

Application No. 6235 of 1996

IN THE MATTER of the Trade Marks
Ordinance (Cap. 43)

AND

IN THE MATTER of an application by
Lordling Limited to register the mark



in Part A of the Register in Class 18

AND

IN THE MATTER of an opposition thereto by
GUESS?, Inc.

DECISION
OF

Mr. Kestutis Stasys Kripas acting for the Registrar of Trade Marks after submissions in writing made by Messrs Anthony Chiang & Partners for the applicant and Messrs Lovells for the opponent.

1. On 24 May 1996 Lordling Limited (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance (“the Ordinance”), in Part A of the Registrar, in Class 18, the mark, a representation of which appears below :



(the “suit mark”).

2. The goods intended to be covered by the registration were “suitcases, boarding cases, trolley cases, vanity cases, carry on bags, garment bags, duffle bags, trolley wheel bags, wet packs, handbags, wallets, purses, coin purses, and key purses; all included in Class 18” (the “specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the mark for registration subject to the conditions that registration of the suit mark shall give no right to the exclusive use of the letter “P”, and that the mark be associated with pending application No. 6236 of 1996. The application was advertised in the Hong Kong Government Gazette on 6 June 1997.

3. On 5 August 1997, Guess?, Inc. (“the opponent”) filed notice of opposition to the registration basing its opposition on its registration in Hong Kong in Class 18 of a trade mark comprising a triangle with a question mark “?” inside and the extensive use and promotion of its mark in Hong Kong and elsewhere. The opponent alleges that insofar as the suit mark comprises a triangle and question mark “?” device it so nearly resembles the opponent’s mark as to be likely to deceive or cause confusion; that any use of the suit mark [upon or] in respect of the specified goods would amount to passing off and/or infringement of the opponent’s mark; would unfairly prejudice the opponent’s legitimate business and cause it to suffer loss; and would interfere with the prestige of and diminish the value of the opponent’s mark. Registration should, it pleads, be refused as being contrary to sections 12(1) and 20(1) of the Ordinance or alternatively, in the exercise of the Registrar’s discretion.

4. On 15 October 1997 the applicant filed its counter-statement. It relied upon the visual differences between the respective marks; the different ideas suggested by the

marks; the common usage of a triangular device as part of trade marks for luggage; and the absence of instances of confusion despite its use of the suit mark for over four years. The suit mark has become distinctive of the goods of the opponent and no other. The applicant denied the opponent's allegations of deception, passing off or infringement and sought dismissal of the opposition with costs.

5. Both parties filed evidence. The opponent's evidence comprised a statutory declaration of Henry Jeremy Hugh Wheare, a partner of the firm of solicitors representing the opponent, together with exhibits. The applicant's evidence comprised a statutory declaration of Yu Yum Chun, the manager of the applicant, together with exhibits. The opponent has not challenged this evidence as it was entitled to under the provisions of Rule 27 of the Trade Mark Rules. I shall refer to relevant parts of the evidence in the course of the decision.

6. The Registrar fixed 24 April 2001 for the hearing of argument. Neither party wished to attend the formal hearing, being content to rely upon the evidence each had respectively filed and upon the written submission that each had respectively filed.

7. From the evidence filed, I make the following findings of fact.

8. The applicant's business is that of a designer and marketer of bags and leather products. Its range of bags and leather products is commensurate with the goods specified in the application filed. The products themselves are manufactured by various local manufacturers to the order of the applicant. The business was commenced in November 1992 by Picbo Ltd. ("Picbo"), but from 1 November 1995, the goodwill and assets, including the trade marks owned by Picbo, were transferred to the applicant.

9. The suit mark was created jointly by Mr Chan Kam Tong, a former manager of Picbo, and Yu Yum Chun now the manager of the applicant, but then a director of Picbo. Picbo wanted a European feel to their products and devised the word "PASSARO". To this Mr Yu added an unusual representation of the letter "P" which he had cut, in the mid eighties, from the *South China Morning Post*. The whole was encased in a triangular device, something which was commonly used on leatherwear in the nineties. I shall refer to this combination as the "PASSARO logo" or



10. The "PASSARO" brand was applied to the bags of Picbo from November or

December 1992. There is no independent evidence that this was in the form of the PASSARO logo but nothing turns on this. It was not until early 1996 that the word “PEDRO” was added, though use of “PEDRO PASSARO” as a trade mark on the goods of the applicant has been delayed pending the outcome of this application.

11. The applicant’s business was moderately successful generating sales of “PASSARO” branded products averaging a little under \$2 million per annum in the three full years prior to the application date. The main outlets for the “PASSARO” products are shops specialising in travelling goods.

12. The opponent is an American corporation which operates on an international scale. It carries on business as a designer, manufacturer and retailer of a wide range of clothing and fashion accessories. The opponent’s goods were first introduced to the Hong Kong market in 1986, but it was not until March 1992 that it opened its first shop. By the date of the application it was operating three more shops in addition to operating a counter in the SOGO Department Store and effecting sales through independent boutiques. Commensurate with the size of the business, sales in Hong Kong of the opponent’s products were some 25 times greater than those of the applicant. The annual amount spent on advertising the opponent’s goods exceeded the applicant’s annual sales.

