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File No. 2289/81

IN THE MATTER of the Trade Marks Ordinance (Chapter 43) and

IN THE MATTER of an application No. 2289/81 by Mr Chan Tat Chun trading as Tanabee Cosmetics Co. to register the mark "奧美白 O.P. Pac" in Class 3 for "beauty masks" in Part B of the Register and

IN THE MATTER of an opposition thereto by Hans Schwarzkopf GmbH

DECISION of

Miss A.C. Waters acting as Registrar of Trade Marks for the Registrar General.

Hearing held on the 25 July 1984.

Mr Paul P.L. Chan instructed by Messrs. Johnson, Stokes & Masters appeared for the Applicant.

Mr Peter Garland instructed by Messrs. Deacons appeared for the Opponent.

On the 14th August 1981 Mr Chan Tat Chun of 97 Mongkok Road, 9th floor, Flat D, Kowloon, Hong Kong trading as Tanabee Cosmetics Co. ("the Applicant") applied through his agents Messrs Johnson, Stokes & Master to the Registrar of Trade Marks ("the Registrar for registration of the mark "O.P. Pac 奧美白" in Class 3 in respect of "beauty masks" in Part B of the Register.

Evidence of use was lodged by the Applicant through his agent on the 26th September 1981 in support of the application in Part B.

On the 15th April 1982 the Applicant through his agent applied on Form TM-33 for the mark to be amended to the following form "奧美白 O.P. Pac".

Leave to advertise the mark "奧美白 O.P. Pac" was given on the 19th April 1982 in Class 3 in respect of "Beauty Masks" in Part B of the Register subject to the following statements and conditions which were to appear in the advertisement -

- 1) the transliteration and translation of the Chinese characters appearing in the mark are "O Mei Pak" meaning "mysterious, beautiful, white".
- 2) registration of the trade mark shall give no right to the exclusive use of the word and characters "Pac", "美" and "白".

The mark was advertised in the Gazette on the 18th June 1982.

On the 19th October 1982 Hans Schwarzkopf GmbH of Hohenzollernring 127-129, 2000, Hamburg 50, West Germany ("the Opponent" lodged through their agents Messrs. Deacons a Notice of Opposition.

The grounds for the Notice of Opposition are set out as follows :

"1. We are a corporation organised and existing under the Laws of the Federal Republic of Germany having a principal place of business situate at Hohenzollernring 127-129, 2000 Hamburg 50, Federal Republic of Germany.

2. We are the registered proprietors in Hong Kong of the Trade Mark "BAC" particulars whereof are set out below :-

<u>Registration No.</u>	<u>Class</u>	<u>Goods</u>
210 of 1955	48	Perfumery (including toilet articles, preparations for the teeth and hair, and perfumed soap).

3. The Applicants are now seeking to register the Trade Mark "O.P. Pac 奧美白" under Application No. 2289 of 1981 in relation to "Beauty Masks".

4. Our said Trade Mark has been extensively used in Hong Kong and elsewhere in relation to goods covered by Class 3.

5. The Applicants' proposed Trade Mark so closely resembles our said Mark as to be likely to deceive.

6. The Trade Mark which the Applicants have applied to register so resembles our said Mark as to be likely to lead the public to believe that the goods bearing the Applicant's proposed Trade Mark are our goods or goods manufactured, sold or exported by us or by our licensee.

7. The use of the Applicants' proposed Trade Mark by the Applicants will diminish or deprive us of our rights in our said Trade Mark.

8. By reason of the matters set forth, the Applicants' proposed Trade Mark is not a registrable trade mark within the terms of the Trade Marks Ordinance.

9. By reason of the matters set forth we respectfully submit that the Registrar should exercise his discretion adversely to the Applicants and we ask that Application No. 2289 of 1981 be refused with costs against the Applicants."

On the 24th November 1982 the Applicant lodged through his agent a Counter-Statement in support of the application. The grounds in support are set out as follows :-

1. I am the applicant for the trade mark "奧美白 O.P. Pac" which (as amended) has been accepted by the Registrar in Part B of the Register as capable of distinguishing my goods.
2. The trade mark which I am seeking to register is composed of the Chinese characters "奧美白", the initials O.P. and the word "Pac". As such, it bears no resemblance to the opponents' registered trade mark "BAC" which was not cited by the Registrar against my application.
3. The goods over which I am seeking to register the mark "奧美白 O.P. Pac" are "beauty masks". The Opponents mark "BAC" is registered over "Perfumery (including toilet articles, preparations for the teeth and hair, and perfumed soap". It is obvious that the respective marks and specifications are dissimilar so that members of the public will easily distinguish the goods sold thereunder and no confusion or deception will arise which would deprive the Opponents of the rights in their said registered trade mark.
4. I first adopted and used the trade mark "奧美白 O.P. Pac" in Hong Kong in relation to the said goods in 1979 and to the best of my knowledge there have been no instances of confusion and deception.
5. By virtue of the foregoing, the mark which I am seeking to register is a registrable mark within the terms of the Trade Marks Ordinance.
6. I do not admit paragraphs 4, 5, 6, 7, 8 and 9 of the said Notice of Opposition and the Opponents are put to strict proof thereof.
7. In the light of the above, I would ask the Registrar to exercise his discretion by allowing my application to proceed to registration and to dismiss the Opposition with costs against the Opponents.
8. I admit paragraphs, 1, 2 and 3 of Opponents' Notice of Opposition."

