



TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 300366336

MARK : A 
CLASS : B 
CLASS : 3


APPLICANT : PERFECT WORLDWIDE LIMITED


OPPONENT : SOTHYS INTERNATIONAL

STATEMENT OF REASONS FOR DECISION

Background

1. On 4 February 2005 (the “Application Date”), Perfect Worldwide Limited (the “Applicant”) filed an application (the “subject application”) for registration of the following series¹ of two marks :

 (“subject mark A”)

 (“subject mark B”)

(collectively, the “subject marks”)

in respect of “cosmetics products: skin care, body care, hair care, face care preparations and make-up, all included in Class 3” (the “subject goods”) under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”).

¹ According to section 51(3) of the Ordinance, “series of trade marks” means a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark.

2. Particulars of the subject application were published on 4 March 2005. Sothys International (the “Opponent”) filed a notice of opposition to the subject application on 2 June 2005.
3. The opposition hearing took place before me on 27 March 2008. Mr. Gary Kwan, Counsel, instructed by Messrs. Vivien Chan & Co. appeared for the Opponent. The Applicant did not appear at the hearing.

Grounds of opposition

4. The Opponent opposes the subject application under the following sections of the Ordinance :
 - (i) sections 3(1) and 11(1);
 - (ii) section 12(1), (2), (3);
 - (iii) section 12(5);
 - (iv) section 12(4); and
 - (v) section 11(4) and (5).

Counter-statement and evidence

5. The Applicant filed a counter-statement in Chinese (the “Original Counter-statement”) on 26 July 2005 and, with leave, an amended counter-statement in English (the “Amended Counter-statement”) on 6 October 2005.
6. The Opponent’s evidence consists of a statutory declaration of Michel Grillon declared on 13 June 2006 (the “Grillon Declaration”).
7. On 24 August 2006, the Trade Marks Registry (the “Registry”) received from the Applicant a letter dated 21 August 2006 with enclosures. By a letter dated 28 August 2006, the Registry pointed out to the Applicant that any

evidence the Applicant would like to rely on should be filed by way of a statutory declaration or affidavit in accordance with Rule 79 of the Trade Marks Rules (Cap. 559A), and that the said letter dated 21 August 2006 and enclosures could not be treated as duly filed. In the end, the Applicant did not file any evidence in accordance with Rule 79 for the subject opposition proceedings.

Opposition under sections 3(1) and 11(1) of the Ordinance

8. Section 3(1) of the Ordinance provides as follows :

“In this Ordinance, a "trade mark" (商標) means any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically.”

9. Section 11(1) of the Ordinance provides as follows :

“Subject to subsection (2), the following shall not be registered-

(a) signs which do not satisfy the requirements of section 3(1) (meaning of "trade mark");

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services; and

(d) trade marks which consist exclusively of signs which have become customary in the current language or in the honest and established practices of the trade.”

10. In the notice and grounds of opposition filed on 2 June 2005 (the “Grounds of Opposition”), the Opponent stated that it is the proprietor of the trade mark “SOTHYS” (the “Opponent’s Mark”) which has been registered in Hong Kong in September 1980 under registration no. 19811275 in respect of soaps,

perfumery, essential oils, cosmetics, beauty products, toilet powders and waters, nail varnish, sun-tanning and suntan-preserving preparations, hair lotions and dentifrices; all included in Class 3 (the “Opponent’s Goods”). The Opponent also stated that the Opponent’s Mark has been registered in other countries, and had been continuously used by the Opponent in respect of the Opponent’s Goods for many years worldwide including Hong Kong.

11. The Opponent went on to state as follows :

- “5. *By virtue of extensive and long-standing use, registrations, sales and promotions, as well as high standard of quality and special care with regard to the [Opponent’s] Goods marketed under the [Opponent’s] Mark, the [Opponent’s] Mark has become distinctive of and has come to be identified exclusively with the Opponent and the [Opponent’s] Goods.*
6. *The Applicant ... has on 4 February 2005 filed an application in Hong Kong to register the mark “Biothys” (in series) in respect of “cosmetics products: skin care, body care, hair care, face care preparations and make-up; all included in Class 3” under Application No. 300366336 (“the Applicant’s Mark”).*
7. *The Applicant’s Mark is both visually and phonetically similar to the [Opponent’s] Mark. Taking into account that prior to the application date of the Applicant’s Mark, the Opponent has already registered and acquired substantial reputation in the [Opponent’s] Mark, use and/or registration of the Applicant’s Mark will inevitably cause confusion and give rise to the mistaken belief that goods bearing the Applicant’s Mark also emanate from the Opponent. Such possibility is further enhanced when the goods applied for under the Applicant’s Mark are same goods as those marketed by the Opponent. Use and registration of the Applicant’s Mark will be contrary to the provision of Section 12(1), 12(2) or 12(3) of the Trade Marks Ordinance.*
8. *By reasons of the above, the Applicant’s Mark is not a sign which is capable of distinguishing the Applicant’s goods and registration thereof will be contrary to Sections 3(1) and 11(1) of the Trade Marks Ordinance.” (emphasis added)*

