


TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION NO. : 301185255

MARK : 

APPLICANT : Five V's Pty Ltd

CLASS : 3

STATEMENT OF REASONS FOR DECISION

Background

1. On 19 August 2008, Five V's Pty Ltd ("the Applicant") filed an application for registration of the mark shown below ("the subject mark") under the Trade Marks Ordinance (Cap.559) ("the Ordinance").



2. Registration of the subject mark is sought in respect of the following goods in Class 3 ("the applied-for goods"):

"Soaps for personal use; shampoos; skin cleansing preparations; creams, lotions, gels, oils and powders for application to human skin for cleaning, skin care, sun protection or cosmetic purposes; massage oil; sunscreen preparations; toiletries including tooth cleaning preparations and mouthwash; cosmetics including creams, lotions & astringents; cosmetic preparations including preparations for the mouth and teeth; bath salts; cosmetic preparations for addition to bath water; oils for cosmetic purposes; perfumes and scents; hair care products in the form of conditioners, lotions, gels, mousses, creams and sprays; tissues impregnated with cosmetic preparations or with compounds for personal hygiene"

3. At the examination stage, an objection was raised against the subject application under section 12(3) of the Ordinance on the basis of the registration of the following trade marks in series¹ (collectively, “the cited marks”):

Cited Marks



Trade marks :
Registration no. : 301004868
Date of registration : 3 December 2007

The cited marks are registered in Classes 3, 14, 18 and 35. The relevant goods and services covered by the registration of the cited marks in Class 3 and Class 35 are “anti-perspirants, deodorants for personal use, perfumes, non-medicated toilet preparations, cosmetic preparations, dentifrices, shampoos and soaps; all included in Class 3” and “retailing of cosmetics, perfumery, aftershaves” respectively (collectively, “the cited goods and services”).

4. By its letter dated 18 March 2011, the Applicant requested a hearing on the registrability of the subject mark. The hearing took place before me on 31 August 2011, at which Ms Cynthia Houg of Messrs. Marks & Clerk appeared for the Applicant. I reserved my decision at the conclusion of the hearing.

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. The owner of the cited marks claims the colours pink and silver as elements of mark “B” in the series, and the colours silver and pink as elements of mark “C” in the series.

5. Shortly before the hearing, the Applicant filed a statutory declaration of Michelle Vogrinec dated 25 July 2011 (“Vogrinec Declaration”) and a supplemental declaration of Cynthia Houg dated 29 August 2011 (“Houg Declaration”) with a view to show that there has been honest concurrent use of the subject mark and the cited marks under section 13 of the Ordinance.

The Ordinance

6. 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.”
7. As to the meaning of “earlier trade mark” as referred to in section 12(3), the relevant part of section 5 of the Ordinance states :

“(1) In this Ordinance, “earlier trade mark”, in relation to another trade mark, means –

- (a) a registered trade mark which has a date of application for registration earlier than that of the other trade mark, taking into account the priorities claimed in respect of each trade mark, if any...”

The date of application for registration of the cited marks is earlier than that of the subject mark. The cited marks are therefore “earlier trade marks” in relation to the subject mark for the purpose of section 5 of the Ordinance.

8. Another section to consider is section 7(1) of the Ordinance which throws light on how subsection (c) of section 12(3) is to be interpreted. It provides that :

“For greater certainty, in determining for the purposes of this Ordinance whether the use of a trade mark is likely to cause confusion on the part of the public, the Registrar or the court may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trade mark.”

9. The provisions on honest concurrent use can be found in section 13 of the Ordinance, which states :

“(1) Nothing in section 12 (relative grounds for refusal of registration) prevents the registration of a trade mark where the Registrar or the court is satisfied-

(a) that there has been an honest concurrent use of the trade mark and the earlier trade mark or other earlier right; or

(b) that by reason of other special circumstances it is proper for the trade mark to be registered.

(2) The registration of a trade mark under or by virtue of subsection (1) shall be subject to such limitations and conditions as the Registrar or the court thinks fit to impose.

(3) Nothing in this section prevents the Registrar from refusing to register a trade mark on any of the grounds mentioned in section 11 (absolute grounds for refusal of registration).”