The following Statutory Declarations were lodged in support:

- 1) Statutory Declaration made by Mr Enzo Cunico and lodged by the Opponents through their agents on the 29th July 1983.
- 2) Statutory Declaration made by Mr Chan Tat Chun the Applicant lodged through his agent on the 1st October 1983.

The Statutory Declaration made by Mr Enzo Cunico on the 26th July 1983 contained inter alia the following information :

1. Mr Cunico stated that he was the Marketing Manager of Siber Hegner & Co. (HK) Limited which company was the Opponent's exclusive licensee of its goods in Hong Kong.
2. He confirmed that the Opponents were the registered proprietors of the Trade Mark No. 210 of 1955 "Bac"

3. He stated that the Opponents were internationally famous as the manufacturer of, inter alia, hair preparation products and deodorant products. He further stated that the Opponents had first adopted the said Trade Mark "Bac" in the Federal Republic of Germany and that the said Trade Mark was first used in Hong Kong in 1976 and had been in continuous use in Hong Kong since that year with the result that such mark had now become distinctive of the Opponents goods. He clarified that the Opponents goods which were sold through his company were of two types, namely, deo sticks and deo sprays.

4. He stated that the Trade Mark "Bac" had been exploited and registered in many countries throughout the world and in para. 7 of the Declaration he gave details of sales figures in 1981 in 25 countries.

5. He gave details of the recorded sales of the Opponents "Bac" products in Hong Kong which were as follows :

<u>YEAR</u>	<u>SALES VOLUME (HK\$)</u>
	\$
1978	15,000.00
1979	20,000.00
1980	10,000.00
1981	16,000.00
1982	20,000.00

He expressed the view that the low unit price of the deodorant products as shown in the said invoices (\$4.00 - \$6.00) made the annual sales volume for the years 1978-1982 relatively substantial.

6. The Opponents had advertised its products on an extensive basis in many countries by means of radio, television, cinema advertisement and magazines and details of the amounts expended on advertising were given for the years 1978-1982. The total expenditure for the years 1978-1980 were DM20.641.790.

7. He explained that the Opponents sold deodorant products through its subsidiaries and licensees virtually in all countries and had built up and enjoyed a reputation second to none for the excellence of its products. He expressed the view that by reason of the exclusive sales in Hong Kong, the Opponents had acquired an outstanding and valuable reputation and goodwill in Hong Kong in respect of the superb qualities associated with the said Trade Mark.

8. Mr Cunico expressed the view that the Applicant's Trade Mark "奧美白 O.P. Pac" was extremely similar both visually and phonetically to the Opponent's mark "Bac" for the following reasons :-

- i) both "Pac" and "Bac" were three-lettered words sharing the common letters "ac";
- ii) the letter "P" could be easily transformed to "B" by a mere addition to one curve;
- iii) the phonetic sounds of the two words were almost exactly the same;
- iv) the dominant acoustic effect of the words was the vowel "a".

He considered that if the Applicant's mark was allowed to proceed to registration, the general public would be deceived into thinking that the Applicant's products were associated with or emanated from the Opponents.

9. He stated that although the Applicant's mark consists of three Chinese characters "奧美白", this was insignificant relative to the whole word "奧美白 O.P. Pac" because the confusion caused by the similarity of the words "Pac" and "Bac" might make the public harbour the view that "奧美白 O.P. Pac" was an extended variation of "Bac" and that the consequences of confusion and deception would affect the Opponent's reputation for its reputed products and that under these circumstances, irreparable damage would occur to the name and reputation of the Opponents.

I comment on the exhibits to the Declaration as follows :

1. Exhibit 1 contained a list of the countries in which the Opponents trade mark is registered which included countries such as England, Germany and Australia. No copies of the certificates of registration were exhibited.
2. Exhibit 2 contained a copy of invoices by Siber Hegner & Co. (HK) Ltd. in respect of Bac deodorant spray and deo stick dated 1978, 1979, 1981 and 1982 respectively.
3. No examples of the mark in actual use nor examples of advertising materials were produced.

The Statutory Declaration made by the Applicant Mr Chan Tat Chun on the 27th September 1983 contained inter alia the following information :

1. Mr Chan stated that he was the sole proprietor of the firm TANABEE COSMETICS CO.
2. He stated that he was a well-known manufacturer of beauty mask face packs in Hong Kong and that he first adopted and used the mark "奧美白 O.P. Pac" in Hong Kong in the year 1979 and had been continuously using the said Trade Mark since that year with the result that such mark has now become distinctive of his goods. He explained that the beauty mask face packs manufactured by him consisted of a powder packed in sachets.
4. He gave details of sales between 1979 and 1983 of "奧美白 O.P. Pac" beauty masks in Hong Kong as follows :

<u>YEAR</u>	<u>SALES VOLUME</u>
	HK\$
1979	66,240.00
1980	242,904.00
1981	197,280.00
1982	208,368.50
1983 (January to August)	223,596.00