Preliminary issue

13. Before I turn to the substantive decision, there is a preliminary matter which I must determine. The applicant submits, inter alia, that the opponent has based its opposition on its registered trade mark Nos. 4094 A-D of 1988. Those are the marks pleaded in its notice of opposition and those are the marks defined as the “opponent’s mark” in the Statutory Declaration of Mr Wheare. The applicant’s counter-statement and evidence addressed deceptive similarity in relation to that series of marks only. Although other registered marks of the opponent were exhibited, the opponent cannot now, the applicant says, ask the Registrar to consider these marks as marks deceptively similar to the applicant’s mark, for to do so would broaden, unfairly, the case it has to answer.

14. In view of that submission, I allowed the parties time to file further written submissions. Both parties did so. The applicant also sought to be heard if I was minded to allow the opposition to proceed on the additional marks.

15. The opponent argued that, in the interest of the public and the parties concerned, all evidence provided should be considered. It applied to amend the notice of opposition to include reference to those marks and opposed the applicant's request for a hearing on the issue.

16. As I have stated earlier, neither party wished to attend in person or be represented on the date fixed for hearing argument. Since then, at my request, both parties were afforded the opportunity to file written submissions on the preliminary issue. The applicant filed quite extensive submissions and I accordingly take the view that it has been given ample opportunity to be heard. I decline the request for an oral hearing.

17. The matter is not without difficulty for it requires a balance to be drawn between fundamental principles which at first sight seem diametrically opposed. The first principle is that the applicant is entitled to know, with some degree of certainty, the case it has to meet. In trade mark law the onus is squarely upon the applicant to satisfy the Registrar that there is no reasonable likelihood of deception or confusion arising among a substantial number of people if the applicant's mark proceeds to registration. The opponent claims confusion would arise in view of its prior marks under Trade Mark Nos. 4094 A-D of 1988. The only opportunity the applicant has to discharge its onus is when it files its evidence pursuant to Rule 26. It must know, before then, the opponent's case particularly, as here, where the opponent has numerous registrations. The applicant should not have to speculate as to which ones the opponent alleges would lead to confusion, needlessly answering those upon which the opponent did not intend to rely and risking omitting ones upon which it does rely. This to my mind is the purpose of Rule 23(3), upon which the applicant relies, which provides :

- (3) If registration is opposed on the ground that the mark resembles another mark already on the register or the registration of which is the subject of a current application, the number and class of that other mark and (except in the case of a registered mark or a mark the subject of an application not yet advertised) the date of the Gazette in which it has been advertised shall be set out in the notice.

18. The other principle is that the court should be concerned with the determination, with finality, of the dispute between the parties and with avoiding a multiplicity of litigation based on essentially the same issues. If the applicant were to defeat the opposition based solely upon Trade Mark Nos. 4094 A-D of 1988, and secure registration,

it could not rest easily. There would be nothing to prevent the opponent from applying to expunge the registration pursuant to section 48(1) of the Ordinance as an entry wrongly remaining on the Register due to the existence of its earlier registered, and no doubt it would say, nearly resembling marks. *Res judicata* would be no defence to such an application for that issue would not have been decided.

19. Allied to this principle is the public interest of maintaining the purity of the Registrar. If the applicant's mark should not have been entered because of the near resemblance of the suit mark to the opponent's other registered marks, the Registrar would have acted unlawfully (section 12(1)) or contrary to his duty (section 20(1)) in entering such a mark upon the register.

20. These conflicting principles would be difficult enough, but two further matters must be weighed here. Firstly, the lateness of the application to amend, coming as it did a week after the day fixed for hearing argument.

21. Secondly, the applicant itself exhibited the opponent's other (relevant) registered marks to its own evidence in support of one of its own arguments. It is difficult in those circumstances, the opponent submits, for the applicant to claim it was taken by surprise.

22. Having carefully considered all the written submissions made, the principles stated above and the authorities, I have come to the conclusion that the opponent's application to amend its notice of opposition should be granted, in part. Clauses 1 and 2 of the statement of grounds shall be amended to read :

1. The opponent is the proprietor of trade marks which include a triangle with a “?” inside the triangle (“the Opponent's Marks”).
2. The opponent has registered the Opponent's Marks as follows :

<u>No.</u>	<u>Mark</u>	<u>Class</u>
(a) 4094 A-D 1988	Triangle and ? device (series of 4)	18

(b)	1402 A-G of 1986	GUESS and ? and Triangular device (series of 7)	18
(c)	1119 of 1985	GUESS and ? and inverted Triangle device	18

And further : The defined term “Opponent’ s Mark” to read “the Opponent’ s Marks” where ever it appears in the Notice of Opposition.

23. If the following reasons seem brief, they do not reflect the concern this matter has caused me.

24. There is no doubt that the Registrar has power to grant leave to amend a notice of opposition – see Rule 98 of the Trade Marks Rules and *Henri Moët’ s Application* 7 RPC 226. The rule as to amendment is well established. Lord Bramwell in *Tildesley v Harper* (1878) 10 Ch.D :

“My practice has always been to give leave to amend unless I have been satisfied that the party applying was acting *mala fide*, or that, by his blunder, he had done some injury to his opponent which could not be compensated for by costs or otherwise”

and Lord Justice Brett in *Clarapede & Co. v The Commercial Union Association* (1883) 32 W.R. 262 :

“The rule of conduct of the Court in such a case is that, however negligent or careless may have been the first omission, and however late the proposed amendment, the amendment should be allowed if it can be made without injustice to the other side. There is no injustice if the other side can be compensated by costs; but if the amendment will put them into such a position that they must be injured, it ought not to be made.”