12. According to the Grounds of Opposition, therefore, the Opponent’s pleaded case under sections 3(1) and 11(1) of the Ordinance is essentially that, by reason of the Opponent’s Mark (which is registered and in which the

Opponent claims to have acquired substantial reputation), each of the subject marks, which the Opponent says is similar to the Opponent's Mark, is not a sign which is capable of distinguishing the goods of the Applicant from those of other undertakings, and should therefore be refused under section 11(1)(a) of the Ordinance because it does not satisfy the requirements of section 3(1) of the Ordinance.

13. Section 11 of the Ordinance sets out absolute grounds for refusal of registration of marks, and is to be contrasted with section 12 of the Ordinance which deals with the "relative rights" of an applicant and other parties. Each trade mark must be considered on its own merits for the purposes of determining whether it meets the requirements of section 3(1) of the Ordinance. The presence on the register of other marks of other proprietors does not have a bearing on whether the subject marks meet the requirements of section 3(1) of the Ordinance (*QS by S. Oliver Trade Mark* [1999] R.P.C 520 at 523).
14. In its skeleton arguments and at the hearing, the Opponent took a different line of argument under section 11(1) of the Ordinance.
15. In the Original Counter-statement, the Applicant stated, *inter alia*, as follows :

“一、被反對商標為被反對人的獨立構思、創造、設計，並非模仿、抄襲反對人的商標。

... 2. 被反對商標前半部分三個字母取自英文“Biology”的縮寫，喻意：該公司產品選用於高科技生化原料及天然植物精華製造而成。後半部分四個字母分別取自英文“TREATMENT”、“HIGH-TECH”、“VITALIZE”(取其第一個字母的發音‘Y’)及“SKIN”第一個字母的縮寫，喻意：該產品的作用及效果。”

(一、 **The opposed mark was independently conceived, created and designed by the [Applicant], and not by imitating or copying the Opponent's Mark.**

... 2. The three letters in the first part of the opposed mark is taken from the abbreviation of the English word “Biology”, which means : products of the company are made from high-tech biochemical materials and natural plant extracts. The latter part consists of four letters respectively taken from the first letter of the

English words “TREATMENT”, “HIGH-TECH”, “VITALIZE” (taking the pronunciation of the first vowel ‘Y’) and “SKIN”, meaning: the function and effects of the products.)

16. The Opponent argued in its skeleton arguments and at the hearing that, according to the Applicant, the subject marks have the following meaning for the general public :

“Bio” means “Biology”.

“t” means “treatment”.

“h” means “high-tech” (i.e., high technology).

“y” means (a) “vitalize” (i.e., fill with vitality; put vigor into) and the letter “y” has the same sound of the first part of “vitalize”; and (b) “vital” (if you describe someone or something as vital, you mean that they are very energetic and full of life).

“s” means “skin”.

17. The Opponent submitted that the subject marks indicate that the subject goods have such functions, qualities and characteristics as referred to in paragraph 16 above.

18. Alternatively, the Opponent submitted that each of the subject marks consists of *two customary, current and descriptive words* “Bio” and “thy” + “s”.

19. The Opponent stated that :

(a) “Bio” is defined as “used at the beginning of nouns and adjectives that refer to life or to the study of living things”.

(b) “thy” is defined as “an old-fashioned, poetic, or religious word for ‘your’ when you are talking to one person. *Honor thy father and thy mother*”.

20. On the basis of paragraph 19(b) above, the Opponent submitted that “thys” means “yours”.

21. The Opponent also submitted that the Applicant often referred to the functions, qualities and characteristics of the subject goods as follows :

“Bio-Face Care Treatment :

Made of high-tech biochemical materials and natural plant extract *[sic]*. Effectively premeate *[sic]* skin, vitalize skin cells, repair skin to normal condition and refresh every 28 days. Completely lift away grease, filth, freckle, colour sports *[sic]*, eye wrinkles, wrinkles and making the skin translucent.”