Decision

Section 12(3) of the Ordinance

10. Section 12(3) essentially precludes a mark from registration if the use of it is likely to cause confusion on the part of the public, as a result of its being similar to an earlier trade mark and that it is sought to be registered in respect of goods or services the same as or similar to those registered under the earlier trade mark. I must therefore consider whether there are similarities between the subject mark and the cited marks and between the goods and services covered by them which would combine to create a likelihood of confusion.
11. The basic principles regarding the assessment of similarity between marks and the likelihood of confusion between them are set out in the cases of *Sabel BV v Puma AG* [1998] RPC 199, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and adopted in *Guccio Gucci SpA v Gucci* [2009] 5 HKLRD 28. These principles are:
- (a) The likelihood of confusion must be appreciated globally, taking account of all the relevant factors.

- (b) The matter must be judged through the eyes of the average consumer of the goods in issue, who is deemed to be reasonably well informed and reasonably observant and circumspect.
- (c) In order to assess the degree of similarity between the marks concerned one must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements taking into account the nature of the goods in question and the circumstances in which they are marketed.
- (d) The visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. The perception of the marks in the mind of the average consumer plays a decisive role in the overall appreciation of the likelihood of confusion.
- (e) The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details.
- (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.
- (g) The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; further the average consumer's level of attention is likely to vary according to the category of goods in question.
- (h) Appreciation of the likelihood of confusion depends upon the degree of similarity between the goods. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*.
- (i) Mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purpose of the assessment.
- (j) But the risk that the public might believe that the respective goods come from the same or economically linked undertakings does constitute a likelihood of confusion within the meaning of the section.

Comparison of marks

12. A comparison of the marks concerned has to be based on an overall appreciation of the visual, aural and conceptual similarities of the marks in question, taking into account the overall impressions given by the marks, and bearing in mind, in particular, their distinctive and dominant components.
13. The subject mark consists of the word “Gaia” and the words “natural baby” appearing underneath, both set against a black background.
14. Each of the cited marks is constituted predominantly by the word “Gaia” which is represented in a stylized form, with the words “Jewels of Italy” placed under it in a much smaller size.
15. In terms of their visual appearance, both marks contain the word “Gaia”. Ms. Houg submits that the word “Gaia”, despite being the shared element of the two marks, is presented differently in each of the marks. The word “Gaia” in the subject mark appears in block capital letters, whereas all letters in the word “Gaia” in each of the cited marks appear in lower case and in a stylized font. For the word “Gaia” in the cited marks, the first letter “G” is embellished with a gemstone-like device. According to Ms. Houg, the words “natural baby” in the subject mark and the words “Jewels of Italy” in each of the cited marks also contribute significantly to the overall appearance of the marks.
16. There are indeed visible differences between the subject mark and the cited marks. Having said that, I have to consider whether such differences are sufficient to outweigh the similarity produced by the existence of the common element “Gaia” in the respective marks so as to render them distinguishable from each other as wholes. In my view, the answer is no. Visually speaking, the overall impression of the subject mark is dominated by the word “Gaia”, which is eye-catching, positioned in the centre of the mark and significantly larger in size than the underneath words “natural baby”. Likewise, the overall impression immediately created by each of the cited marks is the word “Gaia”, which is also appealing to the eye, located in the middle of the mark and appears much larger than the words “Jewels of Italy” below. Despite the word “Gaia” in each of the cited marks is written in lower case whereas

the word “Gaia” in the subject mark are in upper case, I must take into account notional and fair use of both the cited marks and the subject mark in respect of the goods and services in question, and notional and fair use of either marks could include use in lower case, upper case or a combination of the two (*IDG Communications Ltd’s Trade Mark Application (DIGIT)* [2002] RPC 10). Thus, whether the letters constituting the word “Gaia” appear in upper or lower case does not alter the fact that the subject mark is strikingly similar to each of the cited marks in terms of visual comparison when they are viewed as wholes.