25. “However late” in the above passage implies a great degree of flexibility. The power it would appear may be exercised at any time prior to deciding the substantive issue. In *Osterstrom & Wagner’ s Application* 49 RPC 565 it was held the comptroller was entitled to consider a document “before he has parted with the matter; and I do not think he

has parted with the matter until the moment comes at which he has given his Decision.” In that case, a patent case, the comptroller had, as here, invited the parties to provide further submissions after the hearing, and it was in the course of providing these that the new material was delivered giving rise to a fresh ground of opposition.

26. In that case the interests not only of the opponent but of the public were said to be important. It is plain, it seems to me that in the interests of the public, a mark should not be entered upon the register that is deceptive or might lead to confusion in the market place. Unless that potential to deceive is tested by the opposition proceedings, I would not be protecting the public interest.

27. I considered what further evidence the applicant might have filed had the pleadings properly reflected the opponent’s case or if the application for leave to amend had been more timely. I was unable to see what else the applicant might have filed. It certainly would have pointed out the differences between the suit mark and the opponent’s additional marks and perhaps suggested they were not the same description of goods – but these are ultimately matters for the tribunal rather than matters of evidence – see *GE Trade Mark* [1973] RPC 297 at 321-322. I would also have found the proposition quite anomalous, that the opponent be barred from relying, for opposition purposes, on the very marks the applicant exhibited to support one of its arguments.

28. By granting the amendment, the argument regarding Rule 23(3) no longer arises.

Opposition based on S.20(1)

29. At the application date, section 20(1) of the Ordinance insofar as it relates to goods provided :

20. Prohibition of registration of identical and resembling trade marks

- (1) Except as provided by section 22, no trade mark relating to goods shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a trade mark belonging to a different proprietor and already on the register in respect of –

- (a) the same goods
- (b) the same description of goods or
- (c) ...

26. Section 2(4) of the Ordinance, which is relevant to the definition of “nearly resembles”, provides that a near resemblance of marks is a resemblance “so near as to be likely to deceive or cause confusion”.

27. The applicant has not pleaded section 22 of the Ordinance in aid. The two issues for determination accordingly are : whether any of the goods, for which the suit mark is sought to be registered, the same goods or goods of the same description as any of those of the opponent’s registrations; and if so, is the suit mark identical to, or does it so nearly resemble any one of the opponent’s marks as to be likely to deceive or cause confusion?

28. The opponent’s trade mark No. 1119 of 1985 is registered 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”. The opponent’s trade marks Nos. 1402 A-G of 1986 are registered in respect of “Leather and imitations of leather and goods made of these materials including labels of leather”. The opponent’s trade mark Nos. 4094 A-D of 1988 are registered in respect of “Travelling bags and trunks; trunks (luggage); travelling sets (leatherwear); valises; bags envelopes and pouches of leather, for packaging; cases, of leather or leatherboard; haversacks, rucksacks, bags for climbers; school bags and satchels; brief cases, handbags, purses, pocket wallets; linings of leather for boots and shoes; labels of leather; umbrellas and umbrella covers; parasols; canes and cane handles”.

29. The goods for which the applicant seeks registration have been set out in paragraph 2 hereof. It is not necessary, for section 20(1) to apply, that the respective goods tally, it being sufficient if any of the applicant’s goods are the same goods (or the same description of goods) as any of the goods protected by registration of the opponent’s marks. As between the suit mark and TM Nos. 4094 A-D of 1988 both include “handbags” and “purses”. As between the suit mark and TM 1119 of 1985, I regard “travelling bags” and “suitcases” and “boarding cases” as the same description of goods. With TM Nos. 1402 A-G the specification “goods made of leather” is broad enough to include the goods of the

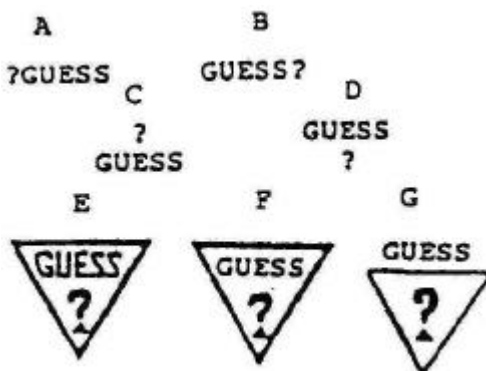
applicant which are, on the applicant's own evidence, "made of genuine leather". (This finding is equally applicable to TM No. 1119 of 1985). I am accordingly satisfied that the first leg of the test is satisfied.

30. In determining whether two marks are identical or nearly resembling, the opponent's marks as they appear on the Register are to be compared with the applicant's mark in notional fair use i.e. any normal and fair use which as registered proprietor the applicant would be entitled to make of the mark in the ordinary course of trade in respect of goods of the class for which it is registered.

31. The opponent's mark TM No. 1119 of 1985 appears on the register in the following form :



32. The opponent's marks TM Nos. 1402 A-G appear on the register in the following forms :



33. The opponent's marks TM Nos. 4094 A-D appear on the register in the following forms :



34. The suit mark is reproduced in paragraph one hereof. It is clearly not identical to any of the opponent's marks, in fact, as the suit mark appears on the application to register (from which the representation in paragraph one was taken) it could not even be said to nearly resemble any of them due to the prominence of the words "PEDRO PASSARO" which take up 2/3 of the length of the mark.

