

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300169128



MARK : **LAVINCI**

CLASSES : **3, 18 and 25**

APPLICANT : **EASTCO INTERNATIONAL INVESTMENT LIMITED**

OPPONENT : **ESCADA AKTIENGESELLSCHAFT**

STATEMENT OF REASONS FOR DECISION

Background

1. On 2 March 2004, the applicant filed an application (the “subject application”) for registration of the mark above (the “subject mark”) in respect of the goods in Classes 3, 18 and 25 set out in Schedule 1 (the “applied for goods”) under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”).
2. Particulars of the subject application were published on 23 July 2004. The Opponent filed a notice of opposition to the subject application on 19 October 2004.
3. The opposition hearing took place before me on 29 March 2007. Ms. Lam Ha Ngan of the Applicant appeared at the hearing. Mr. Anson M. K. Wong, Counsel, instructed by Deacons, appeared for the Opponent.

Grounds of opposition

4. The Opponent opposes registration of the subject mark under sections 11(5)(b), 12(3), 12(4) and 12(5)(a) of the Ordinance.

The Opponent's marks

5. The Opponent states at paragraph 2 of the grounds of opposition included in the notice of opposition that it is the owner of the following marks :



(the “Facing Double E logo”); and



(the “Backing Double E logo”)

(collectively, the “Double E logo marks”).

6. The Opponent is the owner of the following registered trade marks :

(a) The Facing Double E logo registered as of 1 December 1995 under Trade Mark No. 1998B01785 in respect of “perfumes, eau de toilette, cosmetics; all included in Class 3” (the “Class 3 Facing Double E logo”); and

(b) The Backing Double E logo registered as of 17 June 1994 under Trade Mark No. 1996B02252 in respect of “perfumes, cosmetics, essential oils, dentifrices, hair lotions, soap, all included in Class 3” (the “Class 3 Backing Double E logo”).

7. Each of the marks at paragraph 6 has a date of application for registration earlier than that of the subject mark. According to section 5(1)(a) of the Ordinance, each of them is an earlier trade mark in relation to the subject mark.

8. The Opponent has, in the notice of opposition and at the hearing, also referred to registration of the Facing Double E logo under Trade Mark No. 300291212 registered as of 23 September 2004 in respect of “articles of clothing,

footwear, headgear” in Class 25. The date of the application for registration of this mark is, however, later than that of the subject mark.

Counter-statement

9. The Applicant filed a counter-statement on 17 January 2005 in response to the Opponent’s notice of opposition.

Opponent’s evidence

10. The Opponent’s evidence consists of a statutory declaration of Beate Lechner, Senior Manager Trademarks and Design Protection of the Opponent, declared on 15 July 2005 (the “Lechner Declaration”). Ms Lechner says that the Opponent commenced operations in Munich, Germany in 1976. It is the parent company of the ESCADA group of companies (the “ESCADA Group”) which is engaged in the design, manufacture, sale and promotion of fashion items. The major lines of business of the ESCADA Group are:-

- ESCADA Collection (including couture);
- ESCADA Sport;
- ESCADA Accessories and Licenses (glasses, perfume, ties, scarves and jewelry).

11. Ms Lechner says that ESCADA Group has, presumably at the time of the Lechner Declaration in July 2005, approximately 480 own shops and franchise shops in more than 60 countries. In the fiscal years 2003/2004 and 2002/2003, the Opponent (together with the ESCADA Group) generated sales of €626 million and €621 million respectively. Exhibits “BL-1” to “BL-6” to the Lechner Declaration consist of copies of the Opponent’s annual reports for the business years 1998/1999 to 2003/2004.

12. Ms Lechner goes on to state that the Opponent has registered the Double E logo marks in Hong Kong and various countries in the world. Copies of the certificates of registration are found in Exhibits “BL-7” and “BL-8”.

13. Ms Lechner says that the dates of first use of the Backing Double E logo and the Facing Double E logo are 1994 and August 1996 respectively, and that the Opponent has extensively used the Double E logo marks in Hong Kong and overseas in relation to a wide range of goods in Classes 3, 18 and 25 including perfumes, shower gel, bath gel, shave balm, after shave spray, eau de toilette, cosmetics, skin soap, eyewear, sunglasses, leather articles, handbags, lingerie, clothing, footwear and headgear (the “Opponent’s claimed goods”). She then gives what are stated to be the annual sales figures of goods bearing the Double E logo marks in Hong Kong and worldwide during the period 1998 to 2003. A random selection of sales invoices are provided at Exhibit “BL-9”. Representations of some hangtags and perfume packaging bearing either of the Double E logo marks are found at Exhibit “BL-10”.

14. Ms Lechner goes on to say that the Opponent’s Double E logo marks have been widely promoted in Hong Kong, and that the annual marketing and advertising expenditure for goods bearing the Double E logo marks is about 5% of the annual sales figures set out earlier in the Lechner Declaration. She says that the Opponent’s goods bearing the Double E logo marks are extensively promoted in Hong Kong by Escada (Asia) Limited and Escada Retails (Hong Kong) Limited, the subsidiaries of the Opponent, in local ESCADA shops and by way of printed advertisements. She goes on to give the addresses of five ESCADA shops in Hong Kong. I note that they are located at busy commercial or shopping areas in Hong Kong and Kowloon. Ms Lechner also referred to copies of advertisements and promotional materials circulated in Hong Kong (Exhibit “BL-11”) and printouts from the Opponent’s website www.escada.com (Exhibit “BL-12”).

