

Application No.2732 of 2002

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

AND

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



in Part A of the Register in Class 3

AND

IN THE MATTER of an opposition
thereto by Produits Et Appareils De
Beaute

**DECISION
OF**

Ms. Fanny Shuk Fan Pang acting for the Registrar of Trade Marks after considering the pleadings and evidence filed in the opposition proceedings.

Application for Registration

1. On 27 February 2002 (“the application date”), Tendfame Company Limited (“the applicant”) applied to register, pursuant to the provisions of the Trade Marks Ordinance Cap. 43 (“the Ordinance”), in Part A of the register in Class 3, the trade mark, a representation of which appears below :



(“the suit mark”).

2. The goods intended to be covered by the registration were “cosmetics and skin care preparations; all included in Class 3” (“the specified goods”). The Registrar of Trade Marks (“the Registrar”) accepted the suit mark for registration in Part A of the register under section 22 of the Ordinance and use was claimed from the year 1978. The application was advertised in the Government of the Hong Kong Special Administrative Region gazette on 13 June 2003.

Pleadings and evidence

3. On 11 November 2003, Produits Et Appareils De Beaute (“the opponent”) filed notice of opposition to the application. The grounds of opposition state, *inter alia*, that the opponent is a well-established consumer product company organised and existing under the laws of France. The opponent claims that it adopted the mark “PAB” (being the initials representing its name Produits Et Appareils De Beaute) and first used it in France in or around the 1960s. On 28 October 1965, the opponent filed its first trade mark application to register the mark “PAB” in Class 3 in France. Since then, the opponent has continuously and extensively manufactured, marketed and sold worldwide a wide range of consumer products falling within Class 3 under the mark “PAB”. The opponent has also continuously and extensively advertised and promoted the mark “PAB” worldwide, including in Hong Kong. It is the opponent’s case that it first used the mark “PAB” in Hong Kong in April 1986 and the annual sales figures in Hong Kong for the opponent’s “PAB” products have been steadily increasing. The opponent is the registered proprietor of the trade mark registration no. 00167 of 1997 for the mark “PAB” in respect of “skin care preparations” in Class 3 in Hong Kong.

The opponent pleads that by reason of the continuous and extensive use, advertising and promotion as well as the registration, the opponent has built up substantial goodwill and reputation in the mark “PAB” worldwide including Hong Kong. The mark “PAB” has come to be identified with and distinctive of the opponent and its products and none others.

4. The opponent claims that the suit mark “A-PAB” and device fully incorporates the opponent’s mark “PAB” and is used and/or proposed to be used in respect of identical, similar and/or associated goods of interest commonly marketed and/or sold together. The use and/or registration of the suit mark is likely to lead to confusion among members of the trade and public in Hong Kong that the applicant’s goods are connected in the course of trade with or are endorsed and/or sponsored by the opponent. The opponent also alleges that the applicant’s choice of a mark fully incorporating the opponent’s mark “PAB” for use in respect of identical, similar and/or associated goods of interest demonstrates that the application was made by the applicant in bad faith which is calculated to cause confusion. The grounds of opposition comprise sections 2, 9, 10, 12, 13, 20 and 23 of the Ordinance.

5. In the applicant’s counter-statement, save and except the applicant’s own application for registration of the suit mark and the opponent’s registration of its mark “PAB” in Hong Kong are admitted, each and every allegation in the grounds of opposition is either denied or not admitted by the applicant. The applicant avers that on 17 March 1978, Frederick Tong Chi Ping trading as Nam Fong Agency Co. filed an application for the mark “A-PAB” in respect of cosmetics in Class 3 in Hong Kong. The mark was registered with trade mark registration no. 1371 of 1978. The ownership of the mark “A-PAB” and/or the suit mark was subsequently assigned to the applicant. However, due to inadvertence, the applicant failed to record the assignment or to renew the registration of 1371 of 1978.

6. It is the applicant’s case that the suit mark has been extensively used by the applicant and/or Mr Tong in respect of cosmetics and skin care preparations in Class 3 since 1978 in Hong Kong. As a result, the suit mark has acquired substantial and valuable reputation and goodwill in Hong Kong.

7. The applicant pleads that the suit mark consisting of a device and the word “A-PAB” is distinguishable from the opponent’s mark “PAB” visually, aurally and conceptually. The applicant avers that the opponent’s mark “PAB” has a meaning in that it is an abbreviation of the term “p-aminobenzoic acid”, a substance which can

be used to absorb ultraviolet light. In any event, the applicant asserts that by reason of its prior use of the suit mark in Hong Kong from 1978 and the matters pleaded in the counter-statement, the applicant is the proprietor of the suit mark and should be allowed for registration on the basis of honest concurrent use.

8. Trade Marks Rule/s Cap. 43, Sub.Leg. (“Rule/s”) 25 evidence consists of a statutory declaration from Pointet Yves, the chairman and managing director of the opponent, together with exhibits, which was declared on 10 February 2005 (“Yves’ statutory declaration”). Under Rule 26, the applicant filed a statutory declaration of Tong Sin Man Elly, the director of the applicant, together with exhibits, which was declared on 15 August 2005 (“Tong’s statutory declaration”).

Decision

9. Though, by 20 November 2007, the date the matter was fixed to be heard, the Trade Marks Ordinance Cap. 559 had come into operation, by virtue of section 10(1) and (2) of Schedule 5, oppositions to registrations still pending as of 4 April 2003 are to be determined under the provisions of the repealed ordinance, Cap. 43.

10. A date for hearing the opposition was fixed for 20 November 2007. By letter dated 9 November 2007, the agents acting for the applicant, Messrs. Wenping & Co., indicated that they would like these proceedings be decided on the pleadings and evidence filed without attending the hearing. The opponent did not give notice of its intention to appear by filing TM-No. 8 under Rule 30(2). It is therefore treated as not desiring to be heard. I shall therefore decide the matter on all the materials available before me without the benefit of any oral submissions or written representations by the parties.

Under section 2

11. The opponent alleges in its grounds of opposition that :

“Neither is the Applicant’s mark “PAB” one within the definition of a trade mark in Section 2(2) of the TMO as it is not a mark used or proposed to be used in relation to goods for the purpose of indicating a connection in the course of trade between the goods and the Applicant.”

12. The opponent does not explain why the suit mark fails to qualify as a

mark within the meaning of section 2 of the Ordinance either in the grounds of opposition or the evidence filed. There is nothing before me from which I could conclude that the suit mark is not a trade mark within the meaning of section 2 of the Ordinance. The suit mark is clearly a sign that is visually perceptible and capable of being represented graphically. It can also serve the purpose of indicating a connection in the course of trade between the applicant and the specified goods of the applicant. It follows that the opposition under section 2 is defeated.

Under sections 9 and 10

13. In paragraph 15 of the grounds of opposition, the opponent states that :

“Further or in the alternative, the Opponent’s prior registration and reputation of its mark “PAB” also prevents the Applicant from claiming that its mark “A-PAB” is inherently adapted to distinguish and/or capable of distinguishing its goods from others and accordingly, the Applicant’s mark “A-PAB” is not a registrable mark within the meaning of Section(s) 9 and/or 10 of the TMO.”

14. It appears that the thrust of the objection under sections 9 and 10 is that the suit mark is not inherently adapted to distinguish and/or capable of distinguishing the applicant’s goods from others by reason of the opponent’s prior registration and reputation of its mark “PAB” in Hong Kong. Then the issue is the same issue as the objection under sections 12(1) and 20(1) of the Ordinance and is better left for determination in the wider context of those sections (see *Kerly’s Laws of Trade Marks and Trade Names*, 12th Edition, note 2 to paragraph 10-01).

Under section 20(1)

15. 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) ”

16. The following registered mark is relied on by the opponent in mounting the opposition under section 20(1) :


Trade Mark	Registration No.	Class	Part	Goods
PAB	167 of 1997	3	A	Skin care preparations

17. Under section 20(1), the first question for me is whether the goods for which the suit mark is sought to be registered, the same goods or description of goods as those of the opponent’s registered mark. The answer to this question must be yes as both the specifications of the parties’ marks cover skin care preparations. It is enough that the opponent can show that its registration extends to any goods, not necessarily all goods specified in the applicant’s application or to any goods of the same description (*Smith Hayden & Co’s Application* [1945] 63 RPC 97 at 101). The overlapping of one item between the specified goods and the goods covered by the opponent’s registration is sufficient for the opponent to overcome the first limb of section 20(1).

18. It follows that the second issue for my determination is whether the suit mark so nearly resembles the opponent’s registered mark as to be likely to deceive or cause confusion.

19. The accepted test to be applied under section 20(1) of the Ordinance is that stated by Evershed J. in *Smith Hayden & Co.’s Application* [1946] 63 RPC 97. Adapted to the matter in hand, the test may be expressed as follows :

“Assuming user by the opponent of its mark “ **PAB** ” in a normal and fair manner for any of the goods covered by the registration, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion amongst a substantial

number of persons if the applicant also uses its mark “-PAB ” normally and fairly in respect of any goods covered by its proposed registration?”

20. 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. In cases where the tribunal considers that there is doubt as to whether deception is likely the application should be refused (*Kerly's*, supra, paragraph 17-03).

21. The suit mark is a composite mark consisting of the letters “A-PAB” plus a device. It is trite law that words speak louder than devices. In particular, to my mind, the device in the suit mark is something abstract that cannot be easily described or categorised. It does not actually represent any material object or convey any specific idea to the potential purchasers. In my view it is the word part of the mark “A-PAB” that will be memorised or recalled by the potential purchasers having taken into account of the principle of imperfect recollection. The essential feature in the suit mark is no doubt the letters “A-PAB”.

22. The opponent’s mark is a purely word mark consisting of the letters “PAB”. Both “A-PAB” and “PAB” are essentially in block capitals. “A-PAB” and “PAB” are more or less of the same length and the opponent’s mark “PAB” is fully incorporated into the suit mark. Visually, the respective marks look similar.

23. Conceptually, the applicant pleads in its counter-statement that the opponent’s mark “PAB” has its own meaning in that it stands for para-aminobenzoic acid which can be used to absorb ultraviolet light. A copy extract from the English-Chinese Medical Dictionary by Foreign Language Teaching Research Press, Yatsen, 2002 was produced to support the same in Tong’s statutory declaration. However, in my opinion, whatever meaning is conveyed by the letters “PAB” is immaterial when I am considering identical letters. It is highly likely that the consumers will be deceived or confused into thinking that the opponent’s and the applicant’s goods bearing the same letters “PAB” come from the same source. In my view, the addition of a letter “A” to the suit mark by way of a hyphen does not assist to diminish the resemblance between the respective marks but rather is likely to suggest that the applicant’s goods bearing the suit mark to be merely a division of the opponent’s “PAB” brand, for example, a new line of products.

24. Turning to the aural comparison, it is clear that there is no oral reference

to the device part of the suit mark. As to the word part of the suit mark with oral reference, the way in which the four letters in the suit mark is presented, that is, the first letter A being divided out from the letters “PAB” by way of a hyphen, highlights the three letters “PAB”. There are chances that both marks will be referred to as “PAB” marks. Even if the suit mark is referred to as “A-PAB” mark instead of “PAB” mark *simpliciter*, it still sounds very similar to “PAB”.

25. As the goods of the proposed registration and the opponent’s registration overlap with one another, the goods can be sold and purchased through the same trade channels to the same class of purchasers paying the same price. The degree of care and attention of likely purchasers is to be considered in relation to the inherent nature of the goods. The parties’ goods are skin care preparations which are personal products. Even if I take that more than usual care would be taken in considering the purchase of the parties’ goods, I do not believe that there will no tangible risk of confusion; not in the sense that the wrong trader’s goods are ultimately purchased, but confusion in the sense of the ordinary purchaser entertaining reasonable doubt or their minds being placed in a state of doubt or uncertainty (*Edward Hack’s Trade Mark* (1941) 58 RPC 91 at 102) given the close similarity between the marks and the overlap of the goods and the market.

26. For the reasons stated above, I have come to the conclusion that the applicant has not discharged its burden of showing that there is no reasonable likelihood of deception or confusion arising among a substantial number of people if the suit mark is registered and used normally and fairly in respect of the specified goods. In the result, the section 20(1) opposition succeeds.

Under section 22

27. Section 20(1) of the Ordinance makes express reference to the exception provided by section 22. As evidence was filed by the applicant that the suit mark has been used in Hong Kong, it is necessary for me to consider section 22 to see whether it can assist the applicant.

28. The principal matters to be taken into consideration in considering section 22 are established in the leading case *Alexander Pirie & Sons Application* (1933) 50 RPC 147. They are :

- (1) The extent of use in time and quantity, and the area of the trade;
- (2) The degree of confusion likely to ensue from the resemblance of the marks;
- (3) Whether any instances of confusion have in fact been proved;
- (4) The honesty of the concurrent use; and
- (5) The relative inconvenience which would be caused if the mark in suit was registered, subject if necessary to any conditions and limitations.

29. In *Bali Trade Mark (No. 2)* [1978] FSR 193, the “honesty” of the concurrent use was said to be a prerequisite to the application of the section. *Bali* was applied in *Lam Soon Marketing Services Ltd v Lam Mei Hing* [1994] AIPR 317. The onus is on the applicant. Honesty cannot simply be assumed.

30. In the grounds of opposition, the opponent pleads that the applicant’s choice of a mark fully incorporating the opponent’s mark “PAB” for use in respect of identical goods with the opponent’s goods demonstrates that the application was made in bad faith which is calculated to cause confusion. There is, however, no allegation that the suit mark was copied from the opponent’s mark raised in the grounds of opposition or the opponent’s evidence.

31. Ms Tong explains in paragraphs 3 to 5 of her statutory declaration how the suit mark was devised as follows :

“3. Starting from 1978, Mr. Federick Tong Chi Ping (my late father who was the Applicant’s predecessor and former director of the Applicant) and the Applicant have continuously used the mark, namely “A-PAB” in respect of cosmetics and skin care preparations.

4. My late father, Mr. Federick Tong Chi Ping chose the mark “A-PAB” because the letter “A” stands for “Aster” which was and is the name of her wife and my mother, Leung Yuk Lin Aster.

5. The sound of “A-PAB” is similar to “白碧” in Cantonese which carries a connotation of “白碧無瑕” in Chinese, meaning “white, jade and spotless”. Being such, the mark “A-PAB” was considered as having branding function and effect and was accordingly adopted as such.”

32. I find nothing in this explanation from which I could infer, irresistibly, that the applicant was dishonest. Ms Tong’s evidence is totally unchallenged. The opponent has not filed any evidence in reply under Rule 27 although it was entitled to do so. No application was made by the opponent to cross-examine Ms Tong on her explanation. As Godfrey J held in *Borsalina Trade Mark* [1993] 1 HKC 587, a tribunal should not decide questions of honesty or dishonesty on affidavit evidence untested by cross-examination save where an inference of dishonesty is irresistible. I therefore do not find that the applicant has copied the suit mark from the opponent. I am satisfied that the applicant has established the necessary honesty of the use by her of the suit mark.

33. I now move on to consider the question of extent of use in time and quantity and the area of the trade. The applicant’s evidence shows that the applicant has used a number of marks incorporating the letters “A-PAB” in different styles in respect of cosmetics and skin care preparations products in Hong Kong since 1985. So far as the suit mark is concerned, the earliest piece of evidence of use can be traced back to 1990. A copy of advertisement placed in the Gemce 姿采 magazine circulated in Hong Kong in September 1990 was produced in the exhibit marked “TSM-5” to Tong’s statutory declaration. The suit mark can clearly be seen on both the advertisement itself and the packagings of the applicant’s cosmetics products featured in the advertisement. Further, a huge bundle of promotional materials comprising numerous advertisements placed in magazines circulated in Hong Kong including “清新周刊”, “香港周刊”, “青春”, “Gemce 姿采”, “Hong Kong Elle”, “YES!”, “忽然1周”, “東方新地”, “Marie Claire” (Chinese version for Hong Kong), “Amy”, “生果 Fruit Weekly”, “3 周刊 Three Weekly”, “東周刊”, “Cheez!”, “JESSICA”, “Fashion and Beauty”, “快周刊” and “Cosmopolitan” (Chinese version) in respect of the advertising of the applicant’s cosmetics and skin care products bearing the suit mark for the period from 1991 up to the date of application was produced in the exhibit marked “TSM-5” to Ms Tong’s statutory declaration.

34. According to paragraph 13 of Tong’s statutory declaration, the advertising expenses were substantial amounting to about HK\$2.5 million in 1998. Although there had been a steady drop in the advertising expenses incurred, the same still

amounted to about HK\$1.35 million in 2002. The annual average of the value of the sales amounted to approximate HK\$9 million according to the sales figures for the years 1995 to 2002 given in paragraph 12 of Tong's statutory declaration. Similarly, a huge bundle of invoices dating back from 1990 up to the date of application which evidence the sale of the applicant's cosmetics and skin care products in Hong Kong was produced in the exhibit marked "TSM-4" to Tong's statutory declaration.

35. Turning to the evidence of use filed by the opponent, it claims that its goods were first promoted under its mark "PAB" in Hong Kong at least as early as in April 1986. However, the opponent is only able to produce copies of sample sales invoices verifying sale of the opponent's skin care products under the opponent's mark "PAB" in Hong Kong for the period from 1995 to 1998. Not even one single piece of sample sales invoice for the period from 1999 to the date of application has been produced by the opponent. No explanation was given in the statutory declaration as to why invoices for the more than three-year period immediately preceding the date of application are not available. Sales figures in Euro dollars of the opponent's goods promoted under the mark "PAB" and its variants in Hong Kong were given in paragraph 10 of Yves' statutory declaration : €8,672.82 in 1997; €3,010.24 in 1998; €13,754.52 in 1999; €4,198.25 in 2001 and €2,903.47 in 2002. No sales figures were given for the year 2000. Even if the sales figures are accepted by me putting all the above queries aside, it is apparent that the sales figures of the applicant's goods are much more substantial than those of the opponent's goods. The applicant's goods bearing the suit mark have also been continuously sold in Hong Kong for a longer period of time from 1990 up to the date of application.

36. Turning to the advertising evidence produced by the opponent in exhibit "PY-6" to Yves' statutory declaration, a substantial portion of the evidence produced consists of overseas advertising materials presumably circulated in Taiwan, Canada and Russia. I cannot attach any weight to them. Regarding the small portion of promotional materials which is supposed to evidence advertising of the opponent's mark "PAB" in Hong Kong, I do not know what exactly the documents are as they are only described as "promotional materials" in Yves' statutory declaration. There are no covering pages for the evidence produced that could shed light on the nature and date of the documents. To me, given their main contents are describing the ingredients and function of the products and giving instructions of use, they look like loose-leaf products catalogues or descriptions in relation to the opponent's skin care products bearing the "PAB" mark. In the absence of evidence of the circulation of these "products catalogues or descriptions" within Hong Kong before the date of application,

I cannot give any weight to them. The only piece of evidence in exhibit “PY-6” the nature of which is clearly known is a copy extract from the “B&H” magazine in which an advertisement of the opponent’s “PAB” products was placed. However, according to the cover page, the issue of the magazine in question was circulated in 2004 which is post-application date. I cannot give weight to this exhibit either. Furthermore, apart from the worldwide advertising figures, no breakdown for the advertising figures of the opponent’s goods under the mark “PAB” in Hong Kong was produced in Yves’s statutory declaration. In the face of the opponent’s evidence, I do not feel I am able to conclude that the opponent had advertised the “PAB” mark in Hong Kong prior to the application date. In my view, the overall use of the suit mark by the applicant in terms of both sales and advertising has far outweighed that of the opponent.

37. I now proceed to consider the degree of confusion likely to ensue from the resemblance of the marks. As I have found above, the two marks are so nearly resembling as to be likely to deceive or cause confusion. However, that should not pose a bar to registration under section 22 of the Ordinance.

38. Lord Hanworth M.R. in *Alex Pirie and Sons Limited’s Application* (1932) 49 RPC 195 (CA) observed at 213 as follows :-

“I find that section [22] is a section which does not carry with it a limitation as to there being a slight possibility of deception, for its words indicate that the Registrar may permit the registration of the same trade mark, or of nearly identical trade marks, for the same goods by more than one proprietor. It seems to indicate that the powers of the court (and the Registrar) can be exercised even when there is likely to be confusion between the marks.”

39. In *Buler Trade Mark* [1975] RPC 275 at 289, Graham J. expressed the view that “the degree of likely confusion is relatively unimportant under [section 22] provided the honesty of the applicant is established and it is otherwise just in all the circumstances that this mark should be registered”.

40. The next matter to be taken into consideration is whether any instances of confusion have in fact been proved. Despite concurrent use of the suit mark by the applicant and the mark “PAB” by the opponent for about seven years prior to the date of application, the opponent has not proved a single incidence of confusion. This fact cannot be regarded as unimportant even though allowance is made for difficulty of proof (*Alex Pirie, supra*, at 195). Therefore, I should take this into account in

exercising my discretion under section 22 of the Ordinance. Finally, the relative inconvenience to the parties is to be weighed. As the extent of use in time and quantity of the suit mark far exceeds that of the opponent's mark, I consider the applicant will suffer disproportionately if the subject application for the specified goods is refused.

41. Having taken into account of all the above, I have no hesitation in exercising my discretion under section 22 in favour of the registration of the suit mark.

Under section 12(1)

42. The opponent has pleaded section 12(1) as one of the grounds of opposition. However, I do not think that I need to consider the opposition under this section. Even if the registration of the suit mark offends against section 12(1) of the Ordinance, it is settled law that section 22 may be invoked to allow the registration of the mark.

Under section 13(1)

43. The opponent alleges in the grounds of opposition that in pursuing the present application despite the prior registration and reputation of the opponent's mark "PAB", the applicant has made a false claim to proprietorship of the suit mark and the suit mark should be refused registration pursuant to section 13(1) of the Ordinance. A challenge to an application based on the opponent's prior use of the mark is available only where the two marks are virtually identical and in respect of virtually identical goods (*Re Wowi & Device Trade Marks* [1998] 3 HKC at 221). Although the two marks are in respect of identical goods in the present case, they are not virtually identical. As a matter of side-by-side comparison which is the test for determining whether the two marks are virtually identical under section 13(1), there are differences that it cannot be said the respective marks are the same mark or so similar as to be in effect the same mark. Therefore, I find that the section 13(1) opposition is defeated.

Under section 23

44. Opposition under this section is unavailable to the opponent on the facts. Section 23 applies when the opponent has a prior similar registered mark in the country from where the goods originate for the same or similar goods. It has no application where the opponent has already registered its mark in Hong Kong. In such

circumstances, section 20 is the applicable section for opposition purposes.

Under section 13(2)

45. Having exercised my discretion in the applicant's favour under section 22, it would be somewhat perverse to exercise it against the applicant under section 13(2). In any event, no fresh grounds have been advanced by the opponent in relation to my exercise of discretion under this section. I accordingly decline to exercise my discretion against the applicant.

Costs

46. 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 its costs. I accordingly order that the opponent pays the costs of these proceedings.

47. Subject to any representations as to 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. 4A) as applied to trade mark matters, with one counsel certified, unless otherwise agreed between the parties.

Original signed

(Ms Fanny Pang)
p. Registrar of Trade Marks
4 December 2007