

Trade Marks Ordinance (Cap. 43)

IN THE MATTER of an opposition by
Florence Fashions (Jersey) Limited to the
registration of trade mark application 9426/96
in class 25 by Valentino Globe BV to register
the trade mark 華倫天奴

DECISION

of

Teresa Grant acting for the Registrar of Trade Marks after a hearing on 22 July 2003

Appearing : Mr Gary Kwan instructed by Deacons for the applicant for registration

Mr Peter Garland SC instructed by Stevenson Wong & Co for the opponent

The parties to the opposition are Valentino Globe BV ('the applicant') who has applied for registration of a trade mark under the Trade Marks Ordinance (Cap.43) and Florence Fashions (Jersey) Limited ('the opponent') who opposes the application for registration under the Trade Marks Ordinance section 15.

The parties' arguments in the opposition were put to me at a hearing on 22 July 2003.

Applicant's mark

The applicant has applied to register the mark :

華倫天奴

application number 9426/96 in class 25 for 'clothing, knitwear, footwear, headgear, hosiery, swimwear, belts, ties, sportswear, top coats, sports shoes, gloves, scarves, costumes'. The application for registration was filed on 31 July 1996.

Opponent's mark

The opponent claims a reputation in Hong Kong in the mark :

華倫天奴 used with a 'GV' device, the name 'GIOVANNI VALENTINO' or the name 'GIANNI VALENTINO',

for clothing, footwear and headgear in class 25, leather goods and accessories in class 18 and a variety of goods falling in other classes.

Grounds of opposition

The opponent opposes on a number of grounds under the Trade Marks Ordinance : section 2 (applicant's mark not used or proposed to be used in relation to goods so as to indicate a connection in the course of trade); section 13(1) (applicant not entitled to be registered as proprietor); section 12(1) (applicant's mark likely to deceive or cause confusion in view of the use and reputation of the opponent's mark; section 13(2) (applicant's application should be refused in exercise of registrar's discretion). In its notice of opposition, the opponent also relied on other grounds that it does not now pursue.

Applicant

The applicant produces and distributes clothing (which are goods falling in class 25) and luxury fashion products (falling in other classes) under the trade mark VALENTINO and other marks, including VALENTINO COUTURE and 'V device' marks. The applicant's products are designed by the couturier Valentino Garavani. The applicant's evidence shows use of the marks in Hong Kong in the 1980's and very substantial use in the early 1990's for clothing: Mr Nicolai's statutory declaration, paragraphs 9 and 10, exhibits E and F.

The applicant claims to have used the mark 華倫天奴 from about the 1970's or 1980's: Mr Nicolai's statutory declaration, paragraph 17. The claim that the applicant itself used the mark is not substantiated. But the applicant's evidence does show that from about 1977, the Hong Kong fashion magazines, Femina and Style, used the characters 華倫天奴 to refer to Valentino

Garavani and a range of clothing designed by him available in Hong Kong at the Swank Shop, one of the applicant's distributors. There are also one or two references to boots in the magazine extracts: Mr Nicolai's statutory declaration, exhibit M. The magazines Femina and Style had a regular and wide circulation in Hong Kong: Mr Nicolai's statutory declaration, paragraph 17.

Opponent

The opponent inherited its business from Florence Fashions Trading, a company with an address in Beckenham, Kent, United Kingdom: Mr Melvyn Kalman's statutory declaration made in 1998, paragraph 2. Giovanni Valentino is the sole owner of the opponent. He is the son and one of the heirs of Mario Valentino who owned the trade marks MARIO VALENTINO and VALENTINO: Mr Kalman's declaration, paragraph 20. The opponent is the owner of the trade marks GIOVANNI VALENTINO, GIANNI VALENTINO and 'GV device' and various other VALENTINO marks in various countries (Mr Kalman's declaration paragraph 14 and exhibit G).

The opponent claims to have first used the trade mark 華倫天奴 in Hong Kong or about 29 June 1980 for clothing, footwear and headgear falling in class 25. The opponent's evidence exhibits a few examples of the mark in use. Copy samples of wrapping paper and 'weave bags' for packaging show the characters 華倫天奴, written in traditional as opposed to simplified form, with the 'GV' device: Mr Kalman's declaration, exhibit C. There are also examples of the mark in simplified characters but presumably, the mark is not used in that form in Hong Kong. Six examples of advertisements, or circulars, from 1991 to 1996 show the characters 華倫天奴 with the opponent's 'GV' device, the name 'GIOVANNI VALENTINO', and the name 'GIANNI VALENTINO': Mr Kalman's declaration, exhibit E. One invoice dated 27/11/1988 for the sale of labels by an Italian supplier, Texcontrol SpA to Florence Fashions Trading (Beckenham) lists an item of 600 labels as 'GV, Ideogrammi Cinesi' indicating use of the characters with the GV device but it is not apparent whether the labels relate to the characters in traditional or simplified form: Mr Kalman's declaration, exhibit C. There are two invoices

marked 華倫天奴, for small quantities of packaging-boxes or bags: Mr Kalman's declaration, exhibit C. From these examples it is apparent that the opponent's use of the characters 華倫天奴 has been with the opponent's 'GV' device, or the name 'GIOVANNI VALENTINO', or the name 'GIANNI VALENTINO'.

華倫天奴 and VALENTINO

A point that arises in more than one ground in the opposition is whether 華倫天奴 is equivalent to the name VALENTINO. The issue affects questions of use and evidence: is use of one necessarily use of the other? It affects the question of deception and confusion: is one confusingly similar to the other?

The transliteration 華倫天奴 is a phonetic approximation of VALENTINO. It is not a phonetic equivalent and an equally suitable transliteration of the name could be made by using other characters, entirely, or by changing some of the characters. Use of a transliteration and name together will associate the two in the public mind but whether use of one by a competing trader will cause confusion with the other must always depend on the circumstances of the use. Certainly, 華倫天奴 is not the same or essentially the same trade mark as VALENTINO, nor is it necessarily confusingly similar.

Section 12(1) – reputation

The opponent's opposition under section 12(1) is based on the ground that its mark has a sufficiently substantial reputation through use in Hong Kong and elsewhere so that at the date of the applicant's application to register, use of the applicant's mark would be likely to deceive or confuse.

The extent of the reputation of the opponent's mark and the goods for which the reputation has been achieved are factors in determining whether there is a sufficient likelihood of deception or confusion to refuse the applicant's application under section 12(1).

The applicant contends the opponent's evidence cannot demonstrate that the opponent has used the mark in Hong Kong, or that the opponent's mark was known to a substantial number of persons in Hong Kong before the date of application of the applicant's mark.

The applicant contends the opponent's goods are not sold in Hong Kong, because there is no place of delivery shown on the opponent's invoices and no documents to support export by the opponent to its Hong Kong agent, variously described as Foran Enterprises Co, Foron Enterprise Co and Foron Enterprises Co of Room 1201 Cheung's Building and from 1991 onwards as Foron Company Ltd of Room 1404 Bonham Commercial Centre (Mr Kalman's statutory declaration, paragraph 9 and exhibit D). Alternatively, the applicant contends that if the opponent's goods are sold in Hong Kong at all, they are sold only to wholesalers for export. In support of this contention, the applicant points to paragraphs 6 and 11 of Mr Kalman's statutory declaration in which sales of the opponent's goods are expressed to be 'in Hong Kong and/or for export from Hong Kong'. The applicant points to the opponent's advertisements that, it says, have more the appearance of circulars to the trade than advertisements to the public. The applicant also notes that a company the opponent claims as one of its two retailers, Fashion Boulevard (曉卓歐洲批發), includes the characters 批發 ('wholesale') in its name. The applicant notes there is no evidence of sales by the opponent's Hong Kong agent to the two retailers in Hong Kong and no evidence of sales by the retailers to customers in Hong Kong.

These points that the applicant makes against the opponent's evidence are not fatal to the opponent's opposition. Admittedly, the opponent's evidence is not fleshed out in detail and is

in parts decidedly sketchy. But I cannot accept the applicant's contention that the opponent's goods were never sold in Hong Kong simply because the opponent's evidence is thin, particularly as the applicant did not point to the omissions during the stage of filing evidence in the proceedings when the opponent would have had an opportunity to put in evidence in reply.

However, the applicant makes more telling points. The applicant points to discrepancies in the opponent's sales and advertising figures in Mr Kalman's declaration, paragraphs 16 and 18. The discrepancies are apparent in comparing each year's total annual sales (or advertising) of class 25 goods and goods outside class 25 with the respective total figures put in evidence in the class 18 opposition. For example, in 1992 in Hong Kong, class 25 sales (US\$412,620.66) and sales of goods outside class 25 (US\$866,659.00) totaled US\$1,279,279.66. This total should but does not match the corresponding total of the figures put in evidence in the class 18 opposition where in 1992 in Hong Kong, class 18 sales (US\$607,889.12) and sales of goods outside class 18 (US\$1,301,678.40) totaled US\$1,909,567.52. The discrepancy between the two totals (US\$1,279,279.66 and US\$1,909,567.52) is US\$630,287.86, which is very large.

At the hearing, the applicant produced a schedule comparing the class 25 and class 18 figures from paragraphs 16 and 18 of Mr Kalman's declarations in the two oppositions. The discrepancies are plain to see from the side-by-side comparison in the schedule but as the opponent has a copy of it I need not reproduce it here. One correction I need to make to the schedule is to the 1995 total of sales in Hong Kong, class 18 and goods outside class 18, which should read 1,890,301.09 (not 514,301.09).

On the same basis of comparison, the discrepancies in the 1992 and 1993 sales figures worldwide (excluding Hong Kong) in paragraph 16 are even larger: US\$877,500,000.00 and US\$935,000,000.00, respectively. I also note that these two figures for 1992 and 1993 are well beyond the range set by the 1994, 1995 and 1996 figures. Discrepancies are apparent in the other years' sales and advertising figures in paragraphs 16 and 18 with the exception of the 1994, 1995 and 1996 figures for sales value worldwide (excluding Hong Kong).

The opponent's figures for sales in Hong Kong are actual, not rounded or approximate so there should be no discrepancies between the figures in the two oppositions. The opponent's worldwide sales and advertising figures are expressed to be approximate only but in addition to the very large discrepancies in the 1992 and 1993 sales figures worldwide (excluding Hong Kong) in paragraph 16 which I refer to in the previous paragraph, the discrepancies in the advertising figures are large enough to cast doubt on the figures in paragraphs 16 and 18 as a whole.

I cannot rely on the figures in Mr Kalman's declaration, paragraphs 16 and 18 because of the discrepancies. But can I isolate paragraphs 16 and 18 and rely only on the figures in paragraphs 6 and 11 of Mr Kalman's declaration? The difficulty is that the figures in paragraphs 16 and 18 relate to marks that Mr Kalman describes as the 'Valentino Marks' in paragraph 14 of his declaration but Mr Kalman's definition of them includes the mark 華倫天奴 which he considers phonetically equivalent to 'Valentino'. There is a resulting confusion between the 'Valentino Marks' and the figures in paragraphs 16 and 18 on the one hand and marks including 華倫天奴 and the sales figures in paragraphs 6 and 11 on the other. Mr Kalman defines the 'Valentino Marks' as:

“various trade marks incorporating the word 'VALENTINO' (which is the phonetic equivalence of the Trade Mark) such as 'GIOVANNI VALENTINO' and 'GIANNI VALENTINO' (hereinafter referred to as the 'Valentino Marks' which expression shall include any marks incorporating the word 'VALENTINO' as well as any marks visually or phonetically similar thereto)”: Mr Kalman's declaration, paragraph 14.

What then is the distinction between the one set of figures for sales of class 25 goods in Hong Kong (paragraph 6), or all other goods in Hong Kong (paragraph 11) and the other set of figures for sales in Hong Kong of class 25 goods, or all other goods (paragraph 16)? In the confusion, it is impossible to segregate the figures in paragraphs 16 and 18 from the figures in paragraphs 6 and 11 and to make sense of them. The discrepancies and confusion do not

discredit the opponent's claim to have used the marks in Hong Kong but they make it impossible for me to assess the extent of the use.

There is also the applicant's point about Mr Kalman's statements in paragraphs 8 and 13 of the statutory declaration to the effect that the opponent does not keep separate advertising figures for Hong Kong 'because there is no logical way to apportion a sum for Hong Kong'. Yet in paragraph 18, as the applicant points out, Mr Kalman gives advertising figures expressed to be 'worldwide (excluding Hong Kong)'. This inconsistency makes it impossible to rely on the advertising figures in paragraphs 8 and 13, or the figures in paragraph 18.

There is an additional confusion between paragraph 8 and paragraph 13. Paragraph 8 gives figures expressed to relate to the 'Trade Mark' for annual advertising in 'China and Hong Kong for all marks and all goods'. Paragraph 13 gives figures for total annual advertising for all goods under the 'Trade Mark' and by reference to paragraph 8 the figures are also for China and Hong Kong. There are different figures in the two paragraphs but ostensibly they both relate to annual advertising for all goods under the 'Trade Mark' in China and Hong Kong.

If I ignore the figures, can the opponent rely on its invoices to show that it has a reputation in the mark? The applicant objects that the invoices and purchase orders make no reference to the characters 華倫天奴. Two purchase orders dated 5.1.1981 and 25.2.1982 are marked 'Re Giovanni Valentino' which indicates only that the goods were 'GIOVANNI VALENTINO' goods, not necessarily 華倫天奴 goods. The invoices for the purchase of labels and packaging and the circulars (referred to on page 4 above) are very slender evidence on which to show that the opponent has a sufficient reputation in the mark so that the applicant's mark would be likely to deceive or confuse. On this evidence I cannot make a finding that the opponent has a sufficient reputation.

To rely on section 12(1) the opponent must show a sufficiently substantial reputation for its mark in Hong Kong (*Nova [1968] RPC 357 at 360*). Only then does the applicant have the onus of showing there is no reasonable likelihood of deception or confusion. The object of section 12(1) is to protect the public interest but as the opponent's evidence in this opposition does not show that the characters 華倫天奴 are associated in the public mind with the opponent, the opposition fails at the threshold on the ground of deception and confusion.

Section 13(1)

The opponent says the applicant has not used the mark and cannot claim proprietorship of it in circumstances where the opponent has used it first. In principle this is true if the parties claim what is essentially the same right of proprietorship but is that the case here? The opponent has apparently used the characters only with its 'GV' device, the name 'Giovanni Valentino' or the name 'Gianni Valentino'. On the authority of *Re Wowi and device [1998] 3 HKC 221* and the cases cited in the judgment (*Tavefar v Life Savers (1988) 12 IPR 159*; *Bodyline Cosmetics v Brot Bodyline (1993) 27 IPR 315*; *Vamuta v Sogo (1995) 31 IPR 557*) the marks are not identical or virtually identical and a claim to proprietorship under section 13(1) can be relevant only where the respective marks are virtually identical.

In *Tavefar v Life Savers* the applicant's mark was DOOPA, the opponent's mark was ZOOPER DOOPER and the opposition on the ground of proprietorship failed. In *Bodyline Cosmetics v Brot Bodyline* the applicant's application to register THE BROT BODYLINE succeeded against a claim to proprietorship by the opponent whose mark was BODYLINE. In *Vamuta v Sogo* the applicant's mark was 'SOGO and device (X in a circle)' the opponent's mark was 'SOGO' and the applicant's composite mark was found sufficiently different from any mark used by the opponent as to entitle the applicant to claim to be the author of it. As noted in *Re Wowi and device*, the question is not whether the marks are so alike as to be deceptively similar. A side by side comparison of marks is appropriate in deciding whether the marks are substantially identical in a claim to proprietorship. In comparing the applicant's and opponent's marks in this opposition I do not find them virtually identical in view of the fact that the opponent's mark is used as a composite mark with the 'GV' device, the name 'Giovanni Valentino' or the name 'Gianni Valentino'.

Section 2

The opponent argues that the applicant's mark is not used or proposed to be used in relation to goods so as to indicate a connection in the course of trade.

The opponent says the applicant has not used the mark 華倫天奴 at all. The evidence that magazine writers have used the characters in relation to the applicant's goods (see pages 3 and 4 above) is not use by the applicant itself. This is a valid point as regards lack of use in the past but it does not affect the applicant's intention to use the mark in the future. The Ordinance expressly permits an applicant to apply for registration of a mark that it has not yet used and does not require an applicant to begin to use a mark immediately after making an application to register it. The fact that other persons have used the characters to refer to the applicant's goods and may associate the characters with the applicant is a logical reason for the applicant to want to use the characters to exploit and develop the association for the particular goods or for other goods. The fact that there has been some use of the characters by the opponent with its 'GV' device, the name 'Giovanni Valentino' or the name 'Gianni Valentino' does not preclude the applicant from making an application and registering the characters. If the opponent cannot make out grounds of opposition on reputation and proprietorship, it cannot run those same grounds under section 2 and hope to succeed. For these reasons, I find there is nothing that supports the opposition under section 2.

Section 13(2)

The registrar has a general discretion, to refuse an application for registration or to accept it. He must exercise the discretion judicially, considering all the circumstances of the case (*Hong Kong Caterers Ltd v Maxim's Ltd [1983] HKLR 287 at 301*). The opponent urges refusal on the basis that the applicant has no intention to use the mark and that it would be wrong to give the applicant a mark that the opponent has used for many years, even if the use has been with the 'GV' device. But there is no basis for finding that the applicant does not intend to use the

mark and I cannot rely on the opponent's evidence to determine that the opponent has a reputation so that use of the applicant's mark would be likely to deceive and confuse the public. Nor can I find that the opponent is the proprietor of the mark. In the absence of any other factors I have no reason to exercise the discretion under section 13(2) adversely to the applicant.

Costs

As the opposition has failed, I award the applicant costs. 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 I 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.

(Teresa Grant)
for Registrar of Trade Marks
20 August 2003