5. He pointed out that in spite of the low unit price of the beauty mask products shown in the said invoices (\$4.60 - \$6.00), the annual sales volume for the years 1979 to 1983 were substantial when compared with those submitted by the Opponent. He pointed out that the unit price of the deodorant products sold by the Opponents were similarly low but considered that the difference in sales figures spoke for themselves.
6. He gave details of advertising expenditure which totalled HK\$339,953 for the years 1979 & 1980.
7. He stated that he sold his beauty mask products through an agent in Hong Kong, Chit Leun Medicine Co.
8. He explained that although he was seeking to register his goods in the class that was equivalent to the class in which the Opponents' Trade Mark "Bac" was registered, he considered that the goods were different, being "deodorant" and "beauty mask" and that furthermore, the Opponents' deodorant was sold in stick and spray form while his beauty mask was sold in powder form packaged in a sachet, which was further enclosed in an envelope.
9. He gave his views on the differences between the two marks, namely that his mark was composed of the Chinese characters " 劉 永 二 ", the initials "O.P." and the word "Pac" and stated that in his view the said Trade Mark bore no resemblance to the Opponents' registered trade mark "Bac", which he pointed out was not cited by the Registrar against his application.
10. He stated that his agent distributed the beauty mask products, bearing the said mark, throughout the Chinese medicine shops of Hong Kong, whose customers primarily comprised the Chinese community, which represented ninety-nine point five per cent of the total population of Hong Kong. He noted that as stated in several trade mark cases the first syllable of a word mark is generally the most important. He pointed out that the first word of his mark is the Chinese characters " 劉 永 二 " and he considered that it was with these characters that the purchasing public would associate his beauty mask.
11. He stated that in his own experience, and that of his agent, there had not been any instances of confusion on the part of a customer, nor any complaints made by members of the trade or public with regard to confusion or deception.
12. He confirmed that he had not used the said trade mark outside Hong Kong, however he considered that the sales figures showed that the goods sold under the said trade mark in Hong Kong were very substantial.
13. He did not consider that sales of the Opponents' product in other countries truly reflected reputation in Hong Kong, and further he believed that the lack of evidence of advertising specifically in Hong Kong, proved that the Opponents' deodorant product were not well-known here.

I comment on the Exhibits to the Declaration as follows:

1. Exhibit A attached a clear plastic sachet with the mark in the following form "奧美白 O.P.粉" with the words "Beauty Mask" in English and showing the contents to be a white powder.
2. Exhibit B contained a number of copy invoices raised by Tanabee Cosmetics for "O.P. Pac Powder", "O.P. Pac" or "O.P. Pac Beauty Mask" dated in 1980, 1981, 1982, 1983. Some of those dated in 1982 & 1983 also contain the Chinese characters "奧美白".
3. Exhibit C contained a number of specimen advertisements, copies of television contracts, advertising invoices and receipts. These were dated 1978, 1979, 1980, 1981, 1982, 1983. In the advertisements in Sisters Pictorial the mark is shown in various forms showing both the Chinese characters and the words O.P. Pac in the form applied for and in the following form :-

奧美白 O.P.粉 (O.P. Pac)

I am informed that the character "粉" means "powder".

No further evidence was submitted but at the Hearing there was produced :

1. on behalf of the Applicants a cardboard box and a paper packet the latter with a clear plastic sachet inside containing white powder together with instructions for use. The cardboard box which appeared to be a holder for 6 of the packets containing the beauty mask preparation had a picture of a woman on the top. The mark appears in various forms on the box in both English and Chinese but does not appear exactly in the form as applied for although it appears in that form on the packet. The box and packet are very similar to the examples shown in the advertisement in Sisters Pictorial for July 1980 being part of Exhibit B to Mr Chan's Declaration.
2. on behalf of the Opponents a deodorant stick showing the mark in the following form "bac".

The evidence is summarised as follows :-

Opponent's evidence

1. The Opponent's mark No. 210 of 1955 "Bac" was registered on 24th November 1954 in Part A in respect of the goods in the former Class 48 namely "Perfumery (including toilet articles, preparations for the teeth and hair, and perfumed soap)".

2. The evidence shows that the mark "Bac" has in fact only been used in Hong Kong on deodorant sprays and sticks in the form "bac". First user was claimed in 1976 but the evidence shows sales in Hong Kong for the years 1978-1980 amounting to a total of HK\$45,000 which even taking into account the low unit price is not too impressive. The sales fluctuated slightly from year to year but stayed fairly static i.e. there was neither a steady increase nor decrease in sales.
3. The Opponents claim extensive registrations and use worldwide but no examples of advertising was produced to show whether the reputation earned worldwide had extended to Hong Kong. It is assumed that details of advertising costs were for advertising worldwide and no breakdown was given to show actual advertising in Hong Kong.
4. No information as to the retail market outlets in Hong Kong was given.

Applicant's evidence

1. The Applicant's evidence shows user of the mark since 1979 on "beauty masks" i.e. some two years prior to the date of the application. The goods are sold in powder form in plastic sachets.
2. The mark is used in various forms as seen by the packaging and on the advertisements exhibited to Mr. Chan's Declaration. It seems that the following are the most common methods of use of the mark:-
 - i) " 奧美白 O.P. PAC"
 - ii) " 黑美白 O.P. 粉 "
 - iii) " 奧美白 O.P. 粉 (O.P. PAC)"
 - iv) " O.P. Pac" or "O.P. PAC" on its own

I can see no examples of the use of the word "PAC" on its own and usually when the Chinese characters are used the letters O.P. are used as well.

3. Sales in Hong Kong totalled HK\$309,144 for the two years prior to the application namely 1979 & 1980 which is quite substantial and very extensive advertising was undertaken in the year 1980. The sales increased substantially in the year 1981 but have remained fairly steady since that date.
4. Marketing of the goods was, according to the Applicant, mainly through Chinese medicine shops but as pointed out by Mr Garland at the Hearing the packet produced at the Hearing shows a price tag from Manning which is a branch of the Welcome Stores. This fact was not disputed by Mr Paul Chan.