22. According to its skeleton arguments and submissions at the hearing, therefore, the Opponent’s case under sections 3(1) and 11(1) of the Ordinance is essentially that :
- (a) each of the subject marks is “descriptive of the alleged qualities, intended purposes and other characteristics” of the subject goods, and is precluded from registration by virtue of section 11(1)(c) of the Ordinance;
 - (b) since each of the subject marks refers to and is descriptive of the alleged qualities, intended purposes and other characteristics of the subject goods, members of the public will not regard it as a sign that indicates the commercial origin of goods without first having been educated of such function of the sign; it is therefore devoid of any distinctive character, and is precluded from registration by virtue of section 11(1)(b) of the Ordinance; and
 - (c) since each of the subject marks has the “ordinary meanings” referred to in paragraphs 16 to 20 above, the general public would not and will not perceive it as the identifier of the Applicant’s subject goods; it is therefore not capable of distinguishing the Applicant’s goods from those of other traders (section 3(1) of the Ordinance), and is precluded from registration by virtue of section 11(1)(a) of the Ordinance.
23. Section 11(1)(a) to (c) of the Ordinance is similar in effect to section 3(1)(a) to (c) of the UK Trade Marks Act 1994 which implements Article 3(1)(a) to (c) of the First Council Directive 89/104 of 21 December 1998 (the “Directive”) of the Council of the European Communities.
24. Article 3(1)(c) of the Directive provides that registration is to be refused in respect of descriptive marks, that is to say marks composed *exclusively* of

signs or indications which may serve to designate the characteristics of the categories of goods or services in respect of which registration is applied for. Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all. For the purpose of section 11(1)(c) of the Ordinance, which is similar to Article 3(1)(c) of the Directive, it is necessary to consider whether the each of the subject marks is composed exclusively of descriptive signs, and is liable to be used by other undertakings to designate the relevant characteristics of the subject goods (*Windsurfing Chiemsee v Huber and Attenberger* [1999] E.T.M.R. 585).

25. For a mark to possess distinctive character within the meaning of section 11(1)(b) of the Ordinance, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings. Such distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, i.e. the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (*Nestlé SA's Trade Mark Application (HAVE A BREAK)* [2004] F.S.R. 2, applying *Linde AG v Deutsches Patent- und Markenamt* [2003] R.P.C. 45).
26. Section 11(1)(b) of the Ordinance, which is similar to section 3(1)(b) of the UK Trade Marks Act 1994, prevents from registration without proof of distinctiveness, trade marks which are not incapable of distinguishing goods or services of one undertaking from those of other undertakings at all, but which, without evidence of use, do not display a sufficiently distinctive content (*AD2000 Trade Mark* [1997] R.P.C. 168; *MESSIAH FROM SCRATCH Trade Mark* [2000] R.P.C. 44). It follows that a mark which is free from objection under section 11(1)(b) of the Ordinance must be capable of distinguishing the goods or services of one undertaking from those of other undertakings, and therefore unobjectionable under sections 3(1) and 11(1)(a) of the Ordinance.
27. I must therefore consider the distinctiveness of the subject marks by reference to the subject goods and the presumed expectations of the average consumer

of those goods.

28. Each of the subject marks consists of the word “Biothys”, with a dot above the stylized capital letter “B”, and the letter “o” is represented by a device of a half-filled circle.
29. I refer to the Applicant’s statements in the Original Counter-statement set out in paragraph 15 above. Whether or not those statements reflect the Applicant’s reasons for adopting the subject marks, it is quite unthinkable that an average consumer of the subject goods, who can be any ordinary member of the public, would perceive the word “Biothys” to mean “*biology/biological*”, “*treatment*”, “*high-tech*”, “*vitalize*” and “*skin*”. The word “biothys” would not be liable to be used by other undertakings to designate those characteristics.
30. I further refer to the Opponent’s submissions set out in paragraphs 18 to 20 above. Whilst “bio” would likely be understood as meaning “of or relating to life” or “biological”, I consider that the combination of letters “thys” would have no meaning to the average consumer. Whilst the word “thy” is an archaic or dialect form of the word “your” (*Compact Oxford English Dictionary*), the average consumer on seeing the subject marks would not convert the letters “thy” into the word “your” and then combine it with the letter “s” in order to give the letters “thys” the meaning “yours”.
31. I further refer to the Opponent’s submission referred to in paragraph 21 above. Although the Applicant uses the phrase “Bio-face Care Treatment” to refer to products made of biochemical materials, and that “bio” means “of or relating to life” or “biological”, that does not mean that the subject marks consist *exclusively* of descriptive signs designating characteristics of the goods.
32. Taking each of the subject marks as a whole, whilst “bio” may serve to indicate that the subject goods are “of or relating to life” or “biological”, the letters “thys” have no meaning to the average consumer, and therefore, the combination of “bio” and “thys” as a made up word would not serve to designate any quality or other characteristic of the subject goods. Each of the subject marks does not consist *exclusively* of signs which may serve, in trade or business, to designate the qualities, intended purposes or other characteristics of the subject goods for the purpose of section 11(1)(c) of the