35. The opponent, however, produces, as exhibit HJHW-6, a name card of an employee of the applicant on which the PASSARO logo appears without additional words, and as exhibit HJHW-7, photographs of one of the applicant's bags it caused to have purchased. Again the PASSARO logo is affixed to the bag without accompanying words. Based on these 2 exhibits, the opponent says : "Although the Applicant's Mark includes the words "PEDRO PASSARO", the Applicant omits these words when using its trade mark" – (para. 11 Statutory Declaration of Mr Wheare). The implication is that the applicant will, after registration, if allowed, continue to omit these words.

36. The applicant has this to say about its intended use of the suit mark :

"In about early 1996, my Company added the word "PEDRO" to its "PASSARO" mark and it has been marketing wallets under a "PP" logo, which stands for "PEDRO PESSARO", in the PRC. The "PASSARO" logo is only a slightly abbreviated version of the proposed mark, particularly when one bears in mind that the essence of the proposed mark is already reflected in the said logo. In any event, my Company intends to use the words "PEDRO PASSARO" as its trade mark after the grant of the present application." (para. 7 statutory declaration of Mr Yu)

What the applicant fails to mention in its evidence is how it intends to use the words “PEDRO PASSARO” as its trade mark, for “PEDRO PASSARO” is but one component of the suit mark.

37. *Kerly* (Kerly’s Law of Trade Marks and Trade Names 12th Ed.) states, in paragraph 17-20 :

“It must not be assumed against the applicant or registered proprietor that he is going to use his mark unfairly, in the sense that he is going to use something different, by leaving out or obliterating any parts of the mark, for instance, so as to make it more like that of the opponent, for the court presumes that a trade mark will be used fairly and without fraud.”

38. The opponent has not applied for leave to cross-examine Mr Yu on the proposed use of the suit mark so I must make the best finding I can to resolve the conflict on the evidence each party has chosen to file.

39. *Kerly* goes on (in paragraph 17-20) to say :

“But in applications for registration the tribunal must consider any alterations which the applicant lawfully might make, without altering the essential features of his mark or losing the protection which would be conferred by registration ...Evidence as to how an applicant in fact means to use his mark is always admissible.”

40. The question of whether the actual way that the applicant’s mark had been used could be an illustration of its normal and fair use was recently considered by the UK Court of Appeal in *OPEN COUNTRY Trade Mark* [2000] RPC 477. At first instance the judge rejected that approach, purporting to rely upon Lord Upjohn’s speech in *BALI Trade Mark* [1969] RPC 472. The Court of Appeal, by a majority overturned that approach :

“The test laid down in *Smith Hayden*, adapted in accordance with the speech of Lord Upjohn in *BALI*, is the test applicable whether the applicant has or has not used his trade mark. However, no court would be astute to believe that the way that an applicant has used his trade mark was not a normal and fair way to use it, unless the applicant submitted that it was not.

It does not follow that the way that the applicant has used his trade mark is the only normal and fair manner. However in many cases actual use by an applicant can be used to make the comparison I believe that this is such a case.”

41. Having considered the principles stated above and the applicant’s evidence carefully, I am of the view that the applicant has not done enough to satisfy me that he intends, and will in fact, use the suit mark in the form applied for upon or in relation to all the goods in the specification. I have come to the conclusion that the triangular PASSARO logo will continue to be applied on its own to the face of the goods and be regarded by the public as the trade mark, whilst the words “PEDRO PASSARO” will be applied to swing tags, where appropriate, or to the inner surfaces on smaller items. In so finding I do not for one moment imply that there is any element of fraud intended or that the likely use would be other than lawful and protected by registration, if achieved.

42. I have reached the conclusion stated above by reference to the following passages in the evidence and the following exhibits. Firstly, the evidence of the applicant. In paragraph 8 Mr Yu states that the applicant “and its predecessor-in-title, Picbo, have made substantial sales under and/or by reference to the “PASSARO” logo and/or the word “PASSARO”.” In paragraph 10 : “My Company (through itself and its predecessor-in-title) has widely promoted our Products under and/or by reference to the “PASSARO” logo and/or the word “PASSARO” by means of “point of sale” advertising in Hong Kong.” From these facts Mr Yu concludes in paragraph 11 :

“By reason of the foregoing, my Company is the owner of a substantial goodwill and reputation in Hong Kong as the seller and/or supplier of our Products under the *“PASSARO” logo and the “PASSARO” logo* has become distinctive of the goods of my Company exclusively and none other.”
(emphasis mine)

The applicant itself has thus identified the PASSARO logo as the feature distinguishing its products.

43. “PEDRO PASSARO” is unused in Hong Kong and even in the PRC, use is in the form of a “PP” logo -see paragraph 36 hereof. The exhibit HJHW-6 shows such a logo but I do not, in the absence of any other evidence to this effect, take that representation as

evidence of the applicant's intended use of "PEDRO PASSARO".

44. In the exhibit at HJHW-7 the word "PASSARO" appears on a leather swing tag attached to the handle of the bag. Further examples of such use can be found in the applicant's evidence in exhibit YYC-4, photographs 5254, P3826A, P3832B, P-3831B, P-3831 and G-10. Swing tags however are not appropriate to smaller items such as the wallet exhibited by the applicant as YYC-3B. There, only the PASSARO logo has been stamped into the leather on the face of the wallet which needs to be opened to see "PASSARO Italian Leather" stamped inside. In fact in none of the photographs of the applicant's range of leather goods does the word "PASSARO" feature alongside or in any close proximity to the PASSARO logo.

