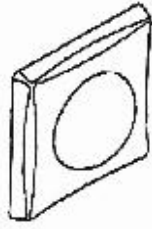


**TRADE MARKS ORDINANCE (Cap. 559)**

**APPLICATION NO.: 300590085**



**MARK:**

**CLASS: 14**

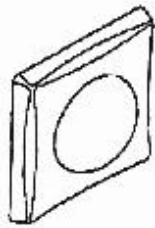
**APPLICANT: PAJ, INC**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 1 March 2006, PAJ, INC (“the applicant”) applied, pursuant to the provisions of the Trade Marks Ordinance (Cap. 559) (“the Ordinance”), to register the mark



(“the mark”) in Class 14 for “Jewelry” (“the applied-for goods”).

2. The mark is described in the application form as “a three-dimensional shape of a metal square with molded ends with a round precious or semi-precious or lab created ruby coloured gemstone set in the middle which is displayed on the under or backside of jewelry as a trade mark.” By an amendment request of 18 April 2007, the applicant has further clarified that the surface of the gemstone does not protrude from the level of the metal square.
3. At the examination stage, objection was taken under section 11(1)(b) of the Ordinance on the basis that the mark is devoid of any distinctive character in respect of the applied-for goods. On 7 May 2007 and 21 June 2007, the applicant filed evidence of use of the mark by way of statutory declarations of Vicky Teherani. The applicant also provided on 18 May 2007 samples of the applied-for goods and some photographs showing the mark in use.

4. The applicant requested a registrability hearing which was postponed once at the Applicant's request and eventually took place before me on 23 August 2007. At the hearing, the applicant was represented by Mr. Philips Wong, Counsel, instructed by Twiggy MH Liu Law Office. I reserved my decision at the conclusion of the hearing.

### **Trade Marks Ordinance**

5. Section 11(1)(b) of the Ordinance provides that:

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

...

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

...”

### **Decision**

#### Section 11(1)(b) of the Ordinance

6. Section 11(1)(b) precludes from registration signs which are devoid of any distinctive character.
7. The test for distinctiveness was laid down by Mr. Justice Jacob in *British Sugar Plc v James Robertson and Sons Ltd* [1996] RPC 281 at page 306:

“What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?”

8. The approach of assessing distinctiveness was further discussed in *Nestle SA's Trade Mark Application (Have a Break)* [2004] FSR 2 at page 26:

“The distinctiveness to be considered is that which identifies a product as originating from a particular undertaking. Such distinctiveness is to be considered

by reference to goods of the class for which registration is sought and consumers of those goods. In relation to the consumers of those goods the court is required to consider the presumed expectations of reasonably well informed, and circumspect consumers.”

9. In view of the above legal principles, I must consider whether the mark, assuming no use of it for the purpose of section 11(2), would be capable of identifying the goods or services as originating from a particular undertaking, and therefore distinguishing them from those of other undertakings. The question must be considered in respect of the goods for which the applicant seeks registration and by reference to the presumed perception of a consumer who is reasonably well-informed and reasonably observant and circumspect.
10. The criteria for assessing distinctive character of three-dimensional trade marks are no different from those applicable to other categories of trade mark *Koninklijke Philips Electronics NV v Remington Consumers Products Ltd.*, European Court of Justice [2003] Ch. 159 at 174, para. 48). I also refer to the judgment of the European Court of Justice in *Henkel KGAA v OHIM* [2004] E.C.R. I-000 (Joined Cases C-456/01P and C-457/01P) where it was said at para. 38 and 39 that:

“It [the Court of First Instance] none the less observed that, for the purpose of applying those criteria, the relevant public’s perception is not necessarily the same in relation to a three-dimensional mark consisting of the shape and colours of the product itself as it is in relation to a word or figurative mark consisting of a sign which is independent from the appearance of the products it denotes. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark.

In those circumstances, the more closely the shape for which registration is sought resembles the shape most likely to be taken by the product in question, the greater the likelihood of the shape being devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulations No. 40/94 (which is broadly similar to section 11(1)(b) of the Ordinance). Only a trade mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin, is not devoid of any distinctive character for the purposes of that provision.”

11. In *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd. & Another* [2003] Ch. 159 at 173, paragraph 30, the European Court of Justice stated what is considered to be the essential function of a trade mark: -

“the essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.”

12. Mr. Wong submitted that the mark is uniquely designed and specially affixed or attached to the underside or backside of the applied-for goods such that it does not form part of the aesthetic design of the goods, an average consumer would perceive it as a trade mark instead of part of the design feature of the applied-for goods as people other than the wearer would not see the mark when the applied-for goods are worn. Mr. Wong also submitted that consumers would pay more attention and care before purchasing the applied-for goods which are no doubt expensive, and are hence more likely to be able to identify the mark as the applicant’s trademark.

