs.*

Cases referred to:

35 *Metalock (Near East) Ltd. v. The Republic* (1969) 3 C.L.R. 351;

Droussiotis v. The Republic (1967) 3 C.L.R. 15.

Recourse.

Recourse against the refusal of the respondent to register the trade mark "RACE" and device in part A of the Register.

A. Dikigoropoulos, for the applicants. 5

St. Ioannides (Mrs.), for the respondent.

Cur. adv. vult.

LORIS J. read the following judgment. The applicants, a company of limited liability incorporated in Cyprus under the provisions of the Companies Law Cap. 113, applied on 17.2.83 (vide ex. 1) to the respondent Registrar of Trade Marks, for the registration in part A of the Register, of trade mark "RACE" (written in plain capital letters) with a device of a race car enclosed in a frame, for goods in respect of clothing products classified in Class 25 of the International Classification of goods. 10 15

The aforesaid application having been considered for acceptance was objected to by the respondent Registrar on 22.3.83 (vide ex. 2) under the provisions of s. 14(1) of the Trade Marks Law, Cap. 268, on the ground of similarity to trade marks already registered: 20

(a) Under No. B 17554, under the name "ROYS" in class 25,

(b) Under No. 19973, under the name "RAZZY" in class 25. 25

The applicants through their advocate, namely A. Xenophonotos filed on the 20.9.83 (vide ex. 3) a considered reply reserving their rights for a hearing.

On 16.4.84 an affidavit was filed by the applicants accompanied by twelve customer's declarations (vide ex. 5). 30

The hearing before the Registrar was held on 29.6.84. As stated in the opposition "on the arguments put forward at the said hearing and on the evidence adduced" it was held by the Registrar that his objections in respect of trade marks Nos. B 17554 "ROYS" and 19973 "RAZZY" could 35

not be waived and consequently the application was refused. The Registrar's refusal was communicated to applicants' counsel on 12.7.84 (vide ex. 6).

5 Hence the present recourse filed by the applicants on 22.8.84 praying for:

10 "A declaration that the act or decision of the respondent to refuse to register applicants' trade mark 'RACE' and Device communicated to applicants under cover of a letter dated 12.7.1984 (copy of which is attached hereto and marked exhibit 1) is null and void and of no effect whatsoever as being
15 contrary to the provisions of the Trade Marks Law (Cap. 268) and/or of the Constitution and/or as having been made or taken in excess and/or in abuse of the powers vested in him."

The applicants rely in support of the present recourse on the following grounds of Law:

1. Respondent's act or decision complained of are based upon a misconception of both the law and the facts of the case in that the Registrar of Trade Marks:

20 (a) Misdirected himself upon the true meaning and effect of section 14(1) of Cap. 268 and/or was wrong in law and/or in fact in concluding that the applicants' application in respect of the said trade mark failed under the aforesaid statutory provisions.

25 (b) He failed to obtain, to ascertain and evaluate correctly all relevant facts and/or based his decision upon irrelevant considerations.

30 (c) The considerations upon which his act and/or decision is based is not founded upon principles to be deduced from the Trade Marks Law.

2. He misdirected himself as to the extent of the user required for a trade mark to be in fact adapted to distinguish, as required under section 11(2)(b) of Cap. 268, and/or section 4(2) of such Law.

3. The act or decision complained of is wrong in law

and/or in fact in that it is not warranted by the evidence before the Registrar of Trade Marks and/or of any objective criteria but is based upon the respondent's subjective determination of the pronunciation of three foreign words."

Learned counsel for applicants elaborating on the legal points raised, stressed in his addresses, (the main address and the address in reply as well) the need for reasoning of the sub judice decision expounding at the same time the principles of administrative law on this topic.

The opposition of the respondent Registrar is based on the following grounds of law:

"1. The decision complained of was properly and lawfully taken by the respondent in the proper exercise of his powers and discretion under the relevant legislation having taken into consideration all relevant facts and circumstances.

2. The decision complained of is duly reasoned."

As stated earlier on in the present judgment the proposed registration of applicants' trade mark "RACE" & Device was objected to by the respondent Registrar under the provisions of s. 14(1) of the Trade Marks Law Cap. 268, on the ground of similarity to the other two trade marks already registered under Registration Nos B 17554 (under the name "ROY'S") and 19973 (under the name "RAZZY"); the propounded registration as well as both aforesaid registered trade marks are referring to clothing products, classified in class 25 of the International Classification of goods.

Section 14(1) of our Trade Marks Law, Cap. 268 reads as follows:

"14. (1). Subject to the provisions of subsection (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion."

The aforesaid section of our Trade Marks Law is identical with s. 12 of the English Trade Marks Act, 1938.