45. As in the *OPEN COUNTRY* case this is a case where the actual use made by the applicant of its mark is the fair and proper basis for comparison of the marks. I do not believe the applicant can, in the circumstances, feel aggrieved for as the applicant has stated "The "PASSARO" logo is only a slightly abbreviated version of the proposed mark particularly when one bears in mind that the essence of the proposed mark is already reflected in the said logo."

46. The comparison therefore is between the opponent's marks as registered and the applicant's mark in fair and notional use as the PASSARO logo *simpliciter* unaided by other visual clues from the words "PEDRO PASSARO" appearing in close proximity thereto. For the sake of clarity the Passaro logo is :



47. The opponent's marks can be conveniently divided into three distinct types. The first comprise TM Nos. 1402 A-D of 1986 which comprise the word GUESS accompanied by a question mark either before, after, above or below the word. There is no resemblance between any of these marks and the PASSARO logo and I do not believe the opponent would contend otherwise.

48. The second type comprises TM No. 1119 of 1985 and TM Nos. 1402 E-G. The commonality these share is that each comprises an inverted triangle within which is a question mark and the word “GUESS”. The sole exception being TM No. 1402 G where the word “GUESS” appears above the triangle. All these marks are composite marks, comprising as they do, words and other elements.

49. Over the years a number of tests have been formulated to assist in determining the resemblance between marks of various types. Where the marks comprise devices or composite marks, regard must be made to the “idea of the mark”, otherwise described as its essential or leading feature, viz *Kerly* in paragraph 17-08 :

“When the question arises whether a mark applied for bears such resemblance to another mark as to be likely to deceive, it should be determined by considering what is the leading characteristic of each. 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. On the other hand, a critical comparison of two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same ... In cases of device marks, especially, it is helpful before comparing the marks to consider what are the essentials of the plaintiff’s device ...”.

50. The cases cited by *Kerly* to support this statement of the law, *De Cordova v Vick* (1951) 68 RPC 103; *Taw v Notek* (1951) 68 RPC 271; *Murphy’s Trade Mark* (1890) 7 RPC 163; *Bale & Church v Sutton Parsons* (1934) 51 RPC at 129; and *Saville Perfumery v June Perfect* (1941) 58 RPC 147 concerned composite marks comprising words and devices save for *Bale* which was a case involving word marks only. The principle is thus equally applicable to composite marks as to device marks.

51. In my judgement the leading characteristic of this group of the opponent’s marks is the word “GUESS”. It is trite to say, as has been stated in many cases, that words speak louder than devices. The proposition may be tested by asking by what means would the public refer to the goods? To my mind, undoubtedly, they would refer to the goods of the opponent as "GUESS" jeans or tops. I do not imagine that they would be referred to or requested as “question mark” jeans or tops. I certainly have no evidence which would cause me to doubt this logical conclusion. To the contrary, for in many of the opponent’s exhibited advertisements, the words “GUESS JEANS” appear prominently without the addition of a “?”

52. As observed by Lord Radcliffe in *Vicks* (supra) at 106 :

“The identification of an essential feature depends partly on the Court’s own judgment and partly on the burden of the evidence that is placed before it. A trade mark is undoubtedly a visual device; but it is well-established law that the ascertainment of an essential feature is not to be by ocular test alone. Since words can form part, or indeed the whole, of a mark, it is impossible to exclude considerations of the sound or significance of those words. Thus it has long been accepted that, if a word forming part of a mark has come in trade to be used to identify the goods of the owner of the mark, it is an infringement of the mark itself to use the word as the mark or part of the mark of another trader, for confusion is likely to result.”

53. In the *Vick* case one of the marks relied upon to base the infringement action was a composite mark comprising the word “Vicks VapoRub Salve”, a device consisting of a triangle with the words “Vicks Chemical Company” printed on the sides, and other subsidiary words below the triangle. In *June* (supra) the plaintiff’s mark consisted of the word “June” printed in a special manner with a bar as a kind of background behind the letters and a garland of flowers depending as an arc from either end of the bar. There was a disclaimer of the exclusive right to the flower device, which was common to the trade. In *Vick*, the word “VapoRub” and in *June* the word “June” were found to be the essential or leading characteristics of the respective composite marks.

54. Words can, accordingly, and commonly are the essential or leading features in composite marks. In *Vick* the evidence established that in Jamaica the words “Vicks” and “VapoRub” were synonymous with the plaintiff’s salve. It was also considered a “fancy word” coined to serve as a trade appellation of the plaintiffs’ product. In *June*, the House of Lords considered it was justified on inspection of the mark alone to come to the conclusions that the word “June” in the special script is the distinguishing feature of the registered mark. In the absence of evidence to the contrary, I feel justified on inspection of the marks alone to come to the conclusion that the word GUESS is the essential feature of this group of the opponent’s marks.

55. I have considered but rejected for a number of reasons an alternative possibility that the essential characteristic of this group of the opponent’s marks is “GUESS?” or more accurately “^{GUESS}?”. Firstly the question mark, in the context of this group of marks, is quite subsidiary and superfluous to the idea of the mark. The word

itself implies a query, the punctuation mark simply reinforces the idea. In the Concise Oxford Dictionary (8th ed) for example, the second meaning given for query is :

“a question mark, or the word query spoken or written to question accuracy or as a mark of interrogation.”

The same idea is accordingly imparted whether the “?” is present or not and therefore it cannot form a part of the essential feature of the mark.