17. By the same token, the subject mark and the cited marks are phonetically similar. Given the relative prominence of the element “Gaia” in both marks, I think that the subject mark and each of the cited marks are likely to be referred to by speech as “Gaia” marks.
18. Conceptually speaking, both the subject mark and the cited marks share the word “Gaia”, which is the name of the goddess of the earth in the Greek mythology (*Collins English Dictionary (Millennium Edition)*). It has no meaning in relation to the applied-for goods and is therefore highly distinctive.
19. Ms. Houg, on the other hand, suggests that the other components of the marks, namely the words “natural baby” in the subject mark and the words “Jewels of Italy” in each of the cited marks, should not be overlooked. In her view, the words “natural baby” in the subject mark convey the message that the goods concerned are for infant use and they are derived from natural ingredients, whereas the words “Jewels of Italy” in the cited marks connote something precious from Italy and convey the image of luxuriousness, opulence and rarities. As the goods provided under the subject mark would be associated with babies and natural skincare, while those under the cited marks would be associated with high-end, luxury and expensive, Ms. Houg argues that the marks are conceptually dissimilar.
20. I cannot accept Ms. Houg’s submission. It is apparent from the authorities cited in paragraph 11 above (as well as the cases referred to by Ms. Houg at the hearing) that I have to bear in mind the distinctive and dominant components of the marks in global appreciation of the similarity between marks. The words “natural baby” and “Jewels of Italy”, even based on the meanings given by Ms. Houg, have only a very low level of distinctiveness, because they merely indicate the different styles and taste of the

goods in question and would be regarded as a reference to different lines of the products of the same undertaking or to the products of economically-linked undertakings, rather than as an identifier of trade origin of the goods. In the context of the applied-for goods such as cosmetics, perfumes, lotions and soaps in Class 3, the European Court of Justice (“ECJ”) has recognized in *L’Oreal SA v Office for Harmonization in the Internal Market (OHIM)* [2009] ETMR 48, at paragraph 32, that “cosmetics manufacturers frequently put several lines of products on the market under different sub-brands” so that “the fact that the mark applied for consists of the earlier mark SPA followed by the word “therapy” [which does not have a strong distinctive character, *per para.31*] could lead consumers to believe that it relates to a line of products marketed by the intervener”. The fact that the Applicant itself has used



another sub-brand in the market (as evidenced in Exhibit A of the Houg Declaration) reinforces my view that the words “natural baby” in the subject mark merely serve to designate a particular line of products. In view of the foregoing, the presence of the words “natural baby” and “Jewels of Italy” in the respective marks does not create a sufficient difference to offset the overall conceptual identity resulting from the presence of the dominant and distinctive word “Gaia” in both marks.

21. In the course of her submissions, Ms. Houg also referred to the following passage in paragraph 33 of the recent ECJ judgment in *Olymp Bezner GmbH & Co. KG v OHIM* (Case T-204/09):

“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 (see *OHIM v Shaker*, paragraph 41 and the case-law cited). It is only if **all the other components of the mark are negligible that the assessment of similarity can be carried out solely on the basis of the dominant element** (see *OHIM v Shaker*, paragraph 42, and judgment of 20 September 2007 in Case C-193/06 P *Nestlé v OHIM*, not published in the ECR, paragraph 42).” (emphasis added by Ms. Houg)

22. I note, however, that the above passage was immediately followed by the following:

“That may be the case, inter alia, where that component is likely by itself to dominate the image which the relevant public retains of that mark, with the result that all the other components of the mark are negligible in the overall impression created by it (*Nestlé v OHIM*, paragraph 43).”

23. I further note that in *Olymp Bezner GmbH & Co. KG v OHIM*, the applied-for mark “OLYMP” was considered to be confusingly similar with an earlier figurative mark which consists of the word “OLIMPO” and a device representing a sloped crux combined with four semi-circles. It was stated in paragraph 40 of the judgment that “the word “OLIMPO” dominates the overall impression of the earlier mark in such a way that, although the figurative element of that mark is not negligible in the overall impression which it creates, it is not sufficient to offset the visual similarities made apparent between the marks at issue.”

24. In the present case, I have considered that the word “Gaia” dominates the overall impressions of the subject mark and each of the cited marks in visual, aural and conceptual terms (paragraphs 15-20 above). I do not think there is any inconsistency between my assessment of similarity of the marks in question and the approach adopted in *Olymp Bezner GmbH & Co. KG v OHIM*.