Applicant’s evidence

15. The Applicant’s evidence consists of a statutory declaration of Leung Pui Fan, the Secretary of the Applicant, declared on 17 January 2006 (the “Leung Declaration”). Ms Leung says that the Applicant is a Hong Kong company which owns the subject mark, and has used the subject mark in Hong Kong since 2001. She also refers to Exhibit 1 to her declaration, which contains copies of some invoices and a catalogue of the Applicant’s goods. She says that the Applicant is also the owner of the trade mark “LAVINCI” registered

as of 21 April 1999 under Trade Mark No. 200010634 in respect of “leather goods, wallets, handbags” in Class 18 (the “LAVINCI” mark). Ms Leung further says to the effect that, the device element in the subject mark, consisting of the letters “L”, “V” and “C”, is an abbreviation used to represent the word component “LAVINCI” in the subject mark. Ms Leung gives some approximate annual sales figures of goods provided under the subject mark for the years 2002 and 2004. She also provides at Exhibit “3” to her declaration a copy of the first draft of the design of a logo by a designer commissioned by the Applicant, together with a copy of the invoice therefor.

Relevant date

16. The relevant date for considering this opposition is 2 March 2004, the filing date of the subject application.

Opposition under section 12(3) of the Ordinance

17. Section 12(3) of the Ordinance provides as follows:

“A trade mark shall not be registered if –

- (a) the trade mark is similar to an earlier trade mark;*
- (b) the goods or services for which the application for registration is made are identical or similar to those for which the earlier trade mark is protected; and*
- (c) the use of the trade mark in relation to those goods or services is likely to cause confusion on the part of the public.”*

18. According to section 7(1) of the Ordinance, in determining whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.
19. Section 12(3) of the Ordinance is similar in effect to section 5(2) of the UK Trade Marks Act 1994 which implements Article 4(1)(b) of the First Council Directive 89/104 of 21 December 1998 of the Council of the European

Communities. In determining the issue under section 12(3), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723.

20. Section 12(3) essentially prohibits the registration of a trade mark which would be likely to cause confusion on the part of the public as a result of its being similar to an earlier trade mark and because it is to be registered in respect of goods or services the same as or similar to those the subject of the earlier trade mark. I must therefore consider whether there are similarities between the subject mark and the Opponent's marks and the goods covered, and whether they would combine to create a likelihood of confusion.
21. The likelihood of confusion is to be assessed globally, taking into account all factors relevant to the circumstances of the case.

Comparison of goods

22. At the hearing, in relation to the ground for refusal under section 12(3) of the Ordinance, Mr. Wong for the Opponent focused on opposition against registration of the subject mark in relation to the Class 3 goods applied for, on the basis of the Opponent's two registered marks referred to in paragraph 6 above.
23. The specification of goods for the Class 3 Facing Double E logo and that for the Class 3 Backing Double E logo each covers some of the Class 3 goods in the subject application. The Class 3 goods covered by the subject application are identical or similar to the goods for which the Class 3 Facing Double E logo and the Class 3 Backing Double E logo are respectively registered.

Distinctiveness of the Opponent's marks


24. A mark may be particularly distinctive either *per se* or because of the



reputation it enjoys with the public. The more distinctive an earlier mark, the greater will be the likelihood of confusion (*Sabel BV v Puma AG*, para. 24).

25. In determining the distinctive character of an earlier trade mark, I must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (*Windsurfing Chiemsee v Huber and Attenberger* [1999] E.C.R. I-2779; *Lloyd Schuhfabrik Meyer v Klijsen Handel* [1999] E.T.M.R. 690).
26. I refer to the two marks at paragraph 6. The Class 3 Facing Double E logo consists of two letters “E” in Times New Roman font facing each other. The Class 3 Backing Double E logo consists also of two letters “E” in Times New Roman font, but placed back to back against each other. Each of the two marks is a simple device comprised of two letters. As an unused mark, each of them is not the most distinctive of marks.
27. Mr. Wong submitted that, the courts accept that the more reputation a mark enjoys, the greater would be the likelihood of confusion; hence, a mark with a higher degree of recognition would enjoy “an extended material scope of protection”.
28. I turn to consider what level of recognition or reputation the two marks at paragraph 6 have achieved through use.