Ordinance. The average consumer would not perceive either of the subject marks as a whole as a mere indication of some characteristics of the goods, and would perceive each of the subject marks as an indication of commercial origin of the goods, enabling the consumer who acquires those goods to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent purchase. Each of the subject marks is, therefore, not devoid of distinctive character within the meaning of section 11(1)(b) of the Ordinance, and is capable of distinguishing the goods or services of one undertaking from those of other undertakings for the purposes of sections 3(1) and 11(1)(a) of the Ordinance.

33. I have already pointed out that the Opponent's line of argument set out in paragraphs 15 to 22 above is very different from its pleaded case referred to in paragraphs 10 to 12 above. I find that quite apart from the fact that it has not been properly pleaded, the Opponent's case under sections 3(1) and 11(1) of the Ordinance summarized in paragraph 22 above would, for the reasons given in paragraphs 23 to 32 above, necessarily fail.

Opposition under section 12(1), (2), (3) of the Ordinance

34. Section 12(1), (2), (3) of the Ordinance provides as follows:

“(1) A trade mark shall not be registered if-

(a) the trade mark is identical to an earlier trade mark; and

(b) the goods or services for which the application for registration is made are identical to those for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if-

(a) the trade mark is identical to an earlier trade mark;

(b) the goods or services for which the application for registration is made are 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.*

(3) *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.”*

35. The Opponent’s Mark is registered as of 25 September 1980. Its date of application for registration is therefore earlier than that of the subject marks. According to section 5(1)(a) of the Ordinance, the Opponent’s Mark is an earlier trade mark in relation to the subject marks.

36. Each of section 12(1)(a) and 12(2)(a) of the Ordinance refers to a trade mark which is *identical* to an earlier trade mark. Section 12(1) and section 12(2) of the Ordinance therefore can only be applicable where the mark in question is identical to an earlier trade mark. As neither of the subject marks is identical to the Opponent’s Mark, section 12(1) and section 12(2) are not applicable.

37. I move on to consider the opposition under section 12(3) of the Ordinance. 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.

38. 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 Directive. In determining the issue under section 12(3) of the Ordinance, 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. According to these cases:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors (*Sabel BV v Puma AG*);
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question (*Sabel BV v Puma AG*), who is deemed to be reasonably well informed and reasonably observant and circumspect – but who rarely has the chance to make a direct comparison between different marks and must place his trust in the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*);
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*);
- (d) the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*);
- (e) 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*);
- (f) 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 (*Sabel BV v Puma AG*);
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Article 4(1)(b) (*Sabel BV v Puma AG*);
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense (*Marca Mode v Adidas*);

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

- 39. Section 12(3) of the Ordinance 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 marks and the Opponent's Mark and the goods covered, and whether they would combine to create a likelihood of confusion.
- 40. The relevant date is the Application Date.

Comparison of goods

- 41. The subject goods are set out in paragraph 1. The goods in respect of which the Opponent's Mark is registered are set out in paragraph 10. The subject goods include goods which are identical to some of the goods for which the Opponent's Mark is protected.

Distinctiveness of the Opponent's Mark

- 42. 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).
- 43. 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.T.M.R. 585; *Lloyd Schuhfabrik Meyer v Klijsen Handel* [1999] E.T.M.R. 690).

44. The Opponent's Mark consists of a single word "SOTHYS" without any stylization. The word has no meaning in relation to the Opponent's Goods in respect of which the Opponent's Mark is registered. The Opponent's Mark as a whole is inherently distinctive of the Opponent's Goods.