25. Taking into account the visual, aural and conceptual similarities between the subject mark and each of the cited marks as well as the differences between them as wholes, I find the subject mark and the cited marks to be closely similar to each other.

Comparison of goods and services

26. Guidance on the comparison of goods and services can be found in the case of *British Sugar v James Robertson and Sons Ltd* [1996] RPC 281(at page 296-7). In that case, Jacob J (as he then was) set out the factors that should be taken into account when considering the similarities between goods and/or services. They are :

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of services;
- (d) The respective trade channels through which the goods or services reach the

- market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
 - (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.
27. It was also held in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (supra) that in assessing the similarity of the goods or services concerned, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.
28. Bearing these principles in mind, I consider that the applied-for goods set out in the left column below overlap with or are similar to those of the cited goods and services set out in the right column below:

The applied-for goods	The cited goods and services
<p><u>Class 3</u> Soaps for personal use; skin cleansing preparations; creams, lotions, gels, oils and powders for application to human skin for cleaning, skin care, sun protection or cosmetic purposes; massage oil; sunscreen preparations; toiletries including tooth cleaning preparations and mouthwash; cosmetics including creams, lotions & astringents; cosmetic preparations including preparations for the mouth and teeth; bath salts; cosmetic preparations for addition to bath water; oils for cosmetic purposes; tissues impregnated with cosmetic preparations or with compounds for personal hygiene</p>	<p><u>Class 3</u> Soaps, cosmetic preparations, non-medicated toilet preparations, dentifrices <u>Class 35</u> Retailing of cosmetics, aftershaves</p>

<u>Class 3</u> Shampoos; hair care products in the form of conditioners, lotions, gels, mousses, creams and sprays	<u>Class 3</u> Shampoos
<u>Class 3</u> Perfumes and scents	<u>Class 3</u> Perfumes, anti-perspirants, deodorants for personal use <u>Class 35</u> Retailing of perfumery

29. I find that there is a very high degree of similarity between the applied-for goods and the cited goods and services. Ms Houg has not suggested otherwise at the hearing.

Likelihood of confusion

30. Under section 12(3), likelihood of confusion refers to confusion on the part of the public as to the trade origin of the goods in question. This is a matter of global appreciation taking into account all relevant factors and judging through the eyes of the average consumer of the goods at issue.

31. As the applied-for goods are general merchandise, the relevant consumers of these goods are members of the general public. As the goods in question are not necessarily expensive or precious, the relevant consumers would merely exercise a reasonable degree of care and attention in their purchase of such products. It should also be noted that the average consumer seldom directly compares marks side by side but rely upon his imperfect recollection of marks.

32. In addition, in assessing the likelihood of confusion, I have to be mindful of the principle established in the case of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*, supra, that 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. In the instant case, it is not disputed that there is a substantial overlap between the applied-for goods and the cited goods and services.

33. Having regard to the visual, aural and conceptual similarities and dissimilarities between the subject mark and the cited marks, and the substantial overlap in the goods

and services involved, bearing in mind the principles set out in paragraph 11 above and taking into account all relevant factors, I consider that when the subject mark is used in relation to the applied-for goods, the average consumer would be confused into believing that the goods provided under the subject mark and the goods and services provided under the cited marks come from the same or economically-linked undertakings. In the premises, the registration of the subject mark is objectionable under section 12(3) of the Ordinance.