29. It is the Opponent's case that the dates of first use in Hong Kong of the Backing Double E logo and the Facing Double E logo are 1994 and August 1996 respectively, and that the Opponent has extensively used the Double E logo marks in Hong Kong (and overseas) in relation to a wide range of goods in Classes 3, 18 and 25, including the Opponent's claimed goods referred to in paragraph 13 above. The Opponent says the annual sales of goods bearing the Double E logo marks in Hong Kong was around €15.3 million in 2002/2003. The Opponent also says that its annual marketing and advertising expenditure for goods bearing the Double E logo marks was about 5% of €15.3 million in 2002/2003. Examples of invoices are found at Exhibit "BL-9" to the Lechner Declaration.
30. I have examined the invoices at Exhibit "BL-9" to the Lechner Declaration. As far as Class 3 goods are concerned, there are a few sales invoices issued by Cosmopolitan Cosmetics China Ltd. bearing dates between September 2002 and March 2003. Putting aside for the moment the point that the relationship between Cosmopolitan Cosmetics China Ltd. and the Opponent is not explained, I note that neither of the Double E logo marks appear in any of those invoices. Although the invoices refer to products like "ESC-Sentiment EDT", "ESC-Sentiment EDP", "ESC-SPH EDT", "ESC-Sentiment Lotion Hydrat" and "ESC-Sentiment Gel Douche Tube", there is no product catalogue or other information which shows that these products bear any of the Double E logo marks.
31. Exhibit "BL-10" to the Lechner Declaration includes:
- (a) two examples of use of the Facing Double E logo on the packaging for "Parfum de Toilette Vaporisateur" and "Gel de Bain Moussant Bath & Shower Gel" respectively; and
 - (b) a few examples of use of the Backing Double E logo on the packaging for after shave lotion and eau de toilette.

These examples are, however, undated, and it is not clear whether or not they relate to products available in the Hong Kong market.

32. Exhibits “BL-1” to “BL-6” contain copies of the Opponent’s annual reports for the business years 1988/1999 to 2003/2004. Neither of the Double E logo marks appears in any of these annual reports. On the other hand, besides the word mark ESCADA, which appears prominently in all the annual reports exhibited, there is also the mark  (the “Oval E mark”), which is found in the Opponent’s annual reports for the business years 2002/2003 and 2003/2004 (Exhibits “BL-5” and “BL-6” to the Lechner Declaration). In each of these two annual reports, the Oval E mark appears at the centre of a full page in dark background that contains nothing but the Oval E mark. That page is one of the beginning pages before the contents page of the relevant annual report. It gives the impression that the Oval E mark is a house mark, or at least a very important mark, of the Opponent and the ESCADA Group. The Oval E mark also appears on handbags and shoes, photographs of which are included in the annual reports at Exhibits “BL-5” and “BL-6” to the Lechner Declaration.

33. Whilst the copies of advertisements and promotional materials circulated in Hong Kong at Exhibit “BL-11” to the Lechner Declaration show use of the marks  ,  and the Oval E mark, they do not show use of any of the Double E logo marks.

34. The following is an extract of the group income statement of the ESCADA Group found in the annual report for the business year 2002/2003 (Exhibit “BL-5” to the Lechner Declaration):

Escada Group income statement for the period Nov. 1 to Oct. 31									in million euros	
	2002/2003				2001/2002					
	Group	ESCADA	PRIMERA	Others and eliminations	Group	ESCADA	PRIMERA	Others and eliminations		
Sales	620.8	410.1	200.6	10.1	772.9	469.8	209.5	93.6		

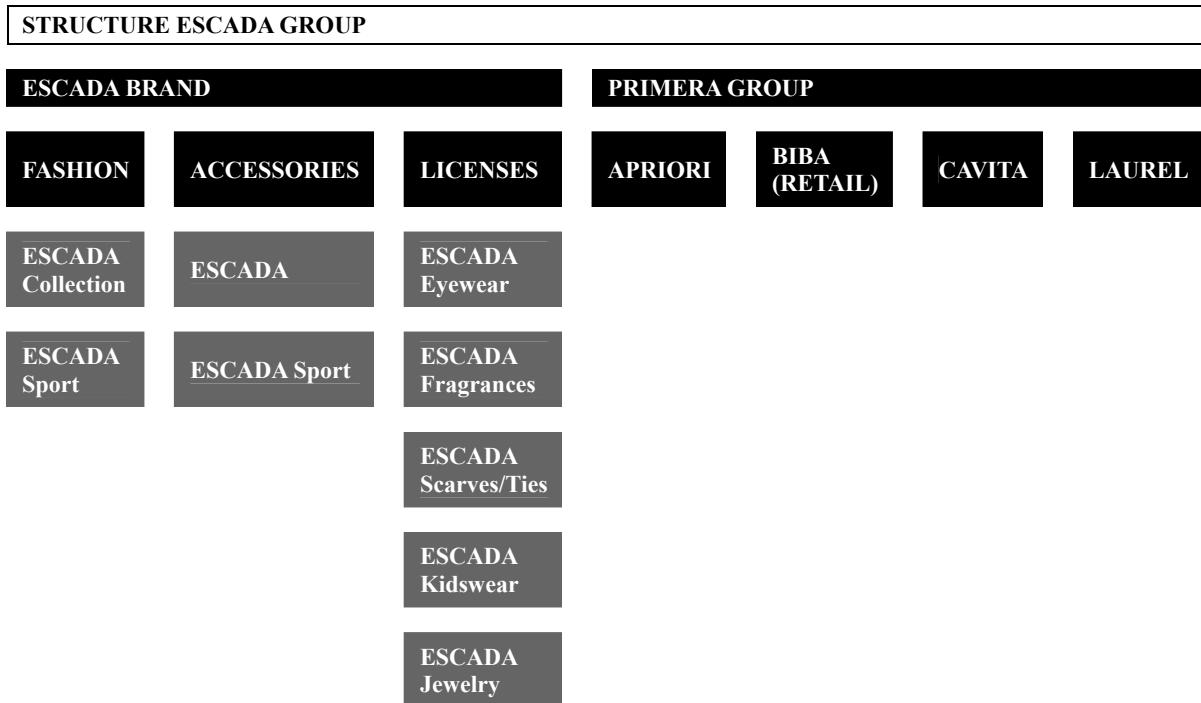
35. The following text appears below the group income statement of the ESCADA Group referred to above :

“The ESCADA business comprises operations in three segments: Fashion (ESCADA Collection and ESCADA Sport), Accessories, and Licenses. All products in these segments are offered under the ESCADA brand. In the management’s discussion

and analysis for 2001/2002 annual financial statements, these activities were called the “core business”.

