

File No.: 876A/1975

IN THE MATTER of the Trade Marks Ordinance (Chapter 43) AND IN THE MATTER of an application to register the trade mark "Sulky Device" in Class 18 in respect of leather and imitations of leather and articles made from these materials, and not included in other classes; skins; hides; trunks and travelling bags; umbrellas parasols and walking sticks, whips, harness and saddlery in Part A of the Register by Celine

AND

IN THE MATTER of an opposition thereto by S.A. Hermes

D E C I S I O N  
O F

Miss A.C. Waters acting for the Registrar of Trade Marks at a Hearing held on the 6th & 7th September 1983.

Mr Anthony Rogers, Q.C. instructed by Messrs Wilkinson & Grist appeared on behalf of the Applicants.

Mr Andrew Liao, Q.C. instructed by Messrs Deacons appeared on behalf of the Opponent.

On the 3rd July 1975 Celine a societe anonyme organized under the laws of France of 37, rue Jean-Goujon, Paris, France ('the Applicants') applied, through their agents Messrs Johnson Stokes & Master, Solicitors, to the Registrar of Trade Marks ('the Registrar') for the registration of "sulky device" in class 18 in Part A in respect of leather and imitations of leather and articles made from these materials, and not included in other classes; skins; hides; trunks and travelling bags; umbrellas, parasols and walking sticks, whips, harness and saddlery.

Leave to advertise the mark was given on the 13th January 1976 and the mark was advertised in the Gazette on the 27th February 1976.

On the 5th June 1976 S.A. Hermes a French company of 24 Rue de Fauboy St Honore Paris, Se, France ('the Opponents') lodged, through their agents Messrs Deacons, Solicitors, a Notice of Opposition to this application.

The Opponents grounds of opposition as set out in the Notice of Opposition are as follows :-

"1. We are the proprietors of the trademark comprising the word "HERMES" and Carriage Device which has been used by us for many years in respect of "saddlery, leather goods, gloves, travelling goods, articles of clothing, knitwear, ties, sportswear, jewellery, clocks, watches, smoking articles, cosmetics and perfumery goods" throughout the world including Hong Kong (hereafter called "our said mark").

2. The Applicant is seeking to register a mark being the device of "A CARRIAGE", the subject application herein in Class 18 in respect of "leather and imitations of leather, and articles made from these materials and not included in other classes, skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery".

3. The mark which the Applicant has applied to register so resembles our said mark as to be likely to deceive.

4. The mark which the Applicant has applied to register so resembles our said trade mark as to be likely to lead the public into believing that the goods of the Applicant sold in Hong Kong under the mark are our goods.

5. By reason of the matters set forth the mark "Carriage Device" being disentitled to protection in a Court of Justice is not a registrable trade mark within the terms of the Trade Marks Ordinance.

6. The Registrar should exercise his discretion adversely to the Applicant and we ask that application No. 876 of 1975 be refused with costs against the Applicant."

On the 15 April 1977 the Applicants lodged through their agents a Counter-statement which set out (inter alia) the following grounds in support :-

"3. We are the proprietors of the trade mark which consists of "a Carriage" Device which is the subject matter of application No. 876A of 1975 for registration of a trade mark under the Trade Mark Ordinance Cap. 43 of the Laws of Hong Kong (hereinafter called "our Trade Mark").

4. Since 1968 we have continuously carried on business as manufacturers and sellers of (inter alia) clothing and leather goods falling into Classes 18 and 25 of the International Trade Mark Classification, to which have been affixed our Trade Mark. Such goods bearing our Trade Mark have since then been sold by us extensively in many countries throughout the world.

5. We deny the claims alleged in paragraph 3 and 4 of the Notice of Opposition herein. Our Trade Mark denotes and has since at least 1975 denoted both to the trade and to the public in Hong Kong goods manufactured by us and distinguishes such goods from the like goods of other manufacturers and traders. Our trade marked goods have since 1967 been widely advertised in international publications and have been sold in Hong Kong since 1975, the large sales and extensive advertising promotion of the trade marked goods in the Colony having established a considerable reputation for the products as indicating them to be of our manufacture. Apart from this present opposition to our Class 18 application no complaint or legal action has been taken against our widespread and open use of our Trade Mark in the Colony.

6. We have applied for registration of our Trade Mark in the U.K. under application No. 1, 064, 792 on the 23rd June 1976 in respect of goods in Class 18. No complaint has been received from the Opponents to our use of our Trade Mark in the U.K."

7. Our Trade Mark and the Opponents' trade mark have been registered and used extensively in France in respect of the same classes of goods. Our Trade Mark is registered in Classes 18, 24 and 25 in France under trade mark No. 4573 dated the 4th July 1968. The Opponents' trade mark has been registered in France in Classes 1-34 under Trade Mark No. 414203 dated 2nd July 1947. Once again, no complaint or opposition has taken place between us and the Opponents in France.

8. We submit that the absence of previous complaints or opposition is largely explained by the difference in user and the difference in the respective carriages. Our Trade Mark is at times used in conjunction with the word "CELINE" whilst the Opponents' mark appears always to be used with the word "HERMES". Furthermore, it is evident that our Trade Mark comprises a smaller, fast "sporting" sulky whilst the Opponents' mark comprises a wheeled carriage with a horse depicted in a standing back position completely opposed to the galloping horse in our Trade Mark. This is not to mention the prominence of the carriage wheels in our Trade Mark and the fact that the respective marks are facing in opposite directions."

Evidence was submitted by both the parties as follows :-

1. Statutory Declaration made by Mr Jean Louis Dumas and lodged on behalf of the Opponent on the 12th July 1978 (No. 1).
2. Statutory Declaration made by Mr Francis Cheung on behalf of the Applicant and lodged on the 24th July 1979 (No. 2A).
3. Statutory Declaration made by Mr Jacques Icek Lederman on behalf of the Applicant and lodged on the 5th October 1979 (No. 2B).
4. Statutory Declaration made by Mr André Lacour on behalf of the Opponent and lodged on the 20th August 1980 (No. 3).
5. Three Declarations made respectively by Mr Juling Ngai, Mr Yim Ho Tim and Mr Kwong Chi Keung on behalf of the Applicants and lodged on the 21st March 1981 (No. 4A, 4B & 4C).
6. Statutory Declaration made by Mr André Lacour on behalf of the Opponents and lodged on the 3rd November 1981 (No. 5).
7. Two Statutory Declarations made respectively by Ella Cheong & Juling Ngai on behalf of the Applicants and lodged on the 31st March 1985 (No. 6A & 6B).