Section 13(1)(a) of the Ordinance

34. Under section 13(1)(a) of the Ordinance, a mark would not be prevented from registration under section 12 if there has been an honest concurrent use of the mark and the earlier trade mark.
35. The Applicant's evidence for honest concurrent use comprises the Vogrinec Declaration and the Houng Declaration, together with 9 pieces of supporting exhibits. According to the Vogrinec Declaration, the subject mark was adopted by an Australian company Dreamz Pty Ltd trading under the name of "Gaia Skin Naturals" ("the Business") in July 2002. Ownership of the subject mark was assigned from the Business to the Applicant in 2007, and the subject mark has since then been used by the Business under a worldwide licence from the Applicant. The subject mark is claimed to be first used in Hong Kong on 8 October 2004. With this brief overview of the Applicant's case in sight, I will give a more detailed analysis of each of the individual exhibits in the later part of this decision.
36. According to *Re CSS Jewellery Co. Ltd.* [2010]2 HKLRD 890 at 901, the assessment of honest concurrent use under section 13(1)(a) of the Ordinance entails a two-stage determination, which is:
 - (1) whether there has been an honest concurrent use of the mark in suit and the earlier trade mark;
 - (2) If the answer to (1) is in the affirmative, whether after considering all relevant circumstances, including public interest, the Registrar's discretion should be exercised to accept the application for registration of the mark, despite the fact that the use of the mark in relation to the goods or services in question is likely to

cause confusion on the part of the public.

37. The point of time for establishing honest concurrent use is the date of this application, i.e. 19 August 2008 (“the Application Date”). The task before me is therefore to consider whether the Applicant has established that there had been honest concurrent use of the subject mark and the cited marks as at the Application Date.

Stage (1)

38. In relation to stage (1), the focus of inquiry is on three matters, namely use, concurrent use, and honesty of the concurrent use.
39. Leaving alone the majority of exhibits which are either undated or bear a date which is posterior to the Application Date, I note that use of the subject mark can be seen in the copies of commercial invoices and promotional flyers exhibited in Appendix 1 of the Vogrinec Declaration and Exhibits A and B of the Houg Declaration. It can be gleaned from the exhibits that the subject mark has indeed been used by the Applicant as a trade mark in Hong Kong before the Application Date. Since the evidence also reveals use of the subject mark before the date of registration of the cited marks, I think the honesty of the Applicant can be inferred from the fact of prior use. The problem with the evidence is that the Applicant has failed to demonstrate that the subject mark has been used across the whole spectrum of the applied-for goods.
40. Whilst the registration of the subject mark is sought in respect of a wide range of different products such as soaps, shampoos, cosmetics, toiletries, perfumes, massage oil and hair care products, the Applicant is only able to show use of the subject mark in relation to some of the applied-for goods. According to paragraph 8 of the Vogrinec Declaration, the subject mark “is used to identify products including bath and body wash, baby shampoo, conditioning hair de-tangler, baby moisturizer, skin soothing lotion, baby massage oil, baby hair and body wash, baby sleeptime wash, baby wipes and baby powder” and it is also used on “gift set” packs of assortments of these products. From the exhibits themselves, one can see that the subject mark has been actually used in respect of more or less the same items, namely, shampoo, bath and body wash, moisturizer, skin soothing lotion, cornstarch powder, massage oil and conditioning detangler, all of them are for use by babies. In other words, it was neither suggested by the Applicant nor supported by any evidence that the subject

mark has ever been used in relation to the remaining items of the applied-for goods, such as sunscreen preparations, toiletries including tooth cleaning preparations and mouthwash, cosmetic preparations including preparations for the mouth and teeth, perfumes and scents etc. Hence, as far as these items are concerned, the answer to stage (1) of the two-stage determination must be negative and the Applicant's claim for honest concurrent use in respect of these items must fail.

41. As regards the goods which can be identified from the evidence submitted, namely "soaps for personal use; shampoos; skin cleansing preparations; creams, lotions, gels, oils and powders for application to human skin for cleaning, skin care or cosmetic purposes; massage oil; bath salts; cosmetic preparations for addition to bath water; oils for cosmetic purposes; hair care products in the form of conditioners, lotions and sprays; tissues impregnated with cosmetic preparations or with compounds for personal hygiene; all for use by babies", I will now proceed to stage (2) of the assessment.

Stage (2)

42. In stage (2), the main discretionary considerations which should be taken into account when considering whether registration should be allowed on honest concurrent use are set out in *Pirie* (1933) 50 RPC 147 and discussed in *Re CSS Jewellery Co. Ltd.* (at paragraph 39). They are:
- (a) The extent of use in time and quantity and the area of the trade;
 - (b) The degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
 - (c) The honesty of the concurrent use;
 - (d) Whether any incidents of confusion have in fact been proved;
 - (e) The relative inconvenience which would be caused if the mark were registered.
43. I shall consider these five factors in turn, bearing in mind that these considerations are not exhaustive and all relevant circumstances ought to be considered (*Re CSS Jewellery Co. Ltd.*, at paragraph 40).