As before, the PRIMERA Group includes the Apriori, Cavita and BiBA Mode brands. It also includes Laurèl GmbH, which has been a wholly owned subsidiary of PRIMERA AG since November 1, 2003. For full comparability, the Laurèl Group has been added to last year’s figures for the PRIMERA Group.”

36. The above information could best be understood by reference to the following ESCADA Group structure diagram appearing on pages 22 and 23 of the annual report for 2003/2004 at Exhibit “BL-6” to the Lechner Declaration :



37. Whereas according to paragraph 13 of the Lechner Declaration, the annual global sales of goods bearing the Double E logo marks for the business years 2001/2002 and 2002/2003 were €469.8 million and €410.1 million respectively, according to the information referred to in paragraphs 34 to 36 above, the figures “€469.8 million” and “€410.1 million” represent sales of all products offered under the ESCADA brand, and not just products bearing the Double E logo marks.


38. Although paragraph 13 of the Lechner Declaration indicates that the annual sales of goods bearing the Double E logo marks in Hong Kong were €12.6

million and €15.3 million for the years 2001/2002 and 2002/2003 respectively, and that according to paragraph 15 of the Lechner Declaration, the annual marketing and advertising expenditure in Hong Kong for goods bearing the Double E logo marks was about 5% of those annual sales figures, since the global sales figures referred to in paragraph 37 and the above Hong Kong sales figures are given in the same table in paragraph 13 of the Lechner Declaration, one would expect that they are calculated on the same basis, i.e. they represent sales of all products under the ESCADA brand, and not just products bearing the Double E logo marks. As there is no breakdown of these sales and advertising figures according to the particular marks used, the extent of use of each of Double E logo marks and the extent to which they have been promoted in Hong Kong are unknown. What can be gathered from the evidence is that the ESCADA mark and the Oval E mark are more important marks to the Opponent, as compared to the Double E logo marks.

39. Printouts from the Applicant's website appearing at Exhibit "BL-12" to the Lechner Declaration post-dates the relevant date. They do not, in any event, show use of any of the Double E logo marks.

40. I refer to the principles at paragraph 25 above. Having considered the Opponent's evidence as a whole, I find that although the claimed dates of first use by the Opponent in Hong Kong of the Backing Double E logo and the Facing Double E logo are 1994 and August 1996 respectively, the only verified uses in relation to Class 3 goods are as referred to in paragraph 31, which evidence is undated and it is not clear whether or not it relates to use in Hong Kong. There is no evidence of the extent of use of the Double E logo marks in terms of sales volume, or of the extent to which the Double E logo marks have been promoted. For the purpose of section 12(3), in relation to the Class 3 Facing Double E logo and the Class 3 Backing Double E logo, there is no evidence of the market share held by those marks. There is also no independent evidence of the reputation of those marks by way of consumer survey or statement from chambers of commerce and industry or trade associations. The Opponent has not established that either the Class 3 Facing Double E logo or the Class 3 Backing Double E logo enjoys reputation in Hong Kong and that the distinctiveness of those marks has been enhanced through use.

Comparison of marks

41. The global appreciation of the visual, aural or conceptual similarities of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (*Sabel BV v Puma AG*).
42. The perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer of the products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect. The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details (*Sabel v Puma*). He only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect recollection of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*).
43. The subject mark consists of a device  together with the word “LAVINCI”. The word “LAVINCI” has no dictionary meaning.
44. The Opponent submitted that the essential comparison should be one between the device element of the subject mark and the Opponent’s Double E logo marks (which consist of devices only), because :
- (a) since the Applicant has already obtained registration of the word mark “LAVINCI”, the essential feature of the subject mark must be the device instead of the word “LAVINCI”;
 - (b) for goods such as handbags, clothing or perfumes, logos play a very important role in the identification of the source of products. Many well-known brands such as “Louis Vuitton”, “Gucci”, “Polo Ralph Lauren”, “Dior” and “Burberry” are identified by their logos and their logos became an essential integral part of their products; and
 - (c) elements added to an essential feature are irrelevant for the sake of comparison.

