

Trade Marks Ordinance (Cap 43)

IN THE MATTER of an opposition by Johnson & Johnson to the registration of trade mark application 2000 01106 by Uni-Charm Kabushiki Kaisha (Uni-Charm Corporation) to register the trade mark CAREREE in class 16

DECISION

of

Teresa Grant acting for the Registrar of Trade Marks after a hearing on 1 June 2004.

Appearing : Ms Margaret KW Yu, Counsel, instructed by Wenping & Co for the applicant for registration.

Mr Colin Shipp, Counsel, instructed by Wilkinson & Grist for the opponent

1. The parties to the opposition proceedings under the Trade Marks Ordinance (Cap 43) are Uni-Charm Kabushiki Kaisha (Uni-Charm Corporation) ('the applicant') who has applied for registration of a trade mark under the Trade Marks Ordinance and Johnson & Johnson ('the opponent') who opposes the application for registration under the Trade Marks Ordinance section 15.

2. The opposition hearing was on 1 June 2004 in respect of the applicant's applications to register the mark for goods in class 5 and class 16. This decision relates to the application in class 16. A separate decision of the same date relates to the application in class 5.

Applicant's mark

3. The applicant has applied to register the mark CAREREE (in plain type) application number 2000 01106 in class 16 for 'disposable diapers or nappies, wetting tissue paper, tissue paper; all included in class 16'. The application for registration was filed on 19 January 2000.

Opponent's marks

4. In these opposition proceedings, the opponent relies on the use, reputation and registration of eight of its trade mark registrations in Hong Kong :

JOHNSON CAREFREE, registration 1973 01286 in class 5 for 'sanitary towels and sanitary tampons'; date of application and registration 3 February 1972; registration giving no right to the exclusive use of 'CAREFREE';

JOHNSON & JOHNSON CAREFREE SENSITIVE, registration 1997 09001 in class 5 for 'sanitary napkins, tampons, lubricating jelly for personal and vaginal use; all being feminine hygiene preparations'; date of application and registration 19 June 1992; registration giving no right to the exclusive use of 'SENSITIVE';

JOHNSON & JOHNSON CAREFREE BASICS, registration 1998 06307 in class 5 for 'feminine sanitary preparations'; date of application and registration 19 March 1994; registration giving no right to the exclusive use of 'BASICS';

JOHNSON & JOHNSON CAREFREE COMFORT, registration 1999 04409 in class 5 for 'feminine sanitary preparations'; date of application and registration 22 October 1996; registration giving no right to the exclusive use of 'COMFORT';

JOHNSON & JOHNSON CAREFREE SENSITIVE, registration 1996 04162 in class 3 for 'baby lotions, baby creams, baby shampoos and baby powders'; date of application and registration 19 June 1992; registration giving no right to the exclusive use of 'SENSITIVE';

CAREFREE, registration 2000 B09138 in class 3 for 'feminine intimate wipes'; date of application and registration 21 November 1998;

CAREFREE, registration 2000 B11082 in class 3 for 'non-medicated feminine hygiene washing preparations'; date of application and registration 23 July 1998;

CAREFREE, registration 2000 B14707 in class 3 for 'feminine hygiene soaps'; date of application and registration 26 June 1999.

Grounds of opposition

5. The opponent opposes on a number of grounds under the Trade Marks Ordinance : section 2 (applicant's mark not proposed to be used as a trade mark); section 13(1) (applicant not entitled to be registered as proprietor of a mark not proposed to be used); section 12(1) (applicant's mark likely to deceive or cause confusion in view of the use and reputation

of the opponent's marks); section 20 (applicant's mark nearly resembling opponent's marks registered in Hong Kong). The opponent had included additional grounds in its notice of opposition but does not now pursue them.

Applicant

6. The applicant's 1999 and 2000 annual company reports exhibited in the opponent's evidence (Mr Laurence Rickles' statutory declaration exhibits LR-6 and LR-7) give background information about the applicant and its business. The applicant is a company listed on the Tokyo Stock Exchange. It has developed one line of its business in non-woven and absorbent materials into a range of products for baby and child care, feminine care, adult incontinence care and household care.

7. The applicant's products for baby and child care include baby diapers, disposable diaper pants, disposable underwear for children and training diaper pants. Its feminine care products include napkins and tampons, panty liners and panties. For adult incontinence care, the applicant produces disposable adult diapers, diaper pants and undergarment liners. The applicant's household care products include sheets and wet tissues for general, kitchen and toilet cleaning, cotton puffs and products with industrial and medical applications.

8. The applicant markets its products under a range of trade marks. Some trade marks are used in Japan only. Others, including 'Mamy Poko' and 'Sofy', are used in Japan and elsewhere.

9. The applicant has a leading share of the Japanese market in baby diapers,

feminine napkins and tampons and adult diapers. It introduced its products for adult incontinence care into the Japanese market in 1986 and continues to market them mainly in Japan under the trade mark 'LIFREE'. The applicant also sells adult diapers and incontinence pads directly to hospitals in Japan under the trade mark 'ケアリー' which is phonetically approximate to 'CAREREE', the mark it applies to register in Hong Kong (Mr Laurence Rickles' statutory declaration paragraph 12 and exhibit LR-5 and Mr Takahashi's statutory declaration paragraphs 11 and 18). The applicant registered its trade mark 'ケアリー' in Japan in 1987, ten years after the opponent had registered its mark 'ケアフリー' in Japan in 1977 (Mr Takahashi's statutory declaration paragraph 3 and exhibit ST-1). The applicant says the marks, 'ケアリー' and 'ケアフリー', in relation to 'medical treatment accessories including sanitary napkins in International Class 5' coexist in Japan (the applicant's counter-statement paragraph 4). The applicant says it has used its mark 'ケアリー' in Japan for at least 13 years but it does not say for what goods (Mr Takahashi's statutory declaration paragraph 4) although it is apparent from the opponent's evidence that the applicant has used the mark at least for adult diapers and incontinence pads sold directly to hospitals in Japan (Mr Laurence Rickles' statutory declaration paragraph 12 and exhibit LR-5 and Mr Takahashi's statutory declaration paragraph 11).

10. The applicant has registered 'CAREREE' in Indonesia in 2000 in class 3 for 'soaps, cosmetics, perfumery, wetting tissue papers' and Thailand in 2001 in class 5 for 'napkins for incontinents, pads for incontinents and in class 16 for 'disposable diapers or nappies, wetting tissue papers, tissue papers' (Mr Takahashi's statutory declaration paragraph 20 and exhibits ST-3 and ST-4).

11. The applicant has not yet used the mark CAREREE in Hong Kong. The applicant intends to use the mark after the opposition proceedings are resolved (Mr Takahashi's statutory declaration paragraphs 3 and 19).

Opponent

12. The opponent is a United States corporation, incorporated in the State of New Jersey. It manufactures health care products and provides related services for the consumer, pharmaceutical and professional markets. The opponent's business figures in 1999 were US\$ 27.5 billion in sales, 97,800 employees, 190 operating companies in 51 countries with sales in more than 175 countries. The opponent's products, sold under a range of brands, fall into three main groups: pharmaceuticals; consumer pharmaceuticals and nutritionals; and consumer and personal care.

13. The opponent first used 'CAREFREE' in 1963 in the United States as a trade mark for tampons and in 1966 as a trade mark for diapers. The opponent's US registrations 764,022 for 'sanitary tampons' and 823,438 for 'diapers' claim first use from 1963 and 1966, respectively. In 1976 the opponent extended the use of 'CAREFREE' to 'sanitary napkins and panty shields'. The opponent's US registration 2,109,177 for 'sanitary napkins and panty shields' claims first use from 1976.

14. The opponent has used CAREFREE in many countries on products such as panty liners, panty shields, sanitary napkins, tampons, intimate washes and intimate wipes and in Hong Kong for at least 15 years through its wholly owned subsidiary and licensee (formerly registered user) Johnson & Johnson (Hong Kong) Ltd. (Registered users became licensees on commencement of the Trade Marks Ordinance (Cap 559) : Schedule 5 section 9(2).)

15. In 1999 the opponent's sales in Hong Kong of products under the CAREFREE mark, or marks incorporating CAREFREE, amounted to HK\$ 88.365 million. Expenditure on advertising the CAREFREE products in Hong Kong in 1999 amounted to HK\$ 22.015 million.

Similarity of marks

16. The basis of the opponent's opposition under section 12(1) and section 20 is that the applicant's mark so nearly resembles the opponent's mark that deception or confusion is likely. The test for assessing 'near resemblance' or similarity of marks is stated in *Pianotist Co Ltd's Application (1906) 23 RPC 774 at 777*. The test is essentially the same for section 12(1) as it is for section 20 (*Smith Hayden & Co's Application (1946) 63 RPC 97 at 101, 102*). The difference is that for section 12(1) the comparison is between the opponent's mark as used and the applicant's mark in notional fair use. However, for section 20 the comparison is between both marks in notional fair use, that is, a normal and fair use on all goods covered by the registration or application (*Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*).

17. In considering section 20, the applicant's mark CAREREE is closest to the opponent's registrations CAREFREE. In look and sound the marks are similar; they are only one letter different and although CAREFREE has a particular meaning and CAREREE does not, they both impart an impression of 'care' which adds to the similarity of the marks. There is less similarity between the applicant's mark CAREREE and the opponent's registration JOHNSON CAREFREE because the additional word 'Johnson' introduces visual and phonetic differences but still as a whole, the marks are similar. The opponent has other registrations JOHNSON & JOHNSON CAREFREE SENSITIVE, JOHNSON & JOHNSON CAREFREE BASICS, JOHNSON & JOHNSON CAREFREE COMFORT that are only to some extent similar to the applicant's mark.

18. For section 12(1) the comparison is with the opponent's mark as it is used, or advertised so that the Hong Kong public is aware of it. The evidence shows that in use, CAREFREE is prominent and is accompanied by the characters '嬌爽' placed directly above or below (Si Ting Ting's statutory declaration paragraph 4 and exhibits STT-2(a) to (d), paragraph 6 and exhibit STT-3). The characters introduce visual and phonetic differences but as a whole the marks 'CAREFREE 嬌爽' and 'CAREREE' are similar.

Disclaimer

19. The opponent's registration JOHNSON CAREFREE 1973 01286 in class 5 for 'sanitary towels and sanitary tampons' is subject to a disclaimer of 'CAREFREE'. The applicant says I should discount the disclaimed element in assessing the similarity between the applicant's and the opponent's marks.

20. However, the prevailing view is that objections under section 20 are not in point of law restricted to the residue that is left after disclaimers have been taken into account. A disclaimed element must neither be ignored nor given less significance than it deserves when due allowance has been made for the degree to which it is non-distinctive of the relevant goods or services. Similarities attributable to nothing more than the presence of a disclaimed feature may be sufficient to sustain an objection to registration under section 20(1) (*Fountain [1999] RPC 490 at 494; Granada [1979] RPC 303*).

21. An element common to both marks carries less weight in the assessment of similarity if it is descriptive or common to the trade. In *Broadhead's Application (1950) 67 RPC 209*, the common element Alka, an abbreviation of 'alkaline', was common to the trade. In *Chitlink* the common element 'Star' was commonly used in trade names *Chitlink Electronic International Ltd [2000] 3 HKC 509 (decision by KS Kripas)*. In this opposition, 'care' is common to both the opponent's and the applicant's marks. 'Care' is sufficiently descriptive that it would not be registrable on its own but as an element, it cannot be ignored, particularly in combination with a suffix that creates a distinctive whole: CAREFREE and CAREREE. As I have noted, both marks impart an impression of 'care' but their similarity owes as much to the suffix in each case, as to the common element 'care'.

Section 20

22. Specifically, the ground of opposition under section 20 is that the applicant's mark CAREREE nearly resembles the opponent's marks that are already on the register for the

same goods or goods of the same description. As a result, registration of the applicant's mark must be refused under section 20, as it is likely to deceive or cause confusion.

23. The opponent's registrations are for a range of goods but it relies essentially on its registrations JOHNSON CAREFREE, registration 1973 01286 in class 5 for 'sanitary towels and sanitary tampons'; JOHNSON & JOHNSON CAREFREE SENSITIVE, registration 1997 09001 in class 5 for 'sanitary napkins, tampons' and CAREFREE, registration 2000 B09138 in class 3 for 'feminine intimate wipes'. I have found that the applicant's and the opponent's marks are nearly resembling or similar. The question is whether the applicant's goods, 'disposable diapers or nappies, wetting tissue paper, tissue paper; all included in class 16', are goods of the same description as the opponent's.

24. Whether goods are of the same description depends on the nature of the respective goods, the respective uses of the goods and the trade channels through which the goods are bought and sold (*Jellinek's Application (1946) 63 RPC 70*). A common approach is to consider each of the *Jellinek* criteria in turn and decide whether on balance the goods are sufficiently related (*Shanahan, Australian Law of Trade Marks and Passing Off, 2nd edition, Chapter 10.1, page 192*). It is not necessary for all three criteria to be fulfilled (*Floradix [1974] RPC 583 at 588*). The test is not conclusive: the matter is one of judgment and degree (*Invicta [1992] RPC 541 at 546*).

25. In *Daiquiri Rum [1969] RPC 600 at 620*, Lord Wilberforce expressed the question in this