The extent of use in time and quantity and the area of the trade

44. An assessment of the use of a mark must take into account the length in time the mark has been used in Hong Kong, and the volume of goods sold and/or the turnover of services in relation to the extent of the market.
45. No fixed rule can be laid down as to the minimum period of honest concurrent use necessary, although the Registrar looks for a reasonable period of use, usually about 5 years prior to the application date (*Kerly's Law of Trade Marks and Trade Names, 14th Edition*, paragraph 9-160). In paragraph 7 of the Vogrinec Declaration, it was claimed that the subject mark was first used in Hong Kong on 8 October 2004, which was only about 3 years and 10 months before the Application Date. Although a shorter period of use may be considered acceptable if such use is very extensive or "of a very large scale" (*Granada Trade Mark* [1979] RPC 275), substantial use of the subject mark has not been shown in the present case.
46. To gauge the scale of use of the subject mark in Hong Kong, sales and advertising figures of the Applicant's goods could be served as a good starting point. The annual sales figures and volume of products bearing the subject mark sold in Hong Kong are provided in paragraph 18 of the Vogrinec Declaration. Altogether only five pieces of sample invoices are produced in the Vogrinec Declaration and the Houg Declaration to support the sales figures. According to those figures, the average annual sales of products bearing the subject mark in Hong Kong for the period up to the Application Date amount to approximately HK\$102,800, and an average of about 2,900 items of products bearing the subject mark were sold in Hong Kong per year. In view of the extent of the market for the goods in question, these figures are by no means impressive.
47. Moreover, the reliability of these figures is somehow called into question by the apparent inconsistency of them with other parts of the Vogrinec Declaration. It was stated in paragraph 7 of the Vogrinec Declaration that the subject mark was first used in Hong Kong on 8 October 2004 (supported by Appendix 1), but according to the figures set out in paragraph 18 of the Vogrinec Declaration, 61 items were already sold (and HK\$4,100 sales were generated) for the year of 2003. When questioned about this at the hearing, Ms. Houg replied that the 61 items sold in 2003 were probably sample products. I do not find this explanation convincing, given that the invoice in

Appendix 1 states that the goods delivered to Austrade Hong Kong on 8 October 2004 were also used for tradeshow presentation and display purposes (not for resale) only. As such, it is doubtful whether the figures set out in paragraph 18 of the Vogrinec Declaration accurately represent the actual sales of the Applicant's products bearing the subject mark in Hong Kong or somewhere else.

48. The advertising figures for the Applicant's goods are not particularly high as well. The amounts of advertising expenses spent by the Applicant for the promotion of the subject mark in Hong Kong since 2004 are set out in paragraph 12 of the Vogrinec Declaration. It can be calculated from those figures that the average advertising amount for promoting the subject mark in Hong Kong from 2004 to the Application Date is about HK\$21,985 per annum, which is only fairly minimal when the size of the market of the goods in question is taken into account.
49. Apart from the figures provided, the materials exhibited in the Vogrinec Declaration and the Houng Declaration are also not very helpful in demonstrating extensive use of the subject mark.
50. The first piece of exhibit is provided in Appendix 1 of the Vogrinec Declaration, which is a copy of commercial invoice dated 8 October 2004. It is clear on the face of the invoice that the goods delivered under the invoice to Austrade Hong Kong on 8 October 2004 were not for resale but for display purposes only, which means that actual sales of the Applicant's products were yet to begin on that date.
51. Appendix 2 of the Vogrinec Declaration comprises a copy of a distribution agreement dated 21 July 2005 made between the Business and Glory Smart Trading Ltd. There is no information on the range of products to be distributed under such agreement. The agreement was only effective for a trial period of 12 months, and it is unclear whether it had been renewed after the expiry of such period. By the words "retail stores" at page 1 of the agreement, it appears that Glory Smart Trading Ltd. would distribute goods bearing the subject mark through its various retail outlets in Hong Kong, but no particulars of those stores have been furnished. It is not clear if the identity of those retail stores corresponds with the names of the retailers listed in paragraph 10 of the Vogrinec Declaration. In any event, the most that Appendix 2 can establish is that the Business has appointed Glory Smart Trading Ltd. as its distributor of certain goods bearing the subject mark in Hong Kong in July 2005 that

lasted for about one year.