45. The assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (*Matratzen Concord* [2004] ECR I-3657, para. 32; *Novartis Seeds B.V.'s Application* [2006] E.T.M.R. 82, para. 7).
46. Generally speaking, words “speak louder” than devices in a composite mark (*Oasis Stores Ltd's Trade Mark Application* [1998] R.P.C. 631 at 644). Where a mark comprises a device and a word, it is the word that is generally recalled rather than the device (*Re Yuen Nuen Sun* [2000] 2 HKLRD 341, at para. 11).
47. Moreover, the perception of marks in the mind of the average consumer of the type of goods in question plays a decisive role in the global appreciation of the likelihood of confusion (*Sabel v Puma*, at para. 23). The average consumer would not first consult the trade mark register to find out whether or not the word element “LAVINCI” is or is not registered before they look at the subject mark as used in relation to goods they encounter.
48. In the subject mark, the word “LAVINCI” occupies a prominent position in the mark. It is an invented word, is not descriptive of the applied-for goods, and is highly distinctive. Having regard to the overall impression given by the subject mark, the word “LAVINCI” is likely to make an immediate impression on the average consumer and would be remembered as a dominant element in the subject mark.
49. I will therefore proceed to compare each of the marks at paragraph 6 as a whole with the subject mark as a whole, bearing in mind the dominant element “LAVINCI” in the subject mark.

The Class 3 Facing Double E logo

50. This mark consists solely of a device comprising two letters “E” in Times New Roman font facing each other to form almost a square.

51. The device in the subject mark consists of several letters placed together to form almost a square. The Applicant says that the device in the subject mark consists of four facing “L”s, two “V”s and one “C”. I agree with the Opponent that because the letter “L” in Times New Roman font has little “studs” protruding from the ends of the strokes, the way the four letters “L” in the device in the subject mark are placed is such that there is a certain degree of similarity between the four “L”s taken together and the Class 3 Facing Double E logo. On the other hand, the device element in the subject mark consists not only of the four “L”s, but also two “V”s and one “C”. I do not agree with the Opponent that these letters in the middle of the device in the subject mark are too small and do not have any significant impact on the overall impression of the device. Moreover, the subject mark consists not only of the device, but also the prominent word element “LAVINCI”. Looking at the subject mark as a whole, the average consumer would see that there are letters in the middle of the square in the device, and these letters are some of the letters found in the word element “LAVINCI”. Whereas the Class 3 Facing Double E logo is formed by two letters “E”, the letter “E” is not found in the word “LAVINCI” in the subject mark. The word “LAVINCI” is the most prominent element in the subject mark and will be remembered by the average consumer.
52. Having regard to the structure of the subject mark and the impact of both the device element and the word LAVINCI on the overall visual impression created by the subject mark, I consider that the subject mark as a whole and the Class 3 Facing Double E logo as a whole have a very low degree of similarity.
53. Phonetically, the average consumer may not pronounce the Class 3 Facing Double E logo at all, or may refer to it as a square or “double E”. On the other hand, the subject mark would likely be pronounced as “LAVINCI”.
54. Conceptually, the subject mark would be remembered as a “LAVINCI” mark. It has a very different structure and is conceptually very different from the Class 3 Facing Double E logo.
55. Having considered the similarities and dissimilarities visually, aurally, and

conceptually, between the subject mark and the Class 3 Facing Double E logo, and taking into account the overall impression created by each of them, I consider that the degree of similarity between the subject mark and the Class 3 Facing Double E logo is very low.

The Class 3 Backing Double E logo

56. At the hearing, Mr. Wong did not spend much time comparing this mark with the subject mark. Obviously, there are more differences between this mark and the subject mark, than between the Class 3 Facing Double E logo and the subject mark. The two letters “E” placed back to back against each other create a very different visual impression when compared with only the device element in the subject mark, let alone the subject mark as a whole with the prominent word element “LAVINCI”. The Class 3 Backing Double E logo may not be pronounced by the average consumer, or may be referred to as a double E mark. As said in paragraphs 53 and 54 above, the subject mark would be pronounced as “LAVINCI”, and conceptually, it would be remembered as a “LAVINCI” mark. Visually, aurally and conceptually, the Class 3 Backing Double E logo as a whole is very different from the subject mark as a whole.

Likelihood of confusion

57. The likelihood of confusion must be appreciated globally, taking account of all relevant factors. The matter must be judged through the eyes of the average consumer of the goods applied for who is deemed to be reasonably well-informed and reasonably observant and circumspect. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).
58. There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either *per se* or because of the use that has been made of it.
59. Mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purpose of section 12(3) (*Sabel BV v Puma AG*).

If the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of section 12(3) (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*).

60. I note that the Class 3 goods covered by the subject application are identical or similar to the goods for which the Opponent's marks at paragraph 6 are registered. On the other hand, despite there is some similarity between the Class 3 Facing Double E logo and the outline of the device in the subject mark formed by the four "L"s, comparing the subject mark as a whole with the Class 3 Facing Double E logo as a whole, there are very significant differences whether visually, aurally or conceptually between those two marks. This is even more so when one compares the subject mark with the Class 3 Backing Double E logo. Taking into account the combined effect of all of the above considerations, I consider that when the subject mark is used in relation to the Class 3 goods applied for, the average consumer would unlikely be confused into thinking that those goods and the Opponent's Class 3 goods offered under any of the marks at paragraph 6 come from the same or economically-linked undertakings. The opposition under section 12(3) therefore fails.

Opposition under section 12(5) of the Ordinance

61. Section 12(5) of the Ordinance provides, inter alia, as follows :

"... a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented –

(a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of passing off) ..."

62. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of Hong Kong Vol 15(2)* at paragraph 225.001. The guidance takes account of speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731, and is as follows :

The House of Lords has restated the necessary elements which a plaintiff has to establish in an action for passing off:

- (1) the plaintiff's goods or services have acquired a *goodwill or reputation* in the market and are known by some distinguishing feature;
- (2) there is a *misrepresentation* by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) the plaintiff has suffered or is likely to suffer *damage* by reason of the erroneous belief engendered by the defendant's misrepresentation.

63. The Opponent's case under section 12(5) is essentially that in view of its extensive use of the Double E logo marks in relation to goods in Classes 18 and 25, it is entitled to prevent the use of the subject mark in relation to the goods in Classes 18 and 25 applied for by virtue of the law of passing off.

64. At the hearing, Mr. Wong referred me to various invoices at Exhibit "BL-9" to the Lechner Declaration. They include, inter alia, an invoice bearing a date in March 2001 in relation to certain articles of clothing (Class 25), and an invoice bearing a date in July 2001 in respect of some footwear, belt and handbags (Classes 18 and 25). Mr. Wong also referred me to the invoice at Exhibit 3 to the Leung Declaration, which was the invoice for the designing of the Applicant's logo. The Applicant said that this logo was the first draft of the device which was later modified to become the device element now in the subject mark. Mr. Wong said since that invoice was issued in November 2001, the Applicant could not have used the subject mark until some time after November 2001, and probably only in 2002. Mr. Wong said that the Opponent had used the Double E logo marks first, and had used them extensively.

65. There are various invoices in Exhibit "BL-9" to the Lechner Declaration which relate to goods in Classes 18 and 25. On each of those invoices, one of the marks in Schedule 2 appears prominently at the top. Neither of the Double E logo marks appears on any of those invoices. There is no product catalogue or other information which shows that the products referred to in

those invoices bear any of the Double E logo marks. Furthermore, neither of the Double E logo marks appear in any of the advertisements and promotional materials at Exhibit “BL-11” to the Lechner Declaration or in any of the printouts from the Applicant’s website at Exhibit “BL-12” to the Lechner Declaration.

66. The only examples of actual use of the Double E logo marks are found in Exhibit “BL-10” to the Lechner Declaration. In the case of the Facing Double E logo, they only include the two examples referred to in paragraph 31(a) above, and are in relation to goods in Class 3 only. In relation to the Backing Double E logo, there are some hangtags for some articles of clothing, belts and leather bags, as well as the packaging for Class 3 goods referred to in paragraph 31(b) above. None of these examples of actual use in Exhibit “BL-10” to the Lechner Declaration is dated, and it is not clear whether or not they relate to products available in the Hong Kong market.
67. I have already referred to at paragraphs 37 and 38 above the Hong Kong and global sales figures and figures for advertising and promotion expenditure provided by the Opponent. They relate not only to products bearing the Double E logo marks, but cover all products offered under the ESCADA brand. There is therefore no evidence of the extent of use of the Double E logo marks, or of the extent to which they have been promoted, before the relevant date.
68. Taking the Opponent’s evidence as a whole, I am not satisfied that the Opponent has established a goodwill or reputation in the Hong Kong market by virtue of use of any of the Double E logo marks to form the basis of a passing-off action.
69. I have also found that the degree of similarity between the subject mark and the Facing Double E logo is very low (paragraph 55), and that the Backing Double E logo is very different from the subject mark (paragraph 56). I am not satisfied that the public would likely be confused into believing that goods bearing the subject mark offered by the Applicant are goods of the Opponent, or in some way connected with or guaranteed by the Opponent. The element of misrepresentation is therefore not made out.

70. It follows that there is nothing from which it could be inferred that the Opponent is likely to suffer damage by reason of any erroneous belief engendered by the Applicant's misrepresentation.
71. The opposition under section 12(5) therefore fails.

Opposition under section 12(4)

72. Section 12(4) of the Ordinance provides as follows :

"... a trade mark which is –

- (a) identical or similar to an earlier trade mark; and*
- (b) proposed to be registered for goods or services which are not identical or similar to those for which the earlier trade mark is protected,*

shall not be registered if, or to the extent that, the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

73. To succeed under section 12(4), the Opponent has to establish at least the following :
- (a) that the subject mark is identical or similar to the Opponent's mark;
 - (b) that the Opponent's mark is entitled to protection under the Paris Convention as a well-known trade mark; and
 - (c) the use of the subject mark without due course would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's mark.

74. I would first deal with the requirement referred to in paragraph 73(b).

75. The Opponent's case is that its Double E logo marks are entitled to protection

under the Paris Convention as a well-known trade mark.