The Statutory Declaration (No. 1) made by Jean-Louis Dumas President Directeur General of the Opponents and lodged on the 12th July 1978 contained, inter alia, the following information:-

1. Mr Dumas stated that his company was engaged in the manufacture and sale of, inter alia, "saddlery, leather goods, gloves, travelling goods, articles of clothing, knitwear, ties, sportswear, jewellery, clocks, watches, smoking articles, cosmetics and perfumery goods" ("the said goods") throughout the world including Hong Kong and that they were the registered proprietors in Hong Kong of trade Mark "HERMES" with carriage Device" ("the said Trade Mark") in Classes 3, 14, 18, 25 and 34. He gave details also of registrations of the said trade mark owned by the Opponents in many countries including inter alia France, Great Britain, New Zealand and the USA.

2. He stated that his company and/or its predecessor-in-title had used the said trade mark in France in respect of the said goods since 1936 and had used the said trade mark in Hong Kong since 1966. He gave details of the sales of the said goods by his company and/or its predecessor-in-title under the said trade mark in Hong Kong for the last five years which were as follows :-

<u>YEAR</u>	<u>AMOUNT</u>
1973	HK\$ 186,000.00
1974	1,025,000.00
1975	1,547,000.00
1976	3,378,000.00
1977	3,757,000.00

3. He also gave details of the amount expended in advertising the mark in Hong Kong since the year 1975 which were as follows :-

<u>YEAR</u>	<u>AMOUNT</u>
1975	HK\$ 95,000.00
1976	120,000.00
1977	160,000.00
1978	240,000.00 (Budget forecast)

Exhibited to the Declaration were specimens of the mark in actual use, samples of the advertisements etc. and also two magazines entitled "The World of Hermes", dated 1975/76 & 1977/78 respectively (Exhibits C1 & C2) which were circulated throughout the world including Hong Kong.

I note that the advertising expenditure for Hong Kong referred to in the Declaration related to a period from 1975-1977 and that the actual examples of advertising in Hong Kong that were produced were all for dates in 1977 or 1978 i.e. after the date of application of the mark on the 3rd July 1975.

The Statutory Declaration (No. 2A) made by Mr Francis Cheung the Managing Director of Lutece Co. Ltd and lodged on the 24th July 1979 contained inter alia the following information :-

1. Mr Cheung stated that Celine S.A. was a well-known designer and seller of highly exclusive luxury goods in particular ladies clothing, shoes, leather goods, luggage, sport wear, jewellery, ties, scarves and other associated items such as spectacles, wallets, umbrellas, key chains and even cigarette lighters, and that the company was formed in Paris in 1945 by the founder Richard Vipianna. The word "Celine" was registered as a trade mark in France in 1963.
2. In para. 4 & 5 he gave some information as to the methods used by the Applicants in the production of their goods and in maintaining both the quality of their goods and the image of exclusivity cultivated by the Applicants.

3. He stated that in addition to the name "Celine" the Applicants used a Sulky Device as a trade mark on its goods. He explained that a sulky was a light two wheeled carriage or chaise used in the 18th century which carried one person and which was similar to the trotting used for horse racing in America today.
4. He stated that the Applicants' Sulky was designed in September 1967 by the late Charles Bore a Frenchman and that the design used by the Applicants was the second design produced by Mr Bore and that it was first published in France-soir a newspaper published in Paris, on 13th September 1967.
5. He stated that Celine S.A.'s marketing in Hong Kong was carried out by Lutece Co. Ltd which had three Celine boutique shops, two in Kowloon and one in Hong Kong Island. Apart from these shops Celine products were only sold in Hong Kong in Matsuzakaya Department Store in Causeway Bay and in Tai Ming Store in Nathan Road and the Friendship Store in Canton Road.
6. He stated that his company's turnover in Celine goods bearing the name Celine and the sulky device had been as follows :

September 75	-	March 76	HK\$2,277,593.77
April 76	-	January 77	6,637,187.22
January 77	-	December 77	14,614,095.87
January 78	-	November 78	20,023,171.20

He stated that these sales had been substantiated by the use of advertisements and he set out in exhibits marked "FC-4" & "FC-5" details of advertising expenditure over the years 1975 to 1978. The amount of the advertising expenditure for 1975 was \$6,690 but rose to \$261,216 in 1978. The advertising in 1978 was in the newspapers, magazines etc. as well as on TV.

7. He stated that Lutece Co. Ltd used a prominent signboard with the name "Celine" printed on it which was placed conspicuously above the entrance door of any of the Celine shops in Hong Kong. A photograph of a Celine shop in Hong Kong was exhibited which showed both the word Celine and the sulky device. He considered that any customer who entered the Celine shop would be attracted by the large signboard.
8. He confirmed that he had spoken to the persons in control of all local Celine shops and to the salesmen of Celine shops who were authorised to sell Celine goods and was informed that in all the past years during their operation, not an instance of confusion between Celine products and Hermes products had arisen.

Exhibited to the Declaration were an example of the sulky device, the Celine Spring Catalogue of 1979 (Exhibit FC-2) and a copy of the contract between Lutece Co. Ltd and the Opponents dated 25th February 1976.