52. Appendix 3 of the Vogrinec Declaration consists of a copy of email dated 20 July 2005 from Bumps To Babes Limited to Glory Smart Trading Ltd and a printout of a page from the Mother & Baby Superstores website. Neither the email nor the website printout has any reference to the subject mark or the Applicant. Although the email referred to some products linked to two websites (namely www.gaiaskinnaturals.com and www.oberry.com.hk), there is no indication that those products are equivalent to the goods bearing the subject mark. Even assuming that they are the same, the email can at best be taken to show an invitation for quotation of prices by Bumps To Babes Limited, rather than confirmation of the actual sales of the products concerned.
53. Appendix 4 of the Vogrinec Declaration is a copy of order form for ASPL Baby & Mother Gift Basket, on which the subject mark can be seen. The problem with this order form is that it is undated, and is therefore of little assistance in showing any use of the subject mark prior to the Application Date.
54. Appendix 5 of the Vogrinec Declaration consists of copies of samples of advertising and promotional materials of the subject mark. The first page of Appendix 5 appears to be the continuation of the order form for ASPL Baby & Mother Gift Basket in Appendix 4, which sets out the various products included in the gift basket. Again, this page is undated and cannot serve to throw any light on the situation as at the Application Date. The second page of Appendix 5 seems to be a leaflet for the promotion of various products bearing the subject mark in Hong Kong. From the date shown in the fax header, I believe that the leaflet was issued on or before 2 March 2005. However, in the absence of further information as to how and to whom this piece of leaflet was circulated, I am unable to find what exposure this advertisement would have received. The next three pages of Appendix 5 appear to be trade display for the products themselves. They again do not bear any date and I have no idea as to where they are put into display, whether in Hong Kong or somewhere else. The rest of Appendix 5 consists of four pages of photographs and brochures concerning the 18th International Baby/Children Products Expo and two pages of advertisement. According to paragraph 14 of the Vogrinec Declaration, the Expo was held on 6th – 8th August 2010 and the advertisements were circulated through journals in 2010 and 2011. In other words, they are both post-Application Date evidence which are of little value to the subject application. Despite it was stated in paragraph 14 of the

Vogrinec Declaration that “O’Berry website and catalogue” and “original and new counter stands located at all retail locations detailed in clause 10 save for The Association of HK Nursing Staff” were attached in Appendix 5, I am unable to locate them in the exhibits.

55. Appendices 6 and 7 of the Vogrinec Declaration are schedule and records of foreign registrations/applications of the subject mark, which are not relevant for the purpose of showing any use, let alone substantial use, of the subject mark in Hong Kong.
56. Exhibits A and B of the Houg Declaration consist of copies of two promotional flyers relating to baby products under the subject mark in 2007 which are said to be circulated in Hong Kong.
57. For the sake of completeness, I intend to go through the other relevant assertions made by the Applicant which have not been addressed above.
58. In paragraph 10 of the Vogrinec Declaration, it was stated that the Applicant’s products under the subject mark *are* sold through a number of retailers in Hong Kong, including six outlets whose names and addresses are set out under that paragraph. While that statement, if true, appears to reflect the situation as at the date of making the declaration, no information has been given as to the number of retailers of the Applicant’s products as at the Application Date. Apart from the Association of HK Nursing Staff which can be verified from a promotional flyer in Exhibit A of the Houg Declaration, there is not even a single piece of evidence to support the Applicant’s claim that the products bearing the subject mark have been sold at the aforesaid retail outlets on or before the Application Date. I note that the logos of some of the retailers can be found in the last two pages of Appendix 5 of the Vogrinec Declaration, but those materials are (as I explained in paragraph 54 above) subsequent to the Application Date and are of limited assistance in showing the state of affairs at the Application Date.
59. It was averred in paragraph 11 of the Vogrinec Declaration that the Business has appointed Union Famous as its exclusive distributor for the goods under the subject mark in Hong Kong via a distribution agreement dated July 2009. There is however no documentary proof to substantiate such assertion. In any event, the above distribution agreement was made after the Application Date and is not relevant for the

purpose of the subject application.