56. Secondly the United Kingdom Trade Mark Practice Guide has this to say about punctuation marks :

“PUNCTUATION MARKS – such as !, ?, “”, fullstops, commas and symbols such as &, + and – are regarded as so non-distinctive that a disclaimer is not required.”

57. As disclaimers are only properly required where part of a mark, unregistrable in itself, could in time be taken as the essential feature, it follows that something so indistinctive as to not require a disclaimer could never be regarded as the, or part of the, essential feature of a mark.

58. Authority for that proposition can be found in *Shanahan* The Australian Law of Trade Marks and Passing Off (2nd edition) at the top of p. 220 :

“It would seem, therefore, that a disclaimer should be required where the part or matter in question is itself unregistrable but seems to function as a trade mark or might be taken as an “essential feature” of the mark, so that there could be doubt as to the proprietor’s rights, but a disclaimer should not be required otherwise.”

59. Thirdly, quite independently, another Hearing Officer in this department has come to a similar conclusion in Application No. 8969 of 1995, dated 12 April 2001 at page 19 where the opponent was opposing registration of the mark ?UCK.

“The “?” device is not the leading feature in the suit mark or the

opponent's marks. The leading feature in the opponent's marks is no doubt the word "GUESS". Where a mark comprises a device and a word, it is the word that is generally recalled rather than the device. This is more so in this case as the "?", being an ordinary punctuation mark, is indistinctive whereas the word "GUESS" is distinctive. "GUESS" is a commonly used English word. Its meaning is immediately apparent. It does not directly or indirectly refer to the character or quality of clothing and footwear. It is also not used in a laudatory fashion or as a commendatory epithet. It is capable of standing on its own as a trade mark. I consider "GUESS" is inherently adapted to distinguish. It follows that ordinary purchasers will recall the opponent's marks by the word "GUESS" rather than by the "?" device."

60. This finding, though not binding on me, is certainly persuasive.

61. I have not overlooked the triangle as a part of the essential characteristic of this group of marks.

62. There is some evidence regarding the triangle device. In paragraph 5 of Mr Yu's statutory declaration, he says : "Further the use of a logo comprising the representation of a triangle was a trend in our trade in 1990's and so Picbo also adopted a triangle as part of its logo". In paragraph 17 he repeats the assertion and produces, as exhibit YYC-12, trade mark registrations in Class 18 dating between 1979 and 1993 where a triangle formed part of the registered mark. The opponent correctly points out that none of these marks use an inverted triangle, but in this series, the opponent also uses various angles of a triangle.

63. Borders have consistently been found to be non-distinctive in the decided cases. I mention the *June* case (supra); *Murphy's* case (supra); *Laura Ashley Trade Mark* [1990] RPC 539, *Ford-Werke's Appln.* (1935) 72 RPC 191; *Benz et Cre's Appln.* (1913) 30 RPC 177, *MONOGRAM Trade Mark* [1968] RPC 246 as examples of cases where borders have specifically been discounted in discerning the essential features of marks. In Registry practice they are considered so indistinctive that disclaimers are not imposed.

64. Referring again to the UK Trade Mark Registry Practice Guide under the heading Geometric Figures : PLAIN

“Triangles, squares, diamond, circles, ellipse etc, are not considered distinctive and they are commonly used as mere borders or outlines in Marks.

65. Finally the applicant itself does not regard the triangle distinctive. I refer to Mr Wheare’s Statutory Declaration (paragraph 16) in which he confirms that should the applicant remove, what the opponent describes as the question mark, from the suit mark, the opponent would withdraw its opposition. The opponent itself therefore does not regard an inverted triangle as the distinguishing feature of its marks for had it done so, it would also have required the inverted triangle to be removed from the suit mark.

66. There is clearly no resemblance between “GUESS” and “PASSARO”. However, if I am wrong in my analysis, and this group of the opponent’s marks convey more trade mark information than that conveyed by their essential feature and the idea conveyed on first impressions, I go on to apply the imperfect or sequential recollection test. What would the effect on someone who, having encountered the opponent’s mark and having some recollection of it, be upon seeing the applicant’s PASSARO logo applied to the specified goods? Might they be caused to wonder whether they came from the same source? In the absence of evidence as to what such a purchaser might think I place myself in that position (as I am permitted to do – See Lord Diplock in the *GE* case (supra)). I am firmly of the view that anyone seeing the PASSARO logo applied to any of the specified goods would clearly see them as “PASSARO” branded goods and have no reason at all to wonder whether they emanate from any other manufacturer, let alone specifically the manufacturers of “GUESS” goods. There is nothing ambiguous about the PASSARO logo. The word is clear (contrary to the opponent’s submission based on selected photographs), looks and sounds like a trade name, and is the dominant feature of the PASSARO logo. The device below the word has no impact on first impressions and certainly, to me at least as a potential customer, was not in the least reminiscent of a “?”. If one were to look closely at the device, so as to make some sense of it, I would conclude it was a “P” because of the word PASSARO directly above it. But that is artificial, for the eye would first take in the word PASSARO, see that as a brand and register no further impression of the device or that it is contained in a triangle. Such additional information is superfluous. There is no tangible danger therefore of someone ignoring the brand PASSARO, taking in the device and calling to mind “GUESS” for that is not the way the suit mark impresses. I conclude that, in respect to the “GUESS”, “ ? ” triangle type of mark, there is no near resemblance to the PASSARO logo.