The opposition is based on s. 20 & 12(1) of the Trade Marks Ordinance ("the Ordinance").

Sections 12(1) & 20 of the Ordinance provides as follows :

S. 12(1)

"It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or would be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design."

S. 20

"Except as provided by s. 22 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."

I consider that the United Kingdom case law is applicable to section 20 as the provisions of this section are identical to those of section 12(1) of the United Kingdom Trade Marks Act 1938 ("the UK Act").

The construction of s. 12(1) of the Ordinance was considered in some depth in the Hong Kong case "Maxim's Trade Mark" (MP 1769 of 1982) where Mr Justice Hunter after considering certain aspects stated at p. 15:-

"It is inevitable follows that in this respect the statutes differ and that the UK Authorities are not necessarily precisely applicable."

It is accepted accordingly that in some respects section 12(1) of the Ordinance and section 11 of the UK Act are dissimilar but on some aspects the UK decisions can give guidance.

It is well settled that an opposition based on either s. 20 or s. 12(1) of the Ordinance has to be considered at the date of the application.

In considering sections 12(1) & 20 of the Ordinance I have referred to Kerly's Law of Trade Marks & Trade Names (11th Edition) ("Kerly") Chapter 10 and in particular to para. 10-02 where in referring to the distinction between sections 11 & 12(1) of the UK Act reference was made to the authoritative decision in the "OVAX" case (Smith Hayden & Co's Application (1946) 63 RPC 97) where Evershed J. at p. 101 formulated certain questions which if applied to this case would be as follows :-

"(a)(under section 12(1) of the Ordinance) Having regard to the reputation acquired by the name "Bac", 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 ?"

(b)(under section 20 of the Ordinance) Assuming user by the Opponents of their mark "Bac" in a normal and fair manner for any of the goods covered by the registrations of these marks (and including particularly goods also covered by the proposed registration of the mark "奧美白 O.P. Pac"), is the court satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the Applicants also use their mark "奧美白 O.P. Pac" normally and fairly in respect of any goods covered by their proposed registration ?"

Mr Garland submitted that for the purposes of this case the differences between s. 12(1) of the Ordinance and s. 11 of the UK Act were not too relevant. I agree with this submission and I accordingly consider the above test is relevant although I should be aware of the differences in the wording of the two sections and in particular of the matters which I should take into account in deciding on the reputation/awareness of the Opponents' mark in Hong Kong.

At para. 10-03 Kerly in considering the distinction between the two UK sections states as follows :

"In any ordinary case, however, of an opposition based upon a registered mark, the inquiry under section 12, embracing as it does notional use upon any of the goods concerned, is wider than that under section 11: so that if the applicant succeeds under section 12 he succeeds under section 11 too. Where the Opponent's mark has not been so used as to have acquired a substantial reputation, only section 12 applies."

For this reason I deal first with the opposition under s. 20 of the Ordinance.

Section 20 of the Ordinance

Section 20 of the Ordinance applies only where the Opponents mark is registered at the date of the application i.e. 14th August 1981 and where some of the goods for which the existing mark is registered and some of the goods for which the Applicant wishes to register are the same goods or are goods of the same description.

The Opponents mark No. 210 of 1955 "Bac" was registered on the 24th November 1954 in respect of the goods in the former Class 48 namely "Perfumery (including toilet articles, preparations for the teeth & hair & perfumed soap)". This was the classification contained in the 3rd Schedule to the Trade Marks Rules under the Trade Marks Ordinance 1909 and is also contained in Schedule III of the Trade Marks Rules. The classification was changed in 1955 and the present equivalent classification would be as contained in Class 3 of Schedule IV of the Trade Marks Rules namely "Bleaching preparations and other substances for laundry use: cleaning, polishing, scouring and abrasive preparations soaps; perfumery, essential oils, cosmetics, hair lotions, dentifrices."

The Opponents mark was registered at the date of the application but I have to consider whether the goods applied for are the same goods or goods of the same description before I can decide whether s. 20 applies to this opposition.

I have noted Mr Paul Chan's submission on this question when he dealt only with the question of whether "beauty masks" and "deodorant sticks" were goods of the same description. I consider however that this is too narrow a view and that I should in this case consider whether the goods applied for by the Applicant namely "Beauty Masks" are the same goods or goods of the same description as some of the goods which fall within the description of "Perfumery (including toilet articles, preparations for the teeth & hair & perfumed soap)".

In considering the test of whether goods are of the same description both Mr Paul Chan and Mr Garland referred me to para. 10-12 of Kerly and in particular the tests to be applied as set out in the Panda case (Jellinek (1946) 64 RPC 59) where Romer J. classified the various matters to be taken into account in deciding whether goods are goods of the same description as follows :

- (a) the nature and composition of the goods;
- (b) the respective uses of the articles;
- (c) the trade channels through which the commodities respectively are bought and sold.

I have also noted para. 10-11 of Kerly which states that the question is one of fact and is not merely whether or not the respective goods fall into the same classification. It is important also to consider whether goods would be taken to have the same trade origin if sold under similar marks.

Mr Garland in arguing that both sets of goods were of the same description submitted that the question here is whether "beauty masks" fall within the general category of goods described as "toilet articles" and he submitted that a product which cleanses the skin must do so.

It seems appropriate to consider in more depth the meaning of "beauty masks" and "toilet articles". I take first "beauty masks". Webster's 3rd New International Dictionary ("Websters") gives one of the meanings for "mask" as "a cosmetic preparation especially for the skin of the face that is applied moist and produces a cleansing and tightening effect as it dries".