60. Paragraph 14 of the Vogrinec Declaration listed out various places and publications in Hong Kong where the goods bearing the subject mark were claimed to have been advertised. This, again, cannot be verified from any of the exhibits filed.
61. Likewise, although it was averred in paragraph 15 of the Vogrinec Declaration that marketing materials and goods bearing the subject mark have been exhibited at various events in Hong Kong between 2004 and 2007, there is no evidence to substantiate such claim. In the absence of supporting proof, I can only treat such claim as nothing more than a bare assertion.
62. It was further deposed in paragraphs 13 and 19 of the Vogrinec Declaration that the worldwide annual advertising expenses and worldwide annual turnover for products bearing the subject mark in 2010 amount to HK\$10,705,375 and HK\$59,730,700 respectively. Although these figures are fairly impressive, they refer to worldwide advertising and sales in 2010. They do not serve to indicate the extent of use of the subject mark in Hong Kong before the Application Date.
63. Having taken into account the above evidence as a whole, while I accept that there has been moderate degree of use and advertising of the subject mark in respect of the goods set out in paragraph 41 above for a period of about 3 years and 10 months before the Application Date, I am not satisfied that there has been substantial and extensive use of the subject mark in Hong Kong in relation to the applied-for goods as at the Application Date.

The degree of confusion likely to ensue

64. The degree of confusion is to a large extent indicative of the measure of public inconvenience (*Re Borsalini Trade Mark* [1993]1 HKC 587). If public inconvenience is unlikely, there would be no good reason to refuse the application for registration of the mark in question.
65. In the present case, the respective marks share the same word “Gaia” as their distinctive and dominant component. For the reasons I have given at paragraphs 12 to 25 above, the respective marks are closely similar. I have also found that the

applied-for goods and the cited goods and services are identical or substantially similar. In my view, the likelihood of confusion and the measure of public inconvenience is high.

Honesty of the concurrent use

66. Based on the evidence before me, I have no reason to doubt the honesty of the Applicant in adopting the subject mark.

Instances of confusion

67. There is no evidence to show any instances of confusion.

Balance of inconvenience

68. Turning to the issue of relative inconvenience, a decision to refuse registration of the subject mark will, to some extent, cause inconvenience to the Applicant as the evidence does show there is an existing business at the Application Date. However, the case for extensive use of the subject mark in time and quantity and the area of the trade has not been made out because of the paucity of the evidence filed. The evidence indicates that the Applicant has traded under the subject mark for about 3 years and 10 months prior to the Application Date, but the scale of that trading has been relatively low. On the other hand, the owner of the cited marks will obviously be inconvenienced if another party is allowed to register a similar mark in respect of the same or similar goods that may give rise to confusion in the market. The similarity between the marks is, as I have already said, high. Consequently, I consider the relative inconvenience that would be caused to the owner of the cited marks to be higher should the subject mark be allowed registration.

Weighing of all factors

69. Having considered the totality of evidence filed and all the relevant circumstances, in particular the lack of cogent evidence to show longstanding and extensive use of the subject mark, I do not find that it is appropriate to exercise my discretion to allow registration of the subject mark for honest concurrent use in respect of the goods identified in paragraph 41 above even if the question in stage (1) is to be answered in

the affirmative in respect of those goods. I am not satisfied that a case for honest concurrent use of the subject mark and the cited marks under section 13 of the Ordinance has been established.

Conclusion

70. I have considered all the documents filed by the Applicant, including the evidence filed and all written and oral submissions made in respect of the subject application. For the reasons stated above, the subject mark is precluded from registration under section 12(3) of the Ordinance. The subject application is accordingly refused under section 42(4)(b) of the Ordinance.

Ryan Ng
for Registrar of Trade Marks
27 January 2012