13. I consider that the consumers of the applied-for goods are members of the general public. Jewelry means items worn as ornaments, e.g. necklaces, bracelets, earrings, or rings (<http://encarta.msn.com>), which may include costume jewelry that is not expensive or is made from artificial jewels (<http://dictionary.cambridge.org>). I therefore do not agree that the applied-for goods must be expensive. Further, I have noted from the evidence filed by the applicant, namely the sample invoices shown in Exhibit B of the second statutory declaration of Vicky Teherani filed on 21 June 2007, that the applicant’s goods are in fact sold, at wholesale as submitted by Mr. Wong, in the price range of less than US\$2 for a pair of earrings to about US\$45 for a pendant only. I find the relevant consumers may not pay more than ordinary attention and care in relation to the purchase of the applied-for goods.

14. Jewelry often appears in different aesthetic designs and various shapes, and commonly with decorative attachments. Accordingly, consumers of the applied-for goods are used to seeing different shapes in a variety of designs and are not accustomed to regarding such aesthetic design feature, without more, as denoting trade origin. In my view, the mark is a representation of a fairly ordinary design for the applied-for goods, and there is nothing unique or unusual with the design of a ruby-coloured gemstone set level within a metal square. As it is common that

aesthetic design features or decorative attachments may appear at various positions of the goods, I do not find there is anything unique or unusual of the positioning of the mark, namely to be attached to the underside or backside of the applied-for goods. By reference to the applied-for goods for which registration is sought, I find the overall impression the mark creates is that it is an aesthetic design element of the goods which is a variant of one of those common designs for the applied-for goods. It serves to appeal to the eyes of the consumers rather than to guarantee the identity of the origin of the goods.

15. There is no material before me to suggest that the average consumers in the jewelry sector are accustomed to perceiving such aesthetic design element of jewelry to denote commercial origin. And I do not consider the mark to be a significant departure from the norms or customs of the sector such as to cause average consumers to rely on it as a means of distinguishing the origin of the applied-for goods. It appears to be the sort of mark which on its own, assuming no use, cannot do the job of distinguishing without first educating the public that it is a trade mark. The mark thus fails to perform the essential function of a trade mark by enabling the relevant consumers to distinguish the goods bearing the mark as originating from a particular undertaking.
16. For the reasons stated above, I find that the mark is devoid of distinctive character and is precluded from registration under section 11(1)(b) of the Ordinance.

Section 11(2) of the Ordinance

17. Section 11(2) of the Ordinance provides that a trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.
18. A trade mark acquires distinctive character following the use which has been made of it where the mark has come 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 goods of other undertakings (*Windsurfing Chiemsee Produktions-und Vertriebs GmbH v Boots-und Segelzubehor Walter Huber and Franz Attenberger* [1999] E.T.M.R. 585, at para. 54, on the interpretation of Article 3(3) of the First Council Directive 89/104/EEC of 21 December 1988, which is broadly similar to section 11(2) of the Ordinance).

19. With this principle in mind, I turn to consider the two statutory declarations of Vicky Teherani filed on 7 May 2007 (“First Statutory Declaration”) and 21 June 2007 (“Second Statutory Declaration”) respectively in support of the subject application.
20. In the First Statutory Declaration, it is averred that the mark is not part of the aesthetic design of the goods, as it is specially affixed or placed in such a fashion that it is visible only to the wearer of the goods, and that consumers have come to associate the mark exclusively with the applicant. A total of 6 photographs of the applicant’s goods are exhibited (Exhibit A) to show that the mark is attached to the backside of two necklaces and an earring.
21. Mr. Teherani declares that the applicant first used the mark since 2001 but does not mention when the mark was first used in Hong Kong. The sales figures in Asia and North America, and the promotion expenditures are set out, however, without any breakdown for the Hong Kong market.
22. In the Second Statutory Declaration, Mr. Teherani repeats what he has declared in the First Statutory Declaration. Some additional photographs, total 15 pages (Exhibit A) and excerpts of catalogues, total 7 pages (Exhibit C) are exhibited showing the mark in actual use. Model numbers of the goods are shown in some of the photographs and excerpts of catalogues but many of them are illegible. From the photographs and excerpts of catalogues produced, I note that the mark in fact appears at various positions of the applicant’s goods instead of being restricted to the underside or backside of the goods. For example, the mark is attached to the bracelets or necklaces as a small pendant, or forms a part of the clasp of the necklaces or bracelets. At the hearing, Mr. Wong agreed that the mark may actually be equally visible to people other than the wearer when the goods are worn.
23. Mr. Teherani declares that the mark has been used in Hong Kong since 2001 but he only sets out the sales figures in 2003 to 2006 for Hong Kong. Mr. Teherani declares that the applicant has used the mark by way of exportation of the goods from Hong Kong, and the sales figures include goods sold by the applicant in and from Hong Kong. The average sales are approximately US\$669,000.00 per annum. As the date of the subject application is 1 March 2006, pre-application figures of only around 3 years are shown. Sample invoices (15 pages), issued by one Diamondlite Jewelry Co. Ltd. to the applicant from April 2003 to May 2005 are shown in Exhibit B. I note from Exhibit B that all the sample invoices are addressed to the applicant

in the United States, and Hong Kong is not shown on the invoices as destination of the shipments. The invoices hence do not show that the applicant's goods are sold to any traders or consumers in Hong Kong. The goods sold under the invoices are identified by reference to various model numbers. However, I do not find any of these model numbers correspond to those marked on the photographs and excerpts of catalogues. Neither is the mark shown or referred to on the invoices. It is unclear whether the mark is actually used on the goods sold under those invoices. Further, as no date is shown on the photographs and excerpts of catalogues provided, it is unclear whether they are related to pre-application use.