45. In the Grillon Declaration, the Opponent claims that it first used the Opponent's Mark in respect of cosmetics and beauty products in Hong Kong in 1997. On the other hand, I find that use of the Opponent's Mark in Hong Kong in respect of cosmetics and skin care products only since 2001, i.e. around four years before the Application Date, can be verified from the exhibits to the Grillon Declaration. The sales figures given in paragraph 10 of the Grillon Declaration also start from the year 2001. As stated in paragraph 8 of the Grillon Declaration, the Opponent's products are sold in beauty salons and spas. The invoices at Exhibit G to the Grillon Declaration show that the Opponent's customers include beauty salons and spas in Hong Kong, Kowloon and the New Territories. There is no evidence that the Opponent has its own retail outlets or designated counters in department stores or chain retail stores for cosmetics and skin care products. Sales figures given in paragraph 10 of the Grillon Declaration indicate that the average annual sales in Hong Kong of goods bearing the Opponent's Mark from 2001 to the Application Date was around HKD 9 million per annum. There is no evidence of the market share held by the Opponent's Mark. Paragraph 14 of the Grillon Declaration sets out the amounts spent in advertising and promoting goods bearing the Opponent's Mark during the

years 2001 to 2005. Exhibit I to the Grillon Declaration includes copies of around a dozen advertisements which had been placed in publications like JESSICA, Harper's Bazaar, ELLE Hong Kong, Cosmopolitan, Three Weekly and 姊妹 from 2001 to 2003.

46. I have already found that the Opponent's Mark is inherently distinctive of the Opponent's Goods. Having considered the Opponent's evidence as a whole, I find that through the use that has been made of the Opponent's Mark in Hong Kong before the Application Date in relation to skin care products and cosmetics, the distinctiveness of the Opponent's Mark has been enhanced to some extent, although not to a very significant extent.

Comparison of marks

47. The matter must be judged through the eyes of the average consumer of the subject goods set out in paragraph 1 above. The average consumer rarely has the chance to make direct comparison between different marks and relies upon the imperfect picture of them he has kept in his mind. He normally perceives a mark as a whole and does not proceed to analyze its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components.
48. Each of the subject marks consists of the word "Biothys", with a dot above the stylized letter "B", and the letter "o" is represented by a device of a half-filled circle. The subject mark B is a coloured version of the subject mark A. The slur on the left hand side of the letter "B" in subject mark B is in a lighter colour than the rest of the mark.
49. The Opponent's Mark consists of a single word "SOTHYS" in capital letters without any stylization. All of the letters in the mark "SOTHYS" are in the same font. It is likely that the average consumer would not dissect the mark, and would remember the mark as a whole.
50. Visually, the word "Biothys" consists of seven letters, whilst the word "SOTHYS" consists of six letters. The consumer normally attaches more

importance to the first part of words (*El Corte Ingles v OHIM* [2004] E.T.M.R. 103), and will readily notice the difference between the initial first letters in the subject marks and the Opponent's Mark. The presence of the device of a half-filled circle towards the centre of each of the subject marks has certain impact on the eye. The Opponent submitted that normal and fair use of the Opponent's Mark would include use of the mark in the form of "Sothys". Even assuming this is so, I consider that although the subject marks and the Opponent's Mark share the letters "othys", the difference in the respective first letters, and the different presentation of the various elements in each of the subject marks as a whole as compared with the Opponent's Mark override the similarity created by the last five letters of the subject marks and the Opponent's Mark.

51. Aurally, each of the subject marks consists of three syllables, whilst the Opponent's Mark consists of two syllables. The pronunciation of the first syllable "so" in the Opponent's Mark is very different from the pronunciation of the first two syllables "bi-o" in the subject marks. Notwithstanding that there is some phonetic similarity between the marks owing to the common last syllable "thys", due to the fact that the respective beginnings of the words in question are pronounced very differently, the overall pronunciation of the subject marks differs substantially from that of the Opponent's Mark.
52. Conceptually, whilst the letters "bio" in the subject marks would likely be taken to mean "of or relating to life" or "biological", each of the subject marks and the Opponent's Mark as a whole has no meaning in relation to the respective goods.
53. The Opponent submitted that the design of the letter "B" in the subject marks includes an "S" on the left side of the letter "B". I do not consider that an average consumer of the subject goods would see an "S" on the left side of the letter "B" in the subject marks. This is particular so since the letters "bio" together has a meaning, namely "of or relating to life" or "biological".
54. Having regard to the visual, aural and conceptual similarities and differences between the subject marks and the Opponent's Mark, I find that the overall impressions created by the subject marks on the one hand and the Opponent's Mark on the other are very different. Despite the fact that the marks share the common letters "othys", the difference in the first letters and the different

overall presentation of the marks prevail over the similarities.

Likelihood of confusion

55. 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*).
56. 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.
57. 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) of the Ordinance (*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) of the Ordinance (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*).
58. The subject goods are set out in paragraph 1. The average consumer of these goods include ordinary members of the public. The goods may be available over the counter or at self-service retail outlets.
59. The subject goods include goods which are identical to some of the goods for which the Opponent's Mark is protected (paragraph 41 above). I have considered the distinctiveness of the Opponent's Mark (paragraphs 42 to 46 above). Having regard to the visual, aural and conceptual similarities and differences between the subject marks on the one hand and the Opponent's Mark on the other, I have already concluded that the overall impressions created by them are very different.