The Statutory Declaration (No. 2B) made by Mr Jacques Icek Lederman Director Manager of the Applicants and lodged on the 5th October 1979 contained, inter alia, the following information :-

1. Mr Lederman confirmed that since its formation in Paris in 1945, the Applicants had been engaged in the manufacture and sale of a wide range of products falling into Classes 3, 18 and 25 of the International Trade Mark Classification and that since 1963, all goods sold had borne the marks "CELINE" and/or the device mark applied for, commonly referred to as "the sulky device".
2. He confirmed that in many cases the fabric or material was specially woven for Celine and that the "sulky device" together with the letter "C" underneath, had been registered as a UK Design for use on textiles.
3. He stated that the Applicants had used the "sulky device" extensively on its goods and its annual sales worldwide were as follows :-

<u>YEAR</u>	<u>SALES</u>
1972	18,761,290 Frs.
1973	24,811,497 -
1974	45,235,611 -
1975	71,708,621 -
1976	94,296,584 -
1977	130,237,010 -
1978	167,797,650 -

4. He confirmed that in Hong Kong the Applicants' goods had been sold through the sole agent Lutece Company Limited since 1975 and local turnovers for goods in Class 18 alone were as follows:-

<u>YEAR</u>	<u>SALES</u> <u>(HK\$)</u>
1975	\$ 1,100,000.00
1976	\$ 7,000,000.00
1977	\$15,000,000.00
1978	\$25,000,000.00

5. Apart from actual sales, much money and effort had been spent in promoting and publishing his Company's goods and he gave details of the figures expended in advertising the mark in Hong Kong, including Hong Kong publications and on Hong Kong television which figures were similar to those given by Mr Cheung in Exhibit FC-4 to his Declaration (No. 2A).
6. He stated that the Applicant was the owner of a large number of pending trade mark applications and registrations of its "sulky device" both alone and in combination with the word "Celine", and he gave details of such applications and registrations. These included details of applications for the device mark alone made inter alia in Canada and Great Britain and registration of the device mark alone in France on 4.7.1968.

7. He drew particular attention to the fact that the Applicants had been using its "Sulky Device" as a trade mark on goods falling into Classes 3, 18 and 25 of the International Trade Marks Classification since 1945 in France on a very extensive scale and had registered its said "Sulky Device" both alone and in combination with the word "Celine" in France concurrently with the "Carriage Device" of the Opponents. He claimed that at no time had the Opponents complained against the use or registration of his Company's "Sulky Device" in France despite the very substantial sales and advertising of goods in Classes 3, 18 and 25 under reference to the said "Sulky Device".
8. He confirmed that the Applicants took great care to cultivate an image of exclusivity through exclusive styling and material as well as through exclusive outlets and that as a matter of policy, the Applicants goods were sold only through "Celine" shops stocking only the Applicants products and none other.
9. He contended that the Applicants goods due to their price, design and limited availability, were designed to appeal to purchasers of a high income bracket with discriminating tastes and that this, combined with extensive advertising, made it quite inconceivable that potential purchasers of the Applicants goods would be misled by what the Opponent alleges to be similarities at a passing glance between the sulky device and the Hermes Carriage device. He further contended that the fact that the Applicants goods were sold only through special "Celine shops" with the Celine sign board prominently displayed would obliterate any possibility of confusion as to trade sources.

There were exhibited to this Declaration a bundle of magazines (Exhibit JL6), stated to be circulating in France and internationally, illustrating examples of where both his Company's "Sulky Device" and the "Carriage Device" of the Opponents appear together in the same issue of the same publication without to the knowledge of the Declarant any known instance of confusion having arisen. I note however that most of the magazines were local Hong Kong magazines and that only one example showed an advertisement for both the Opponents and Applicants marks and this was in the Summer Issue 1978 of Inn Asia (Holiday Inns Asia).

Also exhibited were examples of advertisements (Exhibit JL4) showing the mark on goods in Class 18. These examples are all dated after the application date but do show the use of the mark, usually with the word Celine, in relation to goods in Class 18 i.e. handbags, shoes, wallets, belts, umbrellas etc.

I note that Mr Lederman in his Declaration gave a breakdown of sales figures in Hong Kong between Classes 25 & 18 whereas Mr Cheung merely gave figures for all the goods in both classes but I note that in fact the figures given by Mr Cheung are very similar to those given by Mr Lederman in respect of the Class 18 goods only. The total sales from 1975-78 given by Mr Cheung are HK\$43.4 m. approx. and those given by Mr Lederman for Class 18 alone are HK\$48 m. approx. which is an average figure of HK\$12 m.

In the Statutory Declaration (No. 3) in reply made by Mr Lacour and lodged on the 20th August 1980 on behalf of the Opponents Mr Lacour made various points and in particular the following :-

1. He pointed out that in the Celine Spring Catalogue exhibited to Mr Cheung's declaration there were a number of examples of the use of the word "CELINE" without the "SULKY DEVICE".
2. He also pointed out that proceedings were in fact pending in France and that a number of oppositions had been made in a number of countries, some of which were successful and some of which were pending.
3. He disputed some of the points made by Mr Lederman as to the marketing methods and exclusivity of the goods on which the Applicants mark is used. He also stated that the Opponents goods were also sold at the Friendship Store, Canton Road.
4. He referred to the fact that the Opponents carriage device had been registered in France in 1946 and had been used for upwards of 30 years by the Opponents and that the device had been registered and used extensively in a large number of countries prior to 1967.
5. He expressed his views on the similarity of the marks and the possibility of confusion as a result of imperfect recollection.

The Declaration made by Yim Ho Tim (No. 4B) the Manager of Lutece Co. Ltd and lodged on the 21st March 1981 made the following points on behalf of the Applicants in reply.

1. He referred to various magazines showing advertisements by both companies in the same magazines. Exhibited to the Declaration were a number of examples showing both device marks used on goods in Class 18 these included the SCMP Christmas Magazine for 1977, 1978 and the Hong Kong Tatler of November 1978. Also exhibited was a handbag showing the actual use of the mark on the goods i.e. as part of the fabric and as the buckle.
2. He also referred to a promotional exercise in the Landmark proposed by Angela Block Associates Ltd on behalf of the Opponents.
3. He confirmed that since at least 1972 the sulky device had been used on all types of goods in Class 18.
4. He also expressed his views on the question of confusion and the markets aimed for. He confirmed that the goods of both parties were sold in the Friendship Store in Canton Road.

The Declaration of Kwong Chi Keung an Assistant Solicitor with Wilkinson & Grist (No. 4C) lodged on the 21st March 1985 referred to a telex from Mr Vipiana which confirmed the information given by Mr Cheung in his Declaration (No. 2) with regard to the origins of the 'sulky device'.

It was stated in the telex from Mr Vipiana that the final design of the "sulky device" was adopted in September 1967. A bundle of photocopies of the statement and supporting documentation made by Chas Bore Dessins et Publicite were exhibited to the Declaration.