24. Mr. Teherani also sets out the promotion expenditures in 2002 to 2006. He declares that print advertisements have been placed in magazines in the United States and around the world, but does not produce any sample advertisements. Mr. Wong agreed at the hearing that the promotion expenditures did not show any breakdown for the Hong Kong market and there was no evidence that advertisement has been placed in the Hong Kong editions of those magazines. He however submitted that at least some of those magazines seem to be available in the bookstores in Hong Kong.
25. It is also declared that the applicant has promoted the mark by showing goods bearing the mark to its buyers at various trade shows including the Hong Kong International Jewelry and Watch Show. Catalogues are also distributed to the applicant's customers. Mr. Wong agreed at the hearing that there was no information as to the date of the applicant's participation, and there was no reference as to the scale and popularity of the trade shows. Neither is there any information about the scope and extent of the catalogues' circulation in Hong Kong.
26. Mr. Wong submitted that by means of the sales and promotional activities done by the applicant in Hong Kong, the consumers would be able to associate the mark with the applicant. However, he agreed that there is no survey or any evidence from the consumers or trade to show that consumers have actually come to associate the mark with the applicant as alleged.
27. I have considered all the evidence. But I find there is nothing to support the claim that the first use is in 2001, and the extent of use of the mark in respect of the applied-for goods in Hong Kong is very limited. There are only 3 years of pre-application sales figures, which are not supported by invoices showing or referring to goods bearing the mark. The promotional expenditures for the Hong Kong market remain unknown. From what I have discussed in paragraph 23, it

appears that the mark is only or mostly used in the export market, in the circumstances, it is doubtful any evidence of use could be said to serve to educate the consumers in Hong Kong that the mark is a badge of trade origin of the applied-for goods.

28. More importantly, there is nothing in the evidence which identifies the mark as being a means to distinguish the goods of a particular undertaking. The photographs, excerpts of catalogues and invoices exhibited to the statutory declarations do not show that consumers' attention has been drawn to the mark as an identifier of the goods of the applicant. The applicant has not filed any advertising or promotional materials to show that the mark has been promoted on its own as an identifier of trade origin.
29. Mr. Wong submitted that even if the mark is perceived as part of the design of the applied-for goods, it may still be identified as the applicant's trademark at the same time. Whilst I agree that a sign can serve more than one purpose, being both a design feature and an indication of trade origin at the same time, it is for the applicant to prove the same. As I have found above the applicant has failed to demonstrate that on top of being a design feature, the mark has come to serve as a badge of origin as well.
30. Considering all the evidence, I am not convinced that the applicant has been successful in educating the relevant consumers that the mark applied for serves as a badge of trade origin. As the applicant has not demonstrated that before the date of application for registration, the mark has in fact acquired a distinctive character as a result of the use made of it under section 11(2) of the Ordinance, the objection under section 11(1)(b) must be maintained.

*Other registered marks on the register and foreign registrations*

31. The applicant has referred to another mark that has been registered in Hong Kong on a *prima facie* basis and submitted that it is similar and comparable to the mark. I have considered the registered mark, which is a device of a horsebit, an article in a horse's mouth for controlling the horse on a bridle. The mark is considered to be distinctive in respect of the goods in that case.
32. In any event, it is well established that each case must be considered on its own merits and not by reference to other registered marks. In *British Sugar Plc v James*

*Robertson & Sons Ltd* [1996] RPC 281 at 305, Jacob J said that “it has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME Trade Mark* and the same must be true under the 1994 Act. I disregard the state of the register evidence.”

33. I therefore find that the reference to another registered mark do not assist the applicant.

34. In the Second Statutory Declaration, it is stated that the mark has been registered in twenty countries throughout the world including the United States and Japan. However, national trade mark rights are territorially limited and granted independently of each other. The bare fact of registration in other jurisdictions is not sufficient to establish that a sign is eligible for registration here, where there are valid grounds for refusal under the Ordinance. Since I have found valid reasons for refusing the subject application, I should not simply follow the acceptances of other overseas registries.

## **Conclusion**

35. I have considered all the documents and statutory declarations filed by the applicant together with all the oral and written submissions made in respect of the application. For the reasons stated above, I find that the mark is devoid of any distinctive character and is objectionable under section 11(1)(b) of the Ordinance in respect of the applied for goods. The application is accordingly refused under section 42(4)(b) of the Ordinance.

Connie Law  
for Registrar of Trade Marks

15 January 2008