60. In its skeleton arguments, the Opponent submitted that :

“as the Opponent has also been using the related mark “Aroma-Sothys” and “Nutrithys” in respect of the said same goods at all material times, the general purchasers would be likely to consider that the [subject] mark is also a related mark of the Opponent”.

61. The word “aroma” in the mark “Aroma-Sothys” merely describes the relevant goods as having a pleasant smell. The word “aroma” is indistinctive of the subject goods. The average consumer would, therefore, recognize “Sothys” as the dominant and distinctive element in the mark “Aroma-Sothys”. Similarly, the average consumer would recognize “Sothys” as the dominant and distinctive element in the marks “Secrets de Sothys” and “Secret sothys”, which two marks were referred to by Mr. Kwan at the hearing.

62. In relation to the mark “Nutrithys”, I have considered all the invoices at Exhibit G to the Grillon Declaration in relation to sales of the Opponent’s goods in Hong Kong from 2001 to 2005. I can only find one single invoice in that exhibit showing use of the mark “Nutrithys” in relation to skin care preparations in Hong Kong before the Application Date. I have also considered all the advertisements in Hong Kong in relation to the Opponent’s goods included in Exhibit I to the Grillon Declaration. I can find no advertisement showing use of the mark “Nutrithys” in Hong Kong amongst those advertisements. There are no sales figures or advertising figures in relation to use and promotion of the mark “Nutrithys” in Hong Kong.

63. Whilst the Opponent’s Mark “SOTHYS” as a whole is distinctive of the Opponent’s Goods, there is no evidence that the average consumer of the subject goods have come to recognize different words ending with “thys” or “othys” as indicating goods originating from the same or economically-linked undertakings. I do not agree with the Opponent that by virtue of the use the Opponent has made of the marks “Aroma-Sothys” and “Nutrithys”, the general public would be likely to consider that the subject marks are also marks of the Opponent.

64. Taking into account the combined effect of all of the above considerations, I consider that notwithstanding that some of the subject goods are identical to some of the goods covered by the Opponent’s Mark, even taking into account

the distinctiveness of the Opponent's Mark (both per se and the degree to which it has been enhanced through use), the overall impressions created by the subject marks on the one hand and the Opponent's Mark on the other are so different that when the subject marks are used in relation to the subject goods, the subject marks would not even bring to mind the Opponent's Mark, and *a fortiori*, the average consumer would not be confused into thinking that the Applicant's subject goods sold under the subject marks and the Opponent's Goods sold under the Opponent's Mark come from the same or economically-linked undertakings. The opposition under section 12(3) of the Ordinance therefore fails.

Opposition under section 12(5) of the Ordinance

65. The Opponent's case under section 12(5) of the Ordinance is that, the subject marks should not be registered as use of the subject marks would constitute passing-off. This is essentially an opposition under section 12(5)(a) of the Ordinance.

66. Section 12(5)(a) 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) ..."

67. The relevant question is whether normal and fair use of the subject marks for the purpose of distinguishing the subject goods from those of other undertakings was liable to be prevented at the Application Date by an action for passing off.

68. 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.*

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House of Lords. However, like the previous statement of the House of Lords, this latest statement should not be treated as akin to a statutory definition or as if the words used by the House of Lords constitute an exhaustive, literal definition of ‘passing off’, and in particular should not be used to exclude from the ambit of the tort recognized forms of the action for passing off which were not under consideration on the facts before the House of Lords.”

Goodwill or reputation

69. I have already considered the Opponent’s evidence of use of the Opponent’s Mark (paragraph 45 above). Having regard to the extent to which the Opponent’s Mark has been used in Hong Kong before the Application Date, I consider that the Opponent’s cosmetics and skin care products have acquired goodwill and reputation in Hong Kong by the Application Date for the purpose of the requirement referred to in paragraph 68(1) above.

Misrepresentation

70. For the purpose of this element of the action of passing off, the relevant representation must consist of conduct “such as to mislead members of the public into a mistaken belief that the goods or services of the defendant or the defendant’s business are or is either (a) the goods or services or business of the plaintiff or (b) connected with the plaintiff’s business in some way which is likely to damage the plaintiff’s goodwill in that business” (per Buckley L.J., *H. P. Bulmer Ltd v J Bollinger SA (No. 3)* [1978] R.P.C. 79 at 99).
71. Deception is the gist of the tort of passing off, but it is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct (*Harrods Limited v Harrodian School Limited* [1996] R.P.C. 697 at 706).
72. The representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public, or of a particular class of the public. In such cases, the point to be decided is “whether, having regard to all the circumstances of the case, the use by the defendant in connection with the goods of the mark, name, or get-up in question impliedly represents such goods to be the goods of the plaintiff, or the goods of the plaintiff of a particular class or quality, or, as it is sometimes put, whether the defendant’s use of such mark, name or get-up is calculated to deceive” (*A.G. Spalding & Bros v A.W. Gamage Ltd.* (1915) 32 R.P.C. 273).