The Declaration of Juling Ngai (No. 4A) the senior research executive of Survey Research Hong Kong Ltd, contained reference to a market survey carried out by him and reported on the results of such survey. Mr Ngai stated inter alia that :-

1. Between the 15th and the 17th of December 1980, research workers employed by his Company and under his supervision interviewed a total of 101 persons at random who were selected on the basis that they came from households which were likely to have an income which fell within the upper middle or upper income brackets.
2. He gave details of how the interview was conducted and the following questions were asked :-
  - 1) whether he/she had heard of any and if so which of the following brands of leather goods:-  
Celine, Hermes, Bally, Du Pont, Yves St. Laurant, Valentino, Christian Dior.
  - 2) The respondents were then shown a card showing the Applicants Trade Mark "Logo A" and were asked "Have you seen this symbol used in connection with leather goods, travelling bags, umbrellas or similar articles?"
  - 3) If the answer to that question were 'yes', the respondent was then asked "Which brand of such products do you associate this symbol with?" and the list was then presented to them :- Celine, Hermes, Bally, Du Pont, Yves St. Laurant, Valentino, Christian Dior or "others" which they were asked to specify.
  - 4) The respondents were then shown a card showing the device mark of Opponents "Logo B" and were then asked the same questions as set out in para. (2) & (3) above.
3. In Exhibit JN-1 Mr Ngai gave a statistical analysis to the answer given to question (1) above. It appears that as a result of the survey, inter alia, 71 out of 101 people knew the Celine brand, 65 out of 101 knew the Hermes brand, 75 out of 101 knew the Bally brand and 98 out of 101 knew the Christian Dior brand.

4. In Exhibit JN-4 he gave the results of the question referred to in relation firstly to the Applicants device mark and secondly to the Opponents device mark. It appears that -
  - (1) 61 out of 101 people thought they had seen logo A the Applicants device.
  - (2) 23 out of 101 people thought they had seen logo B the Opponents device.
  - (3) 34 out of 61 people correctly identified the Applicants mark.
  - (4) 11 out of 25 people correctly identified the Opponents mark.
  - (5) 6 people incorrectly identified the Applicants mark as being the Opponents mark.
  - (6) 1 person incorrectly identified the Opponents mark as being the Applicants mark.
5. In Exhibit JN-5 Mr Ngai gave some information as to the background of the respondents to the survey.
6. In Mr Ngai's view the survey showed that there was a higher awareness by the public of the Applicants goods than that of the Opponents and that the likelihood of confusion was minimal.

Mr Lacour in his Declaration (No. 5) lodged on the 3rd November 1981 referred to the history of the "sulky device" and compared it with the history of the Opponents device mark. He also commented in the same Declaration (No. 5) on the survey by Mr Juling Ngai as follows :-

1. He considered that the market survey undertaken by Survey Research Hong Kong Ltd was of only restricted interest because of the number of persons questioned (101 persons) and because of the conditions under which the survey was conducted and the place where it was carried out but that the survey has shown that among the people who said they knew the two trademarks in question, 4% confused them.
2. He pointed out that 31% of those questioned did not know either of the trademarks in question and 11% correctly identified the HERMES trademark.
3. He also felt it was interesting to note that the representation of a carriage device, whether that of HERMES or that of CELINE, was always identified by those questioned as belonging to one of the two companies and that in the mind of the public, confusions can only arise between the HERMES and CELINE trademarks and not with the trademarks of other manufacturers.

4. Finally, he pointed out that this type of survey is lacking in objectivity, that it is subject to interpretation and that no absolute consequences may be drawn from it and the only effective consequence is that in the mind of the public, only HERMES and CELINE have carriage devices representing their brands.

Certain documents were exhibited to Mr Lacour's Declaration (No. 5) relating to oppositions etc. brought by the Opponents namely:-

1. The decision of the Tribunal de Grande Instance de Paris (Paris City Court) allowing the claim by the Opponents against the Applicants for fraudulent imitation of a trademark. This exhibit was in French and has not been translated. An appeal in this matter was stated at the Hearing as being pending before the Paris Appeal Court.
2. A list of oppositions made against Celine in respect of the trade mark known as SULKY device in various countries in the world.
3. A list of proceedings undertaken against figurative trademarks showing a carriage device not belonging to the CELINE company.
4. A decision dated 26 August 1979 whereby 4 registrations by the CELINE company in the United Kingdom were deemed to have been abandoned.

The Statutory Declaration No. 6A made by Miss Ella Cheong of Wilkinson & Grist submitted on the 31st March 1985 dealt with the position relating to the applications by the Applicants in various parts of the world. The Declaration of Mr Juling Ngai No. 6B merely refused some of the points made by Mr Lacour on the conduct of the market survey.

I deal first with some points arising out of the evidence which I consider require some clarification.

First user of Applicants 'Sulky device'

In his Declaration (No. 2B) Mr Lederman stated in para. 13 that the Opponents had used the "Celine" and "Sulky device" marks since 1945. It is clear from the information given in the Declaration (No. 4C) of Mr Kwong Chi Keung that the "sulky device" was not in fact adopted until September 1967. I am satisfied from the evidence that there was no user of the "sulky device" prior to 1967 and this was confirmed by Mr Rogers at the Hearing. I note also that the mark "Celine" was registered in France in 1963 and it appears that the user of the "Celine" mark predates the use of the "Sulky device" mark. The Opponents carriage device appears from the evidence to have been conceived in 1925 but there is again some confusion as to the date of first user on the goods in question but it seems that user of the Hermes mark and device commenced at least in 1945 and probably some time prior to that year. In conclusion I am satisfied from examining the evidence, and this does not seem to be disputed, that the Opponents device mark was conceived and used prior to the use of the Applicants device mark. I am however satisfied that the evidence in this case does not support the view that the Applicants copied the Opponents "Carriage device".

Applications worldwide for "Sulky device" & oppositions thereto

I note that the position with regard to the applications made by the Applicants for the device mark and the oppositions thereto have changed since the date of the various Declarations and indeed since the date of the Hearing. I note for example that the list of oppositions in Appendix D to the Declaration of Mr Lecour (No. 5) does not correspond with the list of applications set out in Mr Lederman's Declaration (No. 2B).