5 Kerly on Trade Marks and Trade Names 10th edition dealing with the issue of "deceptive resemblance" in laying down Rules of Comparison of the trade marks (vide pages 455 to 474) likely to "deceive or cause confusion" states at page 455 the following:

10 "It is not possible to discover from the decided cases any standard as to the amount of resemblance which may suffice to deceive or cause confusion. As Lord Cranworth said in *Seixo v. Provezende* [1965] L.R. 1 Ch. 192 'What degree of resemblance is necessary... is from the nature of things incapable of definition a priori' ".

15 It is obvious therefore that the rules of comparison cited in Kerly (supra) are not exhaustive; they merely lay down certain principles which develop day after day following the English Case Law, which covers a vast field on this topic and is on many occasions quite vague.

20 Thus the respondent Registrar who had, before reaching the sub judice decision to construe the Law, verify the actual state of affairs, and apply the Law to the facts (vide Stassinopoulos on the Law of Administrative Acts 1951 edition p. 249) must have been confronted with quite a task at least so far as the Law is concerned in view of the vastness and on occasions vagueness of the field covering the likelihood of deception or confusion which might have been caused by the resemblance or not of the Trade Marks under consideration.

30 This task of the Registrar in ascertaining, construing and applying the Law to the facts verified by him after a due inquiry, is the subject of the present judicial scrutiny in respect of the sub judice decision.

35 It is therefore abundantly clear, that the sub judice decision must be duly reasoned in order to enable the present judicial scrutiny.

I have gone through the sub judice decision very carefully but I must confess that I did not trace any reasoning

whatever. My examination of the administrative file and all documents before me could not reveal anything from which due reasoning of the sub judge decision could be deduced.

In paragraph 6 of the opposition it is stated verbatim:

“On the arguments put forward at the said hearing and on the evidence adduced it was found that the objections in respect of the trade Marks No. 17554 ‘ROYS’ and 19973 ‘RAZZY’ cannot be waived and consequently the application was refused.”

Unfortunately I could not trace an iota of what transpired at the hearing before the Registrar on 29.6.84. No record whatever of those proceedings is contained in the administrative file and no other record in that connection was produced before me; therefore I am in the dark in respect of the “arguments put forward at the said hearing”; and those arguments might have been of great assistance to this Court as rejection of same by the Registrar would give at least a clue both as to the factual and legal stand taken by the Registrar.

Further, I could not trace in the file anything in connection with the registered trade marks under Nos. 17554 and 19973; thus I am not in a position to know whether the aforesaid already registered trade marks “ROYS” and “RAZZY” were accompanied by a device or not. In this respect it is important to note that considerations of comparison, “differ appreciably when device marks are to be compared, or when a device mark is to be compared with a word mark.” (Vide Kerly—supra— at p. 456); and we must not lose sight of the fact that applicants’ propounded registered mark “RACE” was accompanied by a device of a race car enclosed in a frame (vide reds 1, 2, 3 in ex. A).

Furthermore I could not trace anything in the decision or in the administrative file indicating whether the respondent Registrar took into consideration the alleged resemblance of the marks in question with reference to the ear as well as to the eye, in comparing the propounded for registration trade mark with the trade marks already re-

gistered. This element would be of utmost importance in view of the following passage in Kerly (supra) at p. 648:

5 “Examination of reported cases shows that where
the marks are meaningless words (which is the case of
the two registered trade marks ‘ROYS’ and ‘RAZ-
ZY’), or words of essential similar character, the
courts give as much weight to phonetic as to visual
resemblance. But for a mere accidental phonetic re-
10 semblance (in the sense that the idea of the marks,
once properly grasped, is quite different) to convince
the Court of deceptive resemblance calls for something
special; for a convincing demonstration that some
context likely to occur in actual commerce would con-
15 vert the accidental resemblance into something ap-
proaching identity of sound.”

In spite of the absence of due reasoning in the sub judge
decision and the lack of any material in the relevant official
records, an excellent effort has been made by learned
counsel for respondent to provide in her written
20 address the otherwise non-existent reasoning of the sub
judge decision. There is ample authority though, that “ar-
guments advanced by counsel for respondent, during the
hearing of a case, cannot really fill the vacuum existing
through lack of due reasons dating back to the material
25 time” (vide *Metalock (Near East) Ltd. v. Republic*
(1969) 3 C.L.R. 351 at p. 359—*Droussiotis v. Republic*
(1967) 3 C.L.R. 15 at p. 23).

In the result the sub judge decision is hereby annulled
as not being duly reasoned, and as being in consequence
30 thereof contrary to law and in abuse of powers.

Having given the matter my best consideration I have
decided to make no order as to the costs hereof.

*Sub judge decision annulled.
No order as to costs.*