Deception

73. As stated in *Halsbury's Laws of Hong Kong Vol 15(2)* at paragraph 225.020 :

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) *that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*

- (2) *that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*

While it is helpful to think of these two factual elements as two successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) *the nature and extent of the reputation relied upon;*
- (b) *the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;*
- (c) *the similarity of the mark, name etc used by the defendant to that of the plaintiff;*
- (d) *the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and*
- (e) *the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.*

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

74. I have referred to the Opponent's evidence of use of the Opponent's Mark in paragraph 45 above. The Opponent's Mark has been used in relation to cosmetics and skin care products at least since 2001, and the invoices at Exhibit G to the Grillon Declaration indicate that the Opponent's customers include beauty salons and spas in Hong Kong, Kowloon and the New Territories. I have considered the volume of sales, the extent of advertising and manner of use as indicated in the Opponent's evidence. I consider that the Opponent's Mark has acquired a reputation in respect of cosmetics and

skin care products, especially amongst traders and operators of beauty salons and spas, and probably also their customers who use or buy the Opponent's products from them.

75. The Opponent's field of activity in relation to cosmetics and skin care products overlaps with that of the Applicant.
76. There is no evidence of use by the Applicant of the subject marks before the Application Date.
77. I have already found that the overall impressions created by the subject marks on the one hand and the Opponent's Mark on the other are very different (paragraph 64 above). Despite the fact that the Opponent's Mark has acquired a reputation in respect of cosmetics and skin care products, and that the Opponent's field of activity overlaps with that of the Applicant, since the overall impressions created by the subject marks and the Opponent's Mark are so very different, traders and members of the public would not mistakenly infer from the Applicant's use of the subject marks in relation to the subject goods that those goods of the Applicant are goods of the Opponent or in some way connected with the Opponent or its business. The element of misrepresentation referred to in paragraph 68(2) is therefore not made out.

Damage

78. I have already concluded that the subject marks on the one hand and the Opponent's Mark on the other are so different that the subject marks would not even bring to mind the Opponent's Mark (paragraph 64 above). It follows that there is nothing from which it could be inferred that the Opponent's goodwill or reputation known by reference to the Opponent's Mark would suffer damage by reason of any erroneous belief engendered by the Applicant's misrepresentation.
79. The opposition under section 12(5)(a) therefore fails.

Opposition under section 12(4) of the Ordinance

80. 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.”

81. To succeed under section 12(4) of the Ordinance, the Opponent has to establish at least the following :

- (a) the subject marks are identical or similar to the Opponent’s Mark;
- (b) that the Opponent’s Mark is an earlier trade mark which is entitled to protection under the Paris Convention as a well-known trade mark; and
- (c) use of the subject marks without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent’s Mark.

82. The protection conferred by section 12(4) of the Ordinance is not conditional on a finding of a degree of similarity between an earlier trade mark which is entitled to protection under the Paris Convention as a well-known trade mark and the subject marks such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the earlier trade mark and the subject marks to have the effect that the relevant section of the public establishes a link between the subject marks and the earlier trade mark. The existence of such

a link must be appreciated globally, taking into account all factors relevant to the circumstances of the case (*Adidas-Salomon v Fitnessworld* [2004] F.S.R. 21).

83. I have already found that the overall impressions created by the subject marks and the Opponent's Mark are so different that when the subject marks are used in relation to the subject goods, the subject marks would not even call to mind the Opponent's Mark (paragraph 64 above). I am not satisfied that the degree of similarity between the subject marks on the one hand and the Opponent's Mark on the other is sufficient to have the effect that the relevant section of the public establishes a link between them.
84. The requirement referred to in paragraph 81(a) is, therefore, not established.
85. I refer to the requirement referred to in paragraph 81(c). Section 12(4) of the Ordinance 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).
86. The closer the similarity between the marks, the greater is the risk that unfair advantage will be taken (*Kerly's Law of Trade Marks and Trade Names* (14th edn.) para. 9-114B).
87. I have already found that the Opponent's Mark is very different from the subject marks. I can find no real evidence to support a finding that use of the subject marks would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's Mark. The requirement referred to in paragraph 81(c) is not established.
88. As both the requirements in paragraph 81(a) and (c) are not established, whether or not the Opponent is able to establish the requirement in paragraph 81(b), the opposition under section 12(4) of the Ordinance necessarily fails.

Opposition under section 11(4) of the Ordinance

89. The Opponent stated in the Grounds of Opposition that :

“the [subject mark] is calculated to deceive and cause confusion and would lead the public into the mistaken belief that the Applicant’s goods are the goods provided by the Opponent. In the premises, the [subject mark] shall not be granted registration as it is contrary to Sections 11(4) and 11(5) of the Trade Marks Ordinance.”

90. Section 11(4) of the Ordinance provides that :

“A trade mark shall not be registered if it is –

(a) contrary to accepted principles of morality; or

(b) likely to deceive the public.”

91. There is nothing to suggest that the subject marks are contrary to accepted principles of morality for the purpose of section 11(4)(a) of the Ordinance.

92. Section 11(4)(b) of the Ordinance is intended to apply where the deception alleged arises from the nature of the mark itself. This is consistent with the heading of section 11 of the Ordinance which is entitled “Absolute grounds for refusal of registration” and is to be contrasted with section 12 of the Ordinance which deals with the relative rights of an applicant and other parties. Consequently, the Opponent cannot succeed under section 11(4)(b) based upon its allegedly similar mark (*QS by S. Oliver Trade Mark* [1999] R.P.C. 520 at 524).

93. The Opponent therefore has not made out its opposition under section 11(4) of the Ordinance.

Opposition under section 11(5) of the Ordinance

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

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

(a) its use is prohibited in Hong Kong under or by virtue of any law; or

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

95. The Opponent’s pleaded case under section 11(5) is as follows :

“the [subject mark] is calculated to deceive and cause confusion and would lead the public into the mistaken belief that the Applicant’s goods are the goods provided by the Opponent. In the premises, the [subject mark] shall not be granted registration as it is contrary to Sections 11(4) and 11(5) of the Trade Marks Ordinance.”

96. Whether or not the use of a trade mark is liable to be prohibited by virtue of the law of passing off is covered under section 12(5)(b) of the Ordinance. I have already dealt with the Opponent’s ground of opposition under section 12(5)(b). There is nothing to suggest that use of any of the subject marks is prohibited in Hong Kong under or by virtue of any other law. Opposition under section 11(5)(a) of the Ordinance therefore has not been made out.

97. At the hearing, Mr. Kwan for the Opponent pointed out that the Applicant had issued a letter to the Registry dated 21 August 2006, wherein it was stated, *inter alia*, that :

“2. Please see the attachment, we know that the trademark “SOTHYS” has been registered in China since 30 April, 2003...”

98. Mr. Kwan submitted that the Applicant must be aware of the use of the Opponent’s Mark by the Opponent no later than by 2003, and that the Applicant had copied the same letters “s” and “othys” from the Opponent’s Mark, incorporated them into the subject marks and added some minor elements thereto. Mr. Kwan submitted that the Applicant’s application for registration of the subject marks was made in bad faith.

99. 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.”

100. 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).

101. I refer to the sentence in the Applicant’s letter dated 21 August 2006 referred to in paragraph 97 above. The “attachment” referred to in that sentence includes the registration details of the mark “SOTHYS” in the People’s Republic of China. Those details include the following :

“专用权期限 2003年04月30日至2013年04月29日”

(Protection period : 30 April 2003 to 29 April 2013)

102. It would therefore appear that the Applicant was referring to the date “30 April 2003” as the date from which the mark “SOTHYS” had been granted protection in the People’s Republic of China, and not as the date from which the Applicant knew about that mark.

103. I have already referred to this letter dated 21 August 2006 of the Applicant in paragraph 7 above. The Opponent accepts that this letter does not constitute evidence in these proceedings, as it was not filed by way of a statutory declaration or affidavit.

104. I have already found that the subject marks on the one hand and the Opponent’s Mark on the other are very different. Quite apart from the fact that the Opponent’s line of argument referred to in paragraph 98 above is very different from its pleaded case referred to in paragraph 95 above, I find that

there is no material before me which could form the basis of the conclusion that in applying for registration of the subject marks, the Applicant's dealings fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the trade.

105. I find that the opposition under section 11(5) of the Ordinance also fails.

Costs

106. 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. 4A) as applied to trade mark matters, unless otherwise agreed between the parties.

(Finnie Quek)
for Registrar of Trade Marks
23 May 2008