67. The opponent’s third type of mark is that in trade mark Nos. 4094 A-D of 1998. There is no evidence adduced by the opponent that this groups of marks have ever

been used in Hong Kong in this form before the application date as trade marks, but this is not necessary for the purposes of mounting an opposition under section 20(1).

68. For there to be any question of similarity between the suit mark and this series, one would have to first accept that the applicant would omit the word “PASSARO” from the Passaro logo in use. Mr Wheare, in paragraph 12 of his statutory declaration said this appears to him to be likely. He bases this belief, it would appear, on the premise that, as the opponent has omitted “GUESS” from its more recent registrations, the applicant is also likely to do the same.

69. As Mr Yu points out (para 14) “In Exhibits “YYC-3A”, “YYC-3B” and “YYC-4” above, one can see that the word “PASSARO” was and is shown as part of my Company’s mark on our Products at all material time”. There is absolutely nothing to suggest that the applicant intends, sometime in the future, to omit the very name by which its products have come to be identified – see paragraph 13 : “My Company’s mark is and has been referred to as “PASSARO” or “PEDRO PASSARO”, particularly if one bears in mind that the word “PASSARO” actually appears prominently in the “PASSARO” mark. In Exhibit “YYC-7” above, our Products have been identified by the indicia “PASSARO”.”

70. Mr Wheare also suggests that the majority of people in Hong Kong are not fluent in reading romanised script. The implication being that the respective marks will be scrutinised by reference to the devices. I am not attracted by this argument. Mr Yu answers this by reference to the opponent’s own advertisements which appear in Chinese newspapers and magazines in Hong Kong. The text of these he points out were all in English including the important trade name “GUESS”. If the opponent truly believed that the English language comprehension in Hong Kong was so low that “PASSARO” could not be identified, one would have assumed its own advertisements would appear in the Chinese language.

71. I am unable to accept as even remotely likely that the applicant would omit “PASSARO” from its logo in use, or that the average customer would not be capable of seeing PASSARO as the brand name. For the reasons set out in paragraph 66 hereof I am satisfied that there is no near resemblance between the PASSARO logo and this series of the opponent’s marks.

72. I have been able to reach the conclusion that the suit mark, even if considered

as simply the PASSARO logo, does not so nearly resemble any of the opponent's marks as to be likely to deceive or cause confusion, without further considering the likely purchasers of the goods to which it may be applied or other surrounding circumstances as propounded in the classic passage of Lord Parker in the *Pianotist* case (1906) 23 RPC 774 at 777. However, consideration of these circumstances, as appear later in the decision, further endorse the conclusions I have reached. I am satisfied that, assuming user by the opponent of its marks in a normal and fair manner for any of the goods covered by the registrations of those marks that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the applicant also uses the suit mark normally and fairly in respect of any goods covered by its proposed registration. See the test propounded by Evershed J. in *Smith Hayden* (1956) 63 RPC 97 at 101.

73. The applicant has accordingly defeated the opposition under section 20(1) and it follows from this that there is no likelihood of infringement of the opponent's marks, passing-off, prejudice to the opponent's legitimate business or will it likely suffer loss or a diminution in the value of its registered marks.

74. There remains the question of whether there is likely to be deception or confusion among the public should registration be allowed.

Opposition under Section 12(1) of the Ordinance



75. Section 12(1) protects the public rather than the opponent. Before an opponent can mount an opposition under this section, it must first overcome the burden of establishing that its mark or marks are known to a substantial number of persons in Hong Kong. See *Re Arthur Fairest Ltd's Application* (1951) 68 RPC 177. The reason for this requirement is simply that, if the mark is comparatively unknown in Hong Kong, deception or confusion is unlikely to arise. The date at which this reputation in its mark or marks is to be established is the date of the application to register the suit mark viz: 24 May 1996 - *NOVA Trade Mark* [1968] RPC 357 at 360. If the opponent discharges the burden, the onus shifts to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception arising among a substantial number of persons if the mark proceeds to registration - *Eno v Dunn* (1890) 15 App Cas 252 at 261.

76. The first point to note is that there is no evidence that, prior to the application date, the opponent had used any of the four marks which comprise a question mark alone

within a triangle (Trade Mark Nos. 4094 A-D of 1988). For the purpose, of section 12(1) therefore, no reputation has been established in this form of mark.

77. The opponent has however extensively used the inverted triangle, question mark plus the word GUESS in Hong Kong (Trade Mark Nos. 1119 of 1985 and 1402 E-G of 1986) and also “GUESS ?” (Trade Mark Nos. 1402 A-D of 1986). Having earlier found no resemblance between the PASSARO logo and the “GUESS ?” combination, I eliminate that combination from further consideration.



78. It is well established that the test to be used in applying section 12(1) is that stated by Evershed J in *Smith Hayden* (supra), modified by Lord Upjohn in *Bali's Trade Mark* [1969] RPC 472 at 496. Adapted to this application, the test is :

Having regard to the user of  is the court satisfied that , if used in a normal and fair manner in connection with any of the goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion among a substantial number of persons?

79. The standard of proof required is best set out in the judgment of Lord Upjohn in *BALI* (supra) at p.496 :


“It is not necessary in order to find that a mark offends against section [our 12(1)] to prove that there is an actual probability of deception leading to passing off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will cause to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register.”


80. The test for deceptive similarity is the same under section 12(1) as it is under section 20(1) save that the applicant's mark is considered in fair and notional use (as before) but the opponent's mark is considered as it is actually used. However, as I have previously found, the applicant's fair use is in the form of the PASSARO logo and it is this use that I shall consider.

81. The opponent is not consistent with the mark it uses on bags. From the sample bags in evidence, exhibit HJHW-4, there are no less than 5 different marks used, most bearing absolutely no resemblance to the suit mark. Only on the clutch purses which appear in exhibit HJHW-3 is the  mark used. The applicant produces, as exhibit YYC-15B, yet further variations. The first, applied to a wallet, consists of a narrow strip of metal with “GUESS” engraved thereon, and on the second at YCC-15A, a coin purse, the mark consists of a metal letter “G” in an elongated form with GUESS engraved thereon. The purpose made boxes in which these latter items were packed are simply marked “GUESS” or “GUESS?” None of these unregistered marks bear any resemblance to the PASSARO LOGO, I am left with the occasional use of the  mark which appears in HJHW-3.

82. I have already dealt with the look of the two marks in paragraphs 49-62 and concluded that, in their essential features, they were not similar. The same reasoning and conclusions apply here. There is no aural similarity between “GUESS” and “PASSARO”. I must next consider the goods to which the marks are respectively to be applied.

83. Two factors militate against confusion when the marks are applied to the specified goods. Firstly, as I have just observed, the opponent uses a variety of marks on its bags; most of which comprise the word GUESS in various scripts with or without a variety of different border shapes, or engraved on an elongated letter “G”. Secondly, bags would appear to represent a very small percentage of the opponent’s sales. The opponent’s evidence tells me nothing about the volume of sales of the opponent’s bags or the amount spent on advertising bags in Hong Kong. Judging however from the advertisements that have been produced, it would seem that little is done to promote bags and leatherwear as a separate accessory item in Hong Kong.

84. The effect of these two factors is that it is less likely in my view, that the bag purchasing public would have a strong cognizance of the opponent’s  mark especially applied to, say, travelling bags, trolley bags, suitcases, boarding cases, or vanity bags. On these items there would be absolutely no reason to think “GUESS” when confronted with the PASSARO logo applied to them.

85. The relatively small number of persons who have encountered the opponent’s non-travel style bags would have no strong impression of the opponent’s  mark. On the contrary any impression made would likely be of the word GUESS. There is therefore less reason than normal for the public to be deceived or confused upon seeing the suit mark applied to bags.

86. Parker J (in *Pianotist*) also requires that I take into account the nature and kind of customer who would be likely to buy these goods. I have already referred to the applicant's evidence that its goods are aimed at "mature male executives and travellers". The opponent does not specify its target market, but from studying the advertisements produced, its appeal, at least in Hong Kong, is towards the young and casual. This appears from the choice of internationally recognised models used, the activities the models are engaging in, and the casual clothes the models are wearing - jeans, bra tops, sports tops and denim or leather jackets. Customers attracted by the advertisements are likely therefore to be fashion conscious and very aware of "the label". I do not believe there is any tangible danger of GUESS customers being attracted to, from the exhibits in YCC-4, the fairly conservative styles the applicant produces. They are also unlikely to buy without inspecting the label, at which point, any residual confusion would disappear.

87. I have to consider also the trade outlets for the respective goods. The applicant states that their goods are mainly sold through shops specialising in travelling goods. At the date of the applicant, the opponent operated four stores under its own name - Megastore No. 38 Russell Street; Hyatt Regency; Ocean Centre; and Pacific Place. It also had a counter at Times Square Sogo. Mr Wheare mentions other boutiques without identifying them. The evidence is not so conclusive that I could find there would never be a situation that the respective goods were sold side by side, but it does seem unlikely. I do not however place much weight on this factor as trading circumstances may change in the future. What weight I do place is in the applicant's favour.

88. Evidence of confusion is potent evidence against allowing registration, so it would be unjust if I was to totally ignore evidence of lack of confusion. The applicant states that its goods had been on the market for four years without confusion at the date of its application. No subsequent complaint has been proved by the opponent. Though not a factor upon which I place much weight, for trading circumstances could change in the future, it is nevertheless a factor in the applicant's favour. Nor can I place much weight on the statement by Mr Yu that the opponent's goods are priced at two to three times that of the applicant's goods, as there is no evidence to support the statement.

89. After carefully considering all the above circumstance I am satisfied that, as the marks are visual dissimilar in their essential features, are aurally dissimilar, are unlikely to be sold through the same trade channels, appeal to different segments of the market, when added to the fact that there is no consistent mark used by the opponent upon its bags that might have created a cognizance of its mark, that there would be no reasonable likelihood of

confusion if the applicant's mark were to proceed to registration. The opposition under section 12(1) is accordingly defeated.

Registrar's discretion

90. The exercise of discretion pursuant to section 13(2) of the Ordinance arises when opposition under sections 12(1) and 20 fail and the mark is acceptable for registration under sections 9 or 10. I remind myself that the register has been created by the Ordinance for the purpose of enabling marks to be entered therein. If no proper reason can be advanced why registration should be refused for a qualifying mark, the exercise of discretion should not be adverse to the applicant. The opponent has offered no reason to invoke my discretion against registration that I have not already covered, so I do not exercise it.

Costs

66. The applicant has sought costs and there is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that the successful party is entitled to his costs. I accordingly order that the opponent pays the costs of and occasioned by these proceedings.

67. Subject to any representations as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part 1 of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, unless otherwise agreed between the parties.

(K.S. Kripas)
p. Registrar of Trade Marks
22 May 2001