It seems clear however that oppositions have been brought by the Opponents against many of the Applications made by the Applicant in various parts of the world. Mr Rogers stated at the Hearing that in some cases the Opponents were successful, in other cases the Applicants were successful and there were yet other cases where the oppositions were still pending.

The position with regard to the applications in the United Kingdom was referred to in the various Declarations and it was agreed at the Hearing that the original application in the United Kingdom was withdrawn but that a further application was resubmitted. This further application was opposed but the opposition was still pending at the date of the Hearing. Since the date of the Hearing I understand that a decision has in fact been issued by the Registrar of Trade Marks in the United Kingdom and indeed since that date that a decision in the appeal against the Registrar's decision has been given by Falconer J. As these decisions were not before the parties at the Hearing I do not consider I should take any account of them.

Other than to establish that applications were made by the Applicants in different parts of the world and that these were duly opposed by the Opponents I do not consider that the evidence which referred to the success or otherwise of these oppositions is of particular assistance or relevance to my consideration of this case as no details of the decisions or the reasons on which they were based were given by either party.

Registration of Opponents marks in Class 18 in Hong Kong

The Opponents based their opposition on s. 12(1) & s. 13(1) of the Trade Marks Ordinance (the Ordinance) and this was confirmed by Mr Liao at the Hearing. I note that in the Notice of Opposition it was claimed that a trade mark 'Hermes or device' was used by the Opponents on the goods referred to. No details were given of any registration of such trade mark in the Notice of Opposition but in Mr Dumas's Declaration (No. 1) he set out details of the registered trademarks in Hong Kong including reference to the registration of Trade Mark No. 1211 of 1977 'Hermes & device' in Class 18. It was confirmed at the Hearing that although the Opponents had applied to register this mark on the 17th October 1973 it did not proceed to registration until the 19th day of August 1977. Accordingly at the date of the application by the Applicants the trade mark No. 1211 of 1977 had not matured to registration and at that date i.e. 3rd July 1975 was not a registered mark.

Market Survey referred to in the Declaration of Mr Juling Ngai

Mr Liao addressed me at some length on the question of the admissibility of the market survey and referred me to the Lego case. (Lego System A/S & ANOR v Lego M Lemestrich Ltd (1983) FSR 155) and in particular to page 176 where Falconer J stated as follows :-

"The GE case is in my judgement sufficient authority that such expert evidence based on the results of a survey carried out on a representative sample of the relevant public on accepted market research principles is admissible, although, no doubt, the value of the evidence will be subject to any criticism which may properly be made as to such matters as the representative value of the sample, the form of the questions and the manner in which the survey has actually been carried out."

Mr Liao submitted that the market survey was not admissible for the following reasons. Firstly the survey was dated December 1980 i.e. more than 5 years after the date of the application and accordingly dealt with the state of the mind of the respondents some 5 years after the Applicants had entered the market in Hong Kong. Secondly he considered that the methodology was not correct being based on a very small sampling and as such was not a valid cross section of the Hong Kong public.

Whilst it is well established that the date of application is the date on which the likelihood of deception under s. 12(1) should be considered I note para. 10-05 of Kerly as follows :-

"Likelihood of confusion must be considered at the date of the application to register although subsequent experience is relevant as providing a test of tendency to confuse."

Having taken Mr Liao's submissions into account I consider that the market survey can be accepted on the first ground on the basis that it can be considered as relevant as providing a test of tendency to confuse.

On the second ground I accept the survey was very limited in its concept and in the persons approached however it does appear to have been carried out under accepted market research principles and the numbers, although limited, were in my view sufficiently representative of the relevant public and as such can be accepted. Having accepted and considered the market survey I would however conclude that its use is of very limited value in this case.

Although the survey showed an awareness of both the marks by quite a high proportion of those approached and also a small element of confusion, the number of persons approached was small and the value of such a sample 5 years after the date of the application has to be limited. I have not accordingly attached much weight to the evidence produced by this sample.

I propose now to deal with the provisions of s. 12(1) of the Ordinance. It is well settled that the date for consideration of the mark under s. 12(1) of the Ordinance is the date of the application i.e. 3rd July 1975 and further that s. 12(1) of the Ordinance extends to cases where the Opponents mark is unregistered. S. 12(1) of the Ordinance is similar to but not identical with s. 11 of the United Kingdom Trade Marks Act 1938 ('the UK Act'). Both Mr Rogers and Mr Liao referred me to the decision of Mr Justice Hunter in the Maxim's case (MP No. 1769 of 1982) where the provisions of s. 12(1) of the Ordinance and s. 11 of the UK Act were considered and distinguished.

In the Maxim's case Mr Justice Hunter concluded that section 12(1) of the Ordinance makes the likelihood of deception an independent ground of objection and that in this respect the two statutes differ and that accordingly the United Kingdom authorities were not necessarily precisely applicable. It is agreed therefore that in certain respects the United Kingdom cases are not applicable but equally I do consider that some of the United Kingdom decisions can still be relevant to the consideration of s. 12(1) of the Ordinance.

In considering s. 12(1) of the Ordinance Mr Rogers referred me to Hacks case (In the matter of an Application by Edward Hack (1941) RPC 58 91) and the principles to be considered as laid down by Mr Justice Morton at p. 103.

"... In the first place, the onus is on the Applicant to satisfy the Court that there is no reasonable probability of confusion. In the second place, in the case of all applications, including opposed applications, the rights of the party or parties are to be determined at the date of the application for registration. In the third place, the onus, which I have mentioned, must be discharged by the Applicant in respect of all the goods coming within the specification of goods for which the application is made and not only in respect of any particular article coming within such specification in respect of which the Applicant has in fact used or proposes to use the mark. In the fourth place, the effect on the public of the use of any particular get-up or mode of presentation of the product is not the question which has to be determined by the Court upon the application. The true test is whether the use of the mark by itself, in any manner which can be regarded as a fair use of it, will be calculated to deceive or cause confusion."

Both Mr Rogers & Mr Liao referred me to the test proposed by the Smith Hayden case (Smith Hayden & Co. Ltd Appn (1946) 63 RPC 97) at p. 101 and also referred me to para. 10-02 of Kerly's Law of Trade Marks and Trade Names (10th Edition) ('Kerly') which sets out the test proposed by Evershed J. in that case in respect of section 11 of the UK Act and which I set out as follows :-

"...Having regard to the reputation acquired by the name "Hovis", is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?"

It seems well settled that the onus of establishing proof that there is no likelihood of confusion falls on the Applicants but I also consider that there is an onus on the Opponents initially to establish a reputation/awareness in Hong Kong of their mark.

This view would appear to be supported by Kerly para. 10-05 which states as follows :-

"....It should be noted that under s. 11, consideration must be given to the extent and character of the reputation belonging to the earlier mark. Before the section can be applied at all, it must be established that the opponents' mark is known to a substantial number of persons in the United Kingdom. What is a substantial number depends upon the type of goods." Beyond that, there are degrees of reputation. On the one hand, "Where a trade mark has been long used by a person who is applying to register it, it will not be refused on the ground of recent use of a similar mark by another trader. The mark does not by such recent use become calculated to deceive."

On the question of reputation both Mr Liao and Mr Rogers referred me to the Maxim's case where this question and the authorities on the subject were considered at length by Mr Justice Hunter.

I would in particular refer to page 7 of the decision where Mr Justice Hunter put forward certain propositions as follows :-

"....In essence the issue is whether the existence of a trading reputation within the jurisdiction of the relevant Court is a pure question of fact; or whether the law has regard only to a relevant reputation namely one which both exists in fact and is manifested locally by an actual commercial presence or actual customers. Another way of phrasing the issue is to ask at what point in its development will the Courts of Hong Kong recognise an existing or developing international reputation. Is it sufficient to show that X's reputation is not only wide spread outside the colony but so well known inside the colony that user by another of X's mark in Hong Kong is likely to give rise to a risk of deceit or confusion: or is an established and known international reputation insufficient unless in addition X has physically penetrated the colony either by conducting business here or perhaps having existing customers here."

After considering the various authorities Mr Justice Hunter concluded at p. 13:-

"It is therefore seems to me right in Hong Kong to treat the existence here of a trading reputation, for both trade mark and passing off purposes, as a question of pure fact to be determined on the evidence as a whole."

This conclusion followed the approach taken by the New Zealand courts in the Pioneer Hi-bred Corn Co v Hy-line Chicks Pty Ltd ((1979) RPC 410) and in particular the words of Richardson J at p. 424 -

"I prefer to use a more neutral term such as 'awareness' or 'cognizance' or 'knowledge' and on that basis to ask : having regard to the awareness of the opponent's mark in the New Zealand market for goods covered by the registration proposed, would the use of the applicant's mark be likely to deceive or cause confusion to persons in that market."

I would agree therefore that in considering reputation in Hong Kong for the purposes of s. 12(1) I should take into account all the relevant facts appertaining to the use or reputation of the Opponents mark and not merely whether there has been actual user or business carried on in Hong Kong.

I consider first the evidence as it relates to the reputation of the Opponents mark in Hong Kong and have taken into account the following :-

1. The Opponents claim user of their mark throughout the world and in particular in France since before 1945 and in Hong Kong since 1966 in respect of all the goods referred to in para. 4 of Mr Dumas Declaration (No. 1) which includes goods in Classes 3, 4 & 25 as well as in Class 18.
2. Sales figures of the Opponents mark on the goods sold in Hong Kong were given for 1973 - 1977 but in considering the reputation acquired at the date of the Application it is only those figures given for 1973 and 1974 and part of 1975 which are relevant. The sales figures for the two years 1973 & 1974 were HK\$186,000 & \$1,025,000 respectively, an average figure of approx. HK\$605,000 for those two years. Whilst these figures are not high the goods are not aimed at the mass market but at a more limited sector of it.
3. Advertising figures for the years 1975-1978 have been given but again only those of 1975 could be considered relevant and no breakdown has been given to show the actual sums expended up to the 3rd July 1975.
4. Other than the sales figures there has been little supporting documentary evidence produced e.g. invoices etc. showing use or advertising in Hong Kong for the dates prior to the 3rd July 1975. I note however in the copy of the World of Hermes dated 1975/76 reference is made on p. 49 to the Hong Kong shop in the Peninsular Hotel.
5. I note also that the Opponents mark in Class 18, No. 1211 of 77 which matured to registration in 1977 was applied for in 1973 and that the Opponents mark was registered in Class 3 in 1966. Whilst I cannot take too much note of this per se it does show that the Opponents were pursuing registration of their marks in Hong Kong prior to the date of the application.

6. The brochures exhibited to Mr Dumas' Declaration reveal that the Opponents sell a wide variety of luxury goods, most of which are interrelated such as clothes, leather goods, cosmetics, perfumery, watches etc. in many parts of the world. It appears to me that the evidence points to an established reputation worldwide. It is also noted that the Opponents mark has been registered worldwide in many cases prior to 1967 and in the majority of cases prior to 1975. For example I note registration in the United Kingdom in 1952 and in a number of countries in 1966.

I have also considered the Applicants evidence and have taken note of the following points :-

1. The "Sulky device" was first conceived in France in 1967 and according to Mr Lederman's Declaration has been used worldwide since 1972.
2. The Applicants sold their goods in Hong Kong through their sole agent Lutece Co. Ltd through three Celine shops and also in the Matsuzakaya Department Store, Tai Ming Store in Nathan Road and the Friendship Store.
3. Details of the advertising expenditure worldwide was given since 1972 but in Hong Kong details of advertising expenditure were only given only for 1975 and no invoices were produced to show the dates of the actual advertisements in 1975. All the examples of actual advertisements of the mark relate to dates after the application date.
4. I note also that the date of the Agreement by the Applicants with the sole agent Lutece Co. Ltd was dated 15th February 1976.
5. I conclude therefore from the evidence that user of the "Sulky device" in Hong Kong started in 1975 and it seems unlikely that there had been any sales in Hong Kong prior to the date of the application.

The Opponents sales figures prior to the date of the application are not high and the lack of documentary evidence does not assist on this point but the sales are sufficiently strong in view of the limited sector of the market aimed at. It is not disputed that the goods are luxury goods and I take the view that a purchaser of such goods can be quite discerning and sophisticated in their knowledge of the goods in question. The views of Mr Yim Ho Tim as expressed in para. 5 of his Declaration No. 4B would appear to support this.

It seems in my view quite possible that among the persons who would purchase these goods in Hong Kong there would be a reasonable number who would be aware of the international reputation attached to the Opponents mark by virtue of travel and/or reading international fashion magazines which would also be on sale in Hong Kong. In considering the reputation and/or awareness of the Opponents mark under s. 12(1) of the Ordinance I have taken into account the international reputation of the Opponents as shown by the evidence, the actual sales of goods bearing their mark in Hong Kong, the existence of their shop in Hong Kong prior to the date of the application, the discernment likely to be shown by purchasers of such expensive items and the fact that the Applicants did not commence selling their goods in Hong Kong until 1975. I consider that taking into account all these factors

a sufficient reputation among a reasonable number of persons has been established by the Opponents in their mark so as to shift the onus on to the Applicants to establish that there is no reasonable probability of deception.

I propose to consider next whether there is any reasonable probability of deception taking into account the user of the mark by the Applicants in a normal and fair manner. I take the view that I can take into account for this purpose the evidence of sales etc. after the date of the application which view is supported by para.10-05 of Kerly, which I have already quoted and to which Mr Liao also referred me.

In considering the likelihood of confusion between the two marks I was referred at the Hearing to Chapter 17 of Kerly dealing with deceptive resemblance of marks and to the particular characteristics which must be considered when looking at the two marks. In para. 17-07 Kerly, in considering the amount of resemblance that is likely to deceive quotes the following method of comparison laid down by Parker J. in the "Pianotist" case (Pianotist Co. Ltd's Application (1906) 23 RPC 774):-

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

I note this method refers to word marks but I consider similar considerations can also be relevant for considering device marks.

In considering the two marks I propose to consider the Applicants device mark as compared with the Opponents mark being Hermes & device but also taking into account the fact that the latter mark has been shown in the advertisements as used either alone or together with the word "Hermes".

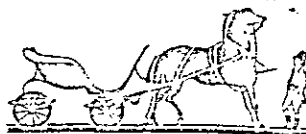
#### Comparison of the Marks

The marks applied for by the Applicants is the device as follows :-



It is shown by the evidence that the device mark is used on occasion on its own but it is mainly used in conjunction with the word "CELINE".

The mark which the Opponents have registered and which has been used by them as shown by Exhibit A to Mr Dumas Declaration is in the following form.



HERMÈS

It is shown that in actual use the mark is used as above but there are also examples of use of the device mark on its own.

I have noted with interest pages 10 & 12 of The World of Hermes 1977/78, Exhibit C2 to Mr Dumas Declaration No. 1, which appears to describe the history or meaning of the Opponents mark. It is clear from the device depicted on p. 12 of that Exhibit that two horses are shown but this is not always clear from a casual glance of the mark in what could be said to be ordinary notional use as for example on page 21 of Exhibit C-1 The World of Hermes 1975/76. I was surprised to note that there were in fact very few examples of the device mark in Exhibit C-2 referred to above.

In considering the marks it is well established that I must look at the marks as a whole and not merely consider the two devices item by item but notwithstanding that it is useful to consider the two devices in detail.

I would consider that both devices could be called a carriage device although the Applicants always describe their mark as 'sulky device'.

I note Mr Liao's submission that both devices contained a horse, a carriage and a coachman. I also note Mr Rogers' submission who in comparing the two devices considered the Applicants mark as one moving horse with a carriage going from right to left as against the Opponents mark which is a carriage and a standing horse, or possible two horses facing to the right with a coachman at the head.

In considering the various aspects of the marks I consider that the main impression of the Applicants carriage appears to me to be the large wheels which together with the position of the legs and mane of the horse and the coachman driving clearly gives an impression of a horse and carriage moving at speed.

The Opponents mark is an elegant carriage which with the stationery horse with a coachman standing at its head gives the impression of a waiting carriage.

I consider that the overall impression of the two marks are different - one fast moving and the other static - and whilst the idea of the mark as a whole could be the same, equally my overall first impression is quite different i.e. speed and movement as against a static elegance.

I should consider the Opponents the mark as in actual use and the Applicants mark in notional or fair use i.e. not too large or not too small and having noted the actual examples both large and small of use as shown by the respective brochures and advertisements I still consider that the Applicants mark convey the feeling of movement and bustle and the Opponents mark what I have called a static elegance and as such are distinguishable. I have noted little use of the Applicants device on its own on goods in Class 18 except as buckles on handbags etc. but it seems easily distinctive in the advertisements even when placed in close proximity to the word mark "CELINE".

The Idea of the Mark

In considering and comparing device marks it is important to take regard of the idea of the mark.

Para. 17-08 of Kerly considers this aspect as follows :

"Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Thus, for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football."

and further at para. 17-08

"The one might contain many, even most, of the same elements as the other, and yet the leading, or it may be the only impression left on the mind might be very different."

Mr Liao also referred me to various cases on this question in relation to device marks namely Cat & Barrel device (Board & Son v Huddart (1903 RPC 149)), 'Three Pigs Device' (Danish Bacon Co. Ltd Application (1933) RPC 148) and the 'Notek' case (Taw Manufacturing Co. Ltd v Notek Engineering Co. Ltd Application (1951) RPC 271).

In considering the Notek case first I note that Lloyds Jacobs J was concerned with the essential particulars which in that case were considered to be the substitution in both devices of headlamps for eyes in the representation of a cats head.

In this case whilst I would agree that the overall idea of these two devices are of a horse and carriage I would consider the essential particulars are not similar as the first and overall impression would be quite different for reasons I have already stated i.e. the feeling of movement in the Applicants mark and the impression of static elegance in the Opponents mark.

In the 'Cat & Barrel' and 'Three Pigs' cases it seems to me that the main consideration was that the two device marks could be identified or recognised by the names 'Cat & Barrel' brand or 'Three Pigs' brand which words formed part of the registered mark of the Opponents.

No direct evidence has been produced to show that either parties goods in the case before me are identified by asking for 'carriage & device' and I do not consider that the evidence produced shows that either devices are in fact so described. The evidence supports the view that both marks are used in conjunction with the word 'Hermes' or 'Celine' and even if standing alone both marks are usually contained in an advertisement or magazine which refers to the words 'Hermes' & 'Celine'. It seems unlikely that on the basis of the evidence produced that either mark would on a wide scale be identified, even by non English speakers, merely as a horse and carriage device.

Thus in considering these two marks I consider that the main idea of the mark would not be the same as the overall impression of the two marks namely of a speeding carriage and horse and a waiting carriage and horse are sufficiently different to overcome the factor that both devices consist of a horse & carriage.

Goods to which the respective marks are to be applied and the prospective purchasers

I consider the evidence albeit after the date of the application can be taken into account when considering this aspect.

The goods applied for are the whole class range for Class 18 but I note from the evidence that the goods actually sold are in the main handbags, umbrellas, wallets etc. made of leather and belts. These are the same goods covered by the Opponents subsequent registration No. 1211 of 1977 and which are shown by the evidence to be sold by the Opponents. It is clear therefore that the range of goods are the same and certainly goods of the same description. The market which both parties appear from the evidence to aim at is the upper, more expensive, end of the market in such goods.

It appears from the evidence that the goods are actually sold in separate shops except for the few Department Stores referred to but in any event two of the shops are in the same location namely the Landmark. Whilst the evidence shows that the goods are normally sold in separate shops such marketing concepts can always change and these goods could well in the future be sold in the same area of a large Department Store.

The prospective purchasers are in addition to dealers and retailers those members of the public who would be interested and capable of purchasing such goods. Mr Liao was of the opinion that even members of the public having a lower income could be interested in some of the items such as wallets etc. and certainly the income range shown by the survey was not overly high but on the whole I feel that such luxury items would usually be purchased by those in the middle to upper income range. I was interested to note that at least 60% of those approached in Mr Juling Ngai's survey came from \$5,000 - \$10,000 income bracket.

In view of the fact that Lutece & Co. Ltd are the sole agent it seems it is the ultimate purchasers of the items that I should be most concerned with as dealers and agents have a greater knowledge of the goods in question.

I would consider that the purchasers of such luxury items would take reasonable care in purchasing them particularly those in the more expensive range such as handbags, suitcases etc. In reaching this view I have taken into account the views expressed by Mr Lederman and Mr Yim Ho Tim. I consider also that even the customer envisaged by Mr Liao would take reasonable care in the purchase of an expensive item which could be bought more cheaply in the market.

To sum up it seems well established from the evidence that the goods on which the marks are used are the same, that in fact both parties appear to aim at the same market both being producers of the more expensive type of items included in the class, that as at the present time both sets of goods are sold mainly in separate shops which also clearly show the words 'Hermes' and 'Celine' but that these marketing trends could of course change. These are all factors which I should take into account when considering the likelihood of deception for the purposes of s. 12(1) of the Ordinance.

Imperfect recollection

Mr Liao referred me to the question of imperfect recollection and I refer to para. 17-23 of Kerly as follows :-

"The question is not whether if a person is looking at two trade marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed trade mark in the absence of the other trade mark, and in view only of his general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark before him is the same as the other, of which he has a general recollection."

For the purposes of considering the question of imperfect recollection I should consider the possibility of the two marks being sold side by side in department stores. I should also consider the Opponents mark as in actual use on the goods in question and the notional fair use of the Applicants mark.

For this purpose I have considered the examples of the Opponents mark in Exhibit B to Mr Lacour's Declaration (No. 5) which is the magazine World of Hermes 1981-82. Commencing at page 40 there are a number of pages showing handbags, briefcases, belts, wallets etc. I could see no examples from these advertisements of the mark used on the handbags, wallets etc. other than by way of labels on which the composite mark including the word 'Hermes' is used. I note however on p. 45 the examples of the device mark used alone on the belts shown in the advertisement. One example is quite large in size and the other considerably smaller. In considering these examples against a similar use by the Applicants as for example the handbag produced on Exhibit YHT-2 or an even smaller notional use, I am not convinced that on being confronted by one alone that a purchaser would be likely to consider one belonged to the other due to the different overall impression of the two marks, particularly as such purchaser would be buying a relatively expensive item.

The evidence since 1975 shows growing sales of their goods by both parties. The Opponents sales increased from HK\$1.5 m. (approx.) in 1975 to HK\$3.7 m. (approx.) in 1977 and the Purchasers sales increased even more substantially for goods in Class 18 from HK\$1.1 (approx.) in 1975 to HK\$15.0 m. (approx.) in 1977 and HK\$25 (approx.) in 1978. No instances of actual confusion have been produced apart from the very small proportion of confusion shown in the market survey on which I have already commented.

It seems to me that the very large sales by both parties since the date of the application does show that there has not, in fact, been a tendency to confuse particularly in view of the relatively small sales by the Opponents prior to the date of the application.

I propose to consider again the Smith Hayden test as applied to this case. Thus taking into account the reputation of the Opponents at the date of the application and the fact that I have decided that the overall impression of the two marks is different I am satisfied that the "Sulky device" mark applied for if used in a normal and fair manner in connection with the goods covered by the application would not be reasonably likely to cause deception and confusion amongst a substantial number of persons.

I have also considered carefully the evidence in this case, the submissions made by both parties at the Hearing and all the circumstances of this case and taking into account the view I have taken that the marks are sufficiently different one from the other I consider the Applicants have satisfied me that there would be no probability of deception. The Opposition accordingly fails under s. 12(1) of the Trade Marks Ordinance.

Taking into account the views I have expressed as to the origin of the Applicants mark and all the circumstances of this case I do not consider I should exercise my discretion to refuse this Application under s. 13(1) of the Ordinance. I therefore dismiss the Opposition and accept the Applicants 'sulky device' mark for registration in accordance with the Application herein.

I find that the Applicants are entitled to an award of costs, that any representations which either party may wish to make as to the amount of those costs will be considered if received within one month from the date of this Decision and that, failing such representations or subject to any representation calling for special treatment; costs will be calculated on the usual scale, namely on the basis set forth in Part 1 of the First Schedule to Order No. 62 of the Rules of the Supreme Court (Cap. 4) as applied to trade mark matters unless otherwise agreed between the parties.

*Averil C. Waters*

A.C. WATERS (MISS)  
Deputy Principal Solicitor  
9th August 1985