This description tallies with the Applicants evidence as the packet produced at the Hearing sets out the following instructions:

"Mix contents of sachet to a smooth paste with a little warm water."

and further states:

"O.P. Pac deep cleanses and clears the skin of hidden impurities."

I have found no actual meaning for the phrase "toilet articles". The Guide to Schedule III Classification of Goods under the Trade Marks Act 1938 published by order of the Registrar of Trade Marks in the UK gives a list of goods and indicates the class headings considered appropriate for such goods. According to this Guide "toilet powder and cream" and "toilet soap (perfumed)" would fall within Class 48.

Collins English Dictionary ("Collins") and Websters dictionaries give the following meanings for "toilet" and "toiletry":

Collins

- toilet - the act of dressing and preparing oneself: to make one's toilet.
- toiletry - an object or cosmetic used in making up, dressing etc.

Websters

- toilet - the processing of washing, grooming and arranging oneself for the days activities.
 - to make one's toilet.
- toiletry - an article or preparation used in making one's toilet (as a soap, lotion, cosmetic, toothpaste, shaving cream, cologne).

Having considered these various definitions it seems to me that the phrase "toilet articles" as contained in the former Class 48 could include preparations for cleansing the skin and that "beauty masks" could fall into that general description. If I am right then "beauty masks" would be the same goods as some of the goods for which the mark is registered. In the event that I am wrong then I consider further whether goods falling within the broad definition of "toilet articles" such as "toilet powder & cream" and also the actual goods used namely deodorants would be of the same description as "beauty masks".

In considering this I take the three areas which should be considered in deciding whether any of the range of goods covered by Class 48 and the Applicants proposed goods "beauty masks" are goods of the same description.

- (a) Composition of goods - Little evidence was submitted on this point but the Applicant's mask preparation is in powder form to which water is added to make a paste. In the absence of such evidence I consider I can take into account my own knowledge of the cosmetic trade in that such items as perfumes, preparations for the hair and skin, soaps etc. come in many forms e.g. creams, liquids, gels, spray, powder to name but a few. This could be confirmed by an inspection of any of the stores which stock cosmetic items and indeed the evidence in this case reveals deodorant being sold in both stick and spray form and a powder which with water added becomes a paste for use as a face mask. I consider therefore that in the cosmetic trade differences in the composition of the goods is not a relevant or distinguishing factor as for example perfume whether it be in liquid, stick cream or spray form would still be considered as perfume or, as this case reveals, deodorants whether in spray or stick form.

(b) Nature of the goods and the respective uses of the articles

Most of the goods in Class 48 which are cosmetic in nature are used to cleanse, beautify or camouflage and I consider that these uses can and do overlap. Thus the use of toilet cream which nourishes would in my view be the same type of use as beauty masks which cleanse the skin. Certainly in my view skin cleansers in lotion form would have to be considered as goods of the same description as "beauty masks" in powder form. The actual use of "beauty masks" and "deodorants" may be different i.e. one to cleanse the face and the other to prevent odour but both clearly fall within the same common area of use covered by the rather old fashioned phrase as referred to in the dictionaries "of making ones toilet".

(c) The trade channels through which the commodities respectively are bought and sold

According to the evidence the Applicants mark, in addition to being sold in Chinese medicine stores, is also sold in Manning, a general cosmetic store with branches in many areas of Hong Kong. It seems not disputed that cosmetic articles of all kind are usually sold in the same shops or if sold in supermarkets or department stores in the same areas and over the same counters. Although again little evidence was produced, it does appear that in the cosmetic industry many companies can and do make different types of cosmetic preparations/toilet articles. It is noted from the evidence that the Opponents claim use and reputation for both their hair preparations and deodorants and are concerned that use on the Applicants "beauty masks" would be taken to be use by themselves. Such well-known brand names as Revlon, Max Factor, Elizabeth Arden for example manufacture a wide range of toiletries. It would not be unusual in my view to find one company making skin creams, beauty masks and deodorants. Thus I consider that "beauty masks" and "toilet articles" including deodorants could be made by the same manufacture sold to the same customers and sold in the same shops.

If I pose, as a hypothetical question, whether the two sets of goods if they were to be sold under similar marks could be taken by a customer to emanate from the same source then my answer must be yes.

Thus having taken account of the evidence in this case the submissions made at the Hearing and all other surrounding circumstances I would consider that "beauty masks" are goods of the same description as some of the goods for which the Opponents mark is registered and that section 20 of the Ordinance can apply to his case.

In considering the provisions of s. 20 of the Ordinance I refer to para. 17-03 of Kerly where it is stated as follows :

"In such cases the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not reasonably likely to deceive or cause confusion, so that refusal to register does not involve the conclusion that the resemblance is such that either an infringement action or a passing-off would succeed. In cases in which the tribunal considers that there is doubt as to whether deception is likely the application should be refused."

I have also taken note of para. 10-04 of Kerly which states as follows :

"It will be seen from what is said above that in comparing marks under section 12 they are to be considered as in notional fair use upon the respective goods concerned."

and further at para. 10-04 on the question of what should be considered as notional fair use -

"Again, it is convenient to consider the applicant's mark as used upon goods in a plain get-up; not one chosen to be easily confused with the opponent's, nor one specially chosen to distinguish from it."

and further also in para. 10-04 -

"If in fact it is known what use an applicant intends to make of a mark, that use cannot be excluded. Thus evidence that an intended use is particularly likely to be confusing is helpful to an opponent, to prevent such use being dismissed as unfair or fanciful."

It seems well settled that for the purposes of s. 20 actual use by the Opponent does not have to be established but examples of use can be taken into account when considering the likelihood of deception or confusion. In considering fair notional use I should ignore any suggestions that the Applicant is going to use his mark unfairly by altering any part of his mark as suggested by Mr Cunico in his Statutory Declaration. Para. 17-27 of Kerly refers to this point.

In considering the amount of resemblance which is likely to deceive I was referred at the Hearing to Kerly Chapter 17. In para. 17:07 Kerly refers to the Pianotist case (1906) 23 RPC 774 and the test proposed by Parker J. at page 777 set out as follows :

"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."

Nature and kind of customers and goods

In considering this test I take first the goods on to which the marks are to be applied and the nature and kind of customer likely to buy these goods.

The Applicant Mr T.C. Chan stated in his declaration that his goods were sold mainly through Chinese medicine shops and that his customers primarily consisted of members of the Chinese community. The evidence also shows that such goods were sold in the Manning stores and I must also not ignore, in the context of Hong Kong, those customers who do not understand Chinese characters. The Opponents gave no details of their retail outlets but for the purposes of s. 20 on the basis of notional use it should be assumed that both products would be available in the usual retail outlets i.e. all types of stores selling cosmetic goods and that a large proportion of the customers would be members of the Chinese community.

It seems well settled that it is not only the retailers and dealers but the ultimate purchasers who should be considered. Mr. T.C. Chan considered that purchasers of beauty products would take reasonable care and this would seem acceptable where skin products were concerned but in the absence of any evidence to the contrary I should assume that such purchasers would use ordinary care and intelligence. I have also noted that the goods sold by the Applicant cost between \$4.60- \$6.00 and therefore less care may be taken over their purchase than over the purchase of similar products in the more expensive range. I also have to consider in this case the fact that the Applicant's mark consists of Chinese characters, letters and a word and the Opponents mark a word alone and that whilst there would be persons who would understand all elements of the Applicants mark there are others who would understand only part.

Comparison of Marks

It is well established that I should consider the mark as a whole and this was clearly laid down in the "Erectiko"((1935) 52 RPC 136) case as referred to in Kerly para. 17-16(b) as follows :

"Farwell J. said: "I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word."

Also further at para. 17-19 of Kerly where reference is being made to some dicta on common elements :

"In Broadhead's Application, (1950 67 RPC 209) Evershed M.R. followed the observations of Lord Russell in Coca Cola Canada v Pepsi Cola Canada, where he stated : "Where you get a common denominator, you must in looking at the competing formulae pay much more regard to the parts of the formulae which are not common- although it does not flow from that that you must treat the words as though the common part was not there at all. Where common marks are included in the trade marks to be compared, or in one of them, the proper course is to look at the marks as wholes, and not to disregard the parts which are common."

This dicta is useful but in this case I have to bear in mind the fact that although the common element is only part of the Applicants mark it is the whole of the Opponents mark.

In considering the mark I note that it is a condition of registration that the word and characters "Pac" and "美" & "白" be disclaimed. No submissions were made to me on this point but I should state that notwithstanding the fact that the word "Pac" and the character "白" have been disclaimed I consider I can and should take into account disclaimed elements when considering the marks for the purpose of s. 12(1) or s. 20 of the Ordinance. I am supported in this view by the "Granada" case (1979 RPC 303) where at page 308 Mr Myall the Hearing Officer considered this question and concluded as follows :-

"I do not think, therefore, that a disclaimer per se affects the question of whether or not confusion of the public is likely when that question is for determination under section 12(1), a context other than one that is concerned solely with the exclusive rights of a proprietor. As Lloyd-Jacob, J. put it in Ford-Werke's Application (1955) 72 RPC 191 at p. 195 lines 30 to 38, a disclaimer does not affect the significance which a mark conveys to others when used in the course of trade. Disclaimers do not go into the market place, and the public generally has no notice of them. In my opinion matter which is disclaimed is not necessarily disregarded when questions of possible confusion or deception of the public, as distinct from the extent of a proprietor's exclusive rights, are to be determined."

Although it is accepted that I must look at the marks as a whole a more detailed look at the separate elements of each mark can be of assistance.

I comment on the Applicants mark as follows :

- 1) The mark which is in the following form consists of three Chinese characters, two letters of the alphabet and the word "Pac".

奥	美	白	O.P. Pac
0	Mei	Pak	(transliteration)
mysterious	beautiful	white	(translation)

- 2) It is a condition of registration that the registration of the trade mark would give no right to the exclusive use of the characters "美" and "白" meaning "beautiful" and "white" and the word "Pac".
- 3) The word "Pac" consists of three letters of the alphabet and I would agree with Mr Cunico that it would be pronounced with a long "a" as in the words "Pack" or "Pad".

- 4) Pac could be taken to be the phonetic equivalent of the word "Pack" which could be descriptive of the method of packaging the goods or of giving therapeutic application to the body as in the context of "cold pack", "ice pack" etc.

The Opponents mark is the single word "Bac" which is a one syllable word containing three letters of the alphabet and which would in my view be also pronounced with the long "a" as in the words "Back" or "Bad".

Having noted that I must consider the mark as a whole I have taken note of the unusual aspect of this case arising out of the fact that the Applicant's mark consists of both Chinese characters and letters and words. I feel it has to be accepted that those persons not understanding the Chinese characters would consider only that part of the mark being "O.P. Pac" and conversely those only understanding the Chinese characters might only consider those characters and might ignore the other elements.

In comparing each of the marks "奧美白 O.P. Pac" and "Bac" as a whole the similarities between the two marks are the transliteration of the Chinese character "白" transliterated as "Pak" and the word "Pac" as contained in the Applicants mark and the Opponents mark "Bac". I note that neither party made any submissions on the similarity between the sound of the character "白" transliterated as "Pak" and the word "Bac" and I consider this similarity to be remote.

As between the two words "Pac" and "Bac" it is accepted that the only difference phonetically and visually is the first letter of each mark. The evidence shows actual use of the word "Pac" either in that form or in capitals "PAC" and the Opponents mark "Bac" in the form "bac" i.e. with the letter "B" in small case. Use of these words either in the form as registered or as in actual use would, in my view, be considered normal fair use.

Having considered these aspects I deal with the other tests of comparison.

Ear as well as eye must be considered

I should consider the two marks as a whole both visually and phonetically and also consider whether confusion could arise on the telephone. When comparing the two marks "奧美白 O.P. Pac" and "Bac" it is accepted that there is a visual and phonetic resemblance between the two elements "Pac" and "Bac". Whilst the "P" and "B" and "p" and "b" can be easily differentiated visually whether in capitals or lower case if these two words were to be compared alone I do not deny there could be some element of confusion particularly on the basis of imperfect recollection. Phonetically there is also a similarity between the sounds of the word "Pac" and "Bac" with a possibility of confusion when taken alone, particularly on use over the telephone, but, having said that, there is a clear difference in the sound of a "P" & "B".

I am aware however that I have to be wary of such approach and I have to consider the Applicant's mark as a whole bearing in mind the fact that the word "Pac" is only one element of the Applicants mark and also bearing in mind the fact that the mark consists of Chinese characters as well as letters and a word. I have to decide whether all the elements of the Applicants mark are sufficient to overcome the similarities between the words "Pac" and "Bac".

A purchaser who understands both Chinese characters and the English alphabet would be able to compare both marks as a whole. Such a person might well take note of the phonetic and visual resemblances referred to but visually and phonetically the whole mark will be " 奧美白 O.P. Pac" and "O Mei Pak O.P. Pac" respectively. The various examples show that even when the mark is not used as a whole the three characters are always used together and whilst there are examples of the use of Chinese characters with the letters "O.P." but without the word "Pac" I have seen no examples of the use of the word "Pac" alone. I do not consider that user of the word "Pac" or the character " 白 " alone could be taken as fair notional use.

No evidence has been produced to show that a purchaser who understands only the Chinese characters would take the phonetic resemblance of the character " 白 " with the word "Bac" when considering the mark as a whole and the visual recognition of "Pac" and "Bac" by a non-English speaker would not be so strong when considering the marks as a whole.

A person not understanding the Chinese characters would only be able to compare "O.P. Pac" with "Bac" but even in such a case the combination of letters and word in my view detracts from any resemblance there might be between "Pac" and "Bac" as the two letters "O.P." are an important element both visually and phonetically and indeed the phrase "O.P. Pac" brings out the differences visually and phonetically between the "P" and the "B".

Actual use of the mark "Bac" shows that it is used on its own in an ordinary manner and comparing this with the Applicants mark on the basis of fair notional use and also in actual use I consider that the other elements of the mark " 奧美 " "O Mei" in Chinese and "O.P." making the whole " 奧美白 O.P. Pac" give a very different sound and visual effect to the marks. I consider it would be unusual for a person looking at the mark at a first glance to take the word "Pac" from its whole and although no evidence was produced on this point I consider that in ordering goods it would be unlikely that the goods would be called " 白 ", "Pak" or "Pac" on its own but it would in my view be used its complete form or as either "O Mei Pak" or "O.P. Pac".

Thus on the basis of the eye and the ear I consider there is no likelihood of confusion when considering each mark as a whole.

Idea of the Mark

It is important to consider the idea of the two marks. In considering these two marks side by side, I would consider that the overall impression of the marks is different. In arriving at this view I have taken into account the various forms of actual user of the Applicants mark as well as the concept of similar use to that of the Opponents. The overall impression of the Applicants mark in view of its number of component parts is substantially different from the Opponents short, precise mark. The phonetical equivalent of "pac" is "pack" and this meaning also gives a different idea to the mark when taken in conjunction with use on "beauty masks".

Importance of the first syllable

I note from para. 17-20 of Kerly the importance of the first syllable. This is not too easy to apply to this case although persons understanding both the characters and the words would no doubt note the characters first but even those not understanding the characters would note the letters "O.P." before the word "Pac" and as I have already said would be unlikely to ask for the Applicants goods by the word "Pac" alone.

Imperfect Recollection

An important aspect to be considered is the question of imperfect recollection and I refer to para. 17-23 of Kerly.

"It is clear that the tribunal ought not merely to look at the marks as they stand side by side, for, from the nature of the case, they will not be so put before any customer whom it is sought to deceive by means of either of them. He can only contrast the mark upon the goods offered to him with his recollection of the mark used upon those he is seeking to buy, and allowance must be made for this in estimating the probability of deception. Any other rule would be of no practical use. It has to be borne in mind that the ordinary purchaser has only "an ordinary memory".

I should consider this question on the basis of notional fair use on any of the goods falling within the range of goods for which the Opponents mark is registered and I can also consider the actual use of the mark as shown by the evidence. Taking each mark as a whole and assuming the purchase of similar goods I consider it is unlikely that a person looking only at one mark would be deceived into considering it was the other mark. It is important however to decide whether a reasonable purchaser would consider that the Applicant's mark was made by or originated from the Opponents particularly bearing in mind the fact that many cosmetic manufacturers make and produce a wide range of similar goods and also that such manufacturers often use a house mark in combination with other elements. In considering the marks and the ways in which they have been used or could be used there does not seem to be a sufficient similarity between the marks as wholes to lead a reasonable purchaser to consider that both marks are owned or produced by the same proprietor. The additional letters and the Chinese characters combine to make two quite different concepts of the marks when taking each mark as a whole.

The actual evidence shows sales of the Applicants goods of \$309,144 for the years 1979 & 1980 which is quite substantial and smaller sales of HK\$45,000 by the Opponents for the same period of the goods bearing their mark. Despite such user no instances of actual confusion have been produced although this may not be too relevant as it has not been established that user has in fact been through the same outlets.

Having considered the evidence, the arguments put forward at the Hearing and all the circumstances of this case I have taken again the test proposed in the "Ovax" case as applied to this case.

Thus assuming user of the Opponents of their mark "Bac" in a normal and fair manner for any of the goods covered by the registration No. 210 of 1955 am I satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the Applicant also uses his mark "O.P. Pac" normally and fairly in respect of "beauty masks".

Having considered the type of customers, the differences between the two marks the evidence of user by the Applicants, the submission made at the Hearing and taking into account all the circumstances of the case I am satisfied that there would be no reasonable likelihood of deception or confusion if the Applicant used his mark fairly on the goods covered by the proposed registration.

As the Applicant has satisfied me that his mark is not reasonably likely to cause confusion or deception the opposition fails under s. 20 of the Ordinance and accordingly I take the view that I do not need to consider the question of honest concurrent user under s. 22 of the Ordinance. I pass on therefore to consider the opposition under s. 12(1) of the Ordinance.

Section 12(1) of the Ordinance

For the purposes of s. 12(1) of the Ordinance it is necessary to establish that the Opponents have some reputation or that there is some awareness in Hong Kong of their mark amongst a reasonable number of people. In considering such reputation I should take into account all the circumstances of the case before me on the basis set out by Mr Justice Hunter in the Maxim's case at p.13.

"It is therefore seemed 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."

The evidence shows that the Opponents have used their mark on deodorants only in stick or spray form in HONG KONG. The sales figures in Hong Kong of \$45,000 for the years 1978 to 1980 are not too impressive even taking into account the low prices. The overseas sales are more impressive and clearly from the evidence there is worldwide use in a number of countries. Unfortunately however there are no examples of advertisements, brochures etc. which would show there was an awareness of such worldwide reputation in Hong Kong and I consider that I should not attach much significance to the worldwide sales for the purpose of establishing reputation/awareness in Hong Kong of the Opponents mark.

I have not been given any evidence as to the extent of the market for deodorants in Hong Kong but taking into account the evidence of actual use in Hong Kong for some time before the date of the application I am satisfied that there would be a reasonable number of persons in Hong Kong who would be aware of the Opponents' mark and consequently the Opponents have established a reputation and/or awareness of their mark in respect of deodorants in Hong Kong.

Mr Paul Chan referred me to the "FIF" trade mark case (1979 RPC 355) at the Hearing and I see from that case that for the purposes of s. 12(1) of the Ordinance it was the actual use/reputation as shown by the evidence which was relevant as stated by Mr Justice Whitford at p. 355.

"The basic question so far as the opposition under section 12 is concerned, it standing, I think, accepted or at least being implicit that there is an overlap between the goods covered in the applications for registration and the goods covered by the existing registration, is whether this mark (which is plainly not identical) is a mark so nearly resembling the registered mark as to be likely to deceive or cause confusion. Under section 11 the question is whether, by reason of the undoubted reputation which has been brought about by the use of the mark JIF in connection with lemon juice sold in the manner which I have indicated, it would be right that the application should be refused upon the basis that the use of the mark applied for will be likely to lead to confusion and deception."

It would seem therefore that for the purposes of this case the question is whether by reason of the use by the Opponents of the trade mark "bac" on "deodorants" the application for use of the Applicant's mark on "beauty masks" should be refused.

Taking into account the decision already reached under s. 20 of the Ordinance and also the particular aspects relevant for s. 12(1) of the Ordinance I consider that for the purposes of s. 12(1) of the Ordinance there would be no reasonable likelihood of deception amongst a substantial number of persons if the Applicant's mark was to be registered and the opposition accordingly fails under s. 12(1) of the Ordinance.

Section 13(2)

As the opposition fails under s. 20 & s. 12(1) of the Ordinance I have considered whether I should exercise my discretion under s. 13 of the Ordinance to refuse registration of the Applicant's mark.

However having considered the evidence and all the circumstances of this case I consider there are no grounds to exercise my discretion adversely to the Applicants and I accordingly allow the mark Pending Application No. 2289/81 "奧美白 O.P. Pac" to proceed to registration in Part B of the Register in Class 3 in respect of "Beauty Masks" subject to the conditions as set out in the leave to advertise dated 19th April 1982.

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 these 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.

A.C. Waters

(A.C. Waters)(Miss)
Deputy Principal Solicitor
31 July 1986