76. It is not in dispute that the Opponent is domiciled in a Paris Convention country.
77. Pursuant to sections 4(1) and 5(1)(b) of the Ordinance, the question is whether the Double E logo marks are well known *in Hong Kong at the relevant date*.
78. In determining whether those two marks are well known in Hong Kong, I have to take into account any factors from which it may be inferred that the mark is well known in Hong Kong (section 1(1) of Schedule 2 to the Ordinance). I shall consider any information submitted in this regard, including, but not limited to, information concerning the degree of knowledge or recognition of the trade mark in the relevant sectors of the public; the duration, extent and geographical area of any use of the trade mark; the duration, extent and the geographical area of any promotion of the trade mark and of any registrations or applications for registration of the trade mark, to the extent that they reflect use or recognition of the trade mark (section 1(2), Schedule 2 to the Ordinance).
79. I have already referred to the Opponent's evidence at paragraphs 10 to 14 above. I have also considered the evidence both in relation to Class 3 goods (paragraphs 29 to 40) and in relation to goods in Classes 18 and 25 (paragraphs 64 to 68). Although various invoices are included in the evidence, there is nothing to show that they relate to use of any of the Double E logo marks. Although the claimed dates of first use of the Backing Double E logo and the Facing Double E logo are 1994 and August 1996 respectively, no invoices or advertisements with date and bearing any of those marks are included in any of the Exhibits to the Lechner Declaration. The dates of first use of those two marks, therefore, are not verified from the Exhibits. The only examples of actual use of those marks are as referred to in paragraph 66. These examples are undated, and it is not clear which part of the world such use relates to. For the reasons given in paragraphs 37, 38 and 67 above, although certain Hong Kong and global sales figures and figures for advertising and promotional expenditure are given in the Lechner Declaration, there is no evidence of the extent of use of the Double E logo

marks or of the extent to which they have been promoted, whether in Hong Kong or anywhere else in the world. There is also no independent evidence of the reputation of the Double E logo marks by way of consumer surveys or statements from the trade. There is no information concerning the degree of knowledge or recognition of the Double E logo marks in any relevant sector of the public.

80. Although for the purpose of determining whether a trade mark is well known in Hong Kong, it is not essential to establish that the trade mark has been used, or has been registered, in Hong Kong (section 2(a), Schedule 2 to the Ordinance), taking the Opponent's evidence as a whole, which is expressed to relate not only to the Opponent's operations in Hong Kong but also worldwide, I consider that the Opponent has failed to establish that any of the Double E logo marks were well known in Hong Kong at the relevant date.
81. For the requirement referred to in paragraph 73(a), I have already found that the degree of similarity between the subject mark and the Facing Double E logo is very low, and that the Backing Double E logo is very different from the subject mark (paragraphs 55 and 56).
82. For the requirement referred to in paragraph 73(c), the Opponent submitted that :
 - (a) it is not necessary to show confusion in order to show either the taking of unfair advantage or the causing of detriment;
 - (b) unfair advantage is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts; the stronger the earlier mark's distinctive reputation, the easier it will be to accept that unfair advantage has been taken;
 - (c) detriment would be caused if the use of the later mark may erode the distinctiveness of the earlier mark or tarnish the reputation of the earlier mark.
83. Section 12(4) does not have the sweeping effect of preventing the registration

of a sign which is the same as or similar to a well-known earlier trade mark. It is also not intended to enable the owner of a well-known earlier trade mark to object as a matter of course to the registration or use of a sign which may remind people of his mark (*Premier Brands v Typhoon* [2000] F.S.R. 767). Detriment to and unfair advantage of distinctive character or repute must be provable by real, as opposed to theoretical, evidence and cannot be merely assumed from the fact that the earlier mark has a substantial reputation (*Creditmaster Trade Mark* [2005] R.P.C. 21).

84. I have already found that the Opponent has failed to establish that any of the Double E logo marks were well known in Hong Kong at the relevant date.
85. Moreover, I can find no real evidence to support the Opponent's claim that use of the subject mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of any of the Double E logo marks.
86. The opposition under section 12(4) of the Ordinance therefore fails.

Opposition under section 11(5)

87. Section 11(5) of the Ordinance provides that :

"A trade mark shall not be registered if, or to the extent that –


... (b) the application for registration of the trade mark is made in bad faith."

88. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367, Lindsay J. said at page 379:




"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be judged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

89. Bad faith is a serious allegation that must be proved. An allegation of bad faith should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctively proved and this will rarely be possible by a process of inference (*ROYAL ENFIELD Trade Marks* [2002] R.P.C. 24 at para. 31).
90. The Opponent says that the bad faith on the part of the Applicant lies in deliberate adoption of a logo similar to the Opponent's Double E logo marks and thereby taking unfair advantage of the Opponent's reputation. The Opponent says that :
- (a) the Applicant produces in its evidence the first draft of its logo created by a designer (the "First Draft Logo") (paragraph 7 of, and Exhibit "3" to, the Leung Declaration);
 - (b) the First Draft Logo looks completely different from the subject mark and the Opponent's Double E logo marks in many material ways;
 - (c) the Applicant did not adopt the First Draft Logo (or something similar to that), but instead chose to adopt the subject mark which contains a device very similar to the Opponent's Double E logo marks;
 - (d) no explanation has been given as to why the First Draft Logo was not adopted and/or how it was revised to become the current logo;
 - (e) in the circumstances, it is fair and reasonable to draw the inference that the Applicant deliberately chose to use a logo similar to the Opponent's Double E logo marks and sought to take advantage out of that usage.
91. I am unable to accept that the First Draft Logo looks completely different from the device element in the subject mark. Like the device element in the subject mark, there are four "L"s in the First Draft Logo which are arranged to form the outline of the logo. There are also the letters "V" and "C" inside the rectangle formed by the four "L"s. It is true that inside the rectangle, there are two "V"s and two "C"s, instead of two "V"s and one "C" in the device element in the subject mark. The font used in the First Draft Logo is also not the Times New Roman font. Although there are some differences

between the device element in the subject mark and the First Draft Logo, there are also similarities. On the whole, I am satisfied that the device element in the subject mark is derived from the First Draft Logo.

92. Although the way the four letters “L” in the device in the subject mark are placed is such that there is a degree of similarity between the four “L”s taken together and the Facing Double E logo, the device element in the subject mark differs from the Facing Double E logo in that it has two “V”s and one “C” at the center of the square formed by the four “L”s.
93. Having regard to the above considerations, I do not agree that it is fair and reasonable to draw the inference that the Applicant deliberately chose to use a logo (namely, the device element in the subject mark) similar to the Opponent’s Double E logo marks.
94. At the hearing, Mr. Wong referred me to the second last page of Exhibit “1” to the Leung Declaration, and pointed out that the device element of the subject mark appeared repeatedly on the leather products shown therein as part of a surface design. The word “LAVINCI” does not appear underneath each of the device  appearing on the products. The Opponent says that the Applicant does not use the subject mark as applied for. The Applicant has already obtained registration for the word mark “LAVINCI”. The Opponent says that what the Applicant intends to obtain protection for by way of registration of the subject mark is the device element in the mark. The Opponent says that it is far from honest for the Applicant to apply for registration of the subject mark when in fact it is not the form in which they intend to use the mark.
95. Section 38(3) of the Ordinance requires an applicant for registration to state whether the trade mark is being used, by the applicant or with his consent, in relation to the goods or services in respect of which it is sought to be registered, and if it is not being so used, whether the applicant honestly intends to use the trade mark, or to allow it to be used, in relation to those goods or services. An applicant is required to confirm by marking a tick box in the application form that the applied for mark is being used by the Applicant or with this consent in relation to the goods or services indicated in

the form or the Applicant honestly intends to use the trade mark, or allows it to be used, in relation to those goods or services. In so far as an applicant makes a materially false statement in this regard, the application is made in bad faith (*Ferrero SpA's Trade Marks* [2004] R.P.C. 29, at para. 23).

96. I note that the Opponent's submission referred to in paragraph 94 is not part of its pleaded case. That aside, there is the question of whether the Applicant made a materially false statement when it confirmed in the application form that the subject mark is being used by the Applicant or with his consent or the Applicant honestly intends to use the subject mark or allows it to be used in relation to the applied for goods.
97. There is found in Exhibit "1" to the Leung Declaration examples of use of both the subject mark  and the device mark . There is no reason to doubt the Applicant's intention to use the subject mark.
98. It is also clear that the Applicant intends also to use the mark  separately without the word element LAVINCI. Does this fact means that the subject application was made in bad faith?
99. There is no requirement in the Ordinance that a mark must be registered before it can be used. An unregistered mark, however, does not have the protection of a registered trade mark under the Ordinance, including the protection under section 19(2). Accordingly, where a trader uses two or more trade marks, he may choose to apply for registration of one but not the other mark. The consequence, however, is that only his registered mark, but not his unregistered mark, is immune from infringement proceedings for use in relation to the goods for which it is registered. The fact that the unregistered mark does not enjoy any protection under the Ordinance as a registered trade mark does not mean that the application for registration of the other mark is made in bad faith.
100. Having considered the Opponent's case under section 11(5) as a whole, I can find no material before me which could form the basis of the conclusion that in applying for registration of the subject mark, the Applicant's dealings fall short of the standards of acceptable commercial behaviour observed by

reasonable and experienced men in the trade.

101. I find that the opposition under section 11(5) fails.

Costs

102. 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.

(Finnie Quek)
for Registrar of Trade Marks
28 June 2007

Schedule 1

The applied for goods

Class 3

perfume, toilet water; gels; salts for bath and shower; toilet soaps; body deodorants; cosmetics; creams, lotions, gels and powders for the face, the body and the hands; sun care preparations; make-up preparations; essential oils for personal use; all included in Class 3.

Class 18

airline travel bags; articles of luggage being bags; bags made of plastics materials; backpacks; briefcase; camera bags; camping bags; card holders, coin purses, credit card holders made of imitation leather and leather, fabric with leather; cosmetics bags; garment bags; garment bags for travel; handbags; key holder, leather bags; luggage bags; make-up bags; palm holders made of imitation leather and leather, fabric with leather; pannier bags; portable bags & luggage; pouches bags; school bags; shoe bags; shopping bags; shoulder bags; sling bags; sport bags, other than shaped to contain specific sports apparatus; wheeled travel bags; waist bags; wallets; briefcase; leather and imitations of leather, fabric with leather, and goods made of these materials and not included in other classes; all included in Class 18.

Class 25

clothing for men, women and children; suits made of leather, shirts, blouses, skirts, jackets, trousers, shorts, vests, jerseys, pajamas, dressing gowns; stockings, singlets, corsets, garter belts, pants, brassieres, petticoats, neckties, raincoats, overcoats, greatcoats, bathing suits, sports-overalls, belts (clothing), fur coats, fur jackets, scarves, gloves, footwear and headgear, all included in Class 25.

Schedule 2

(i)



(ii)



(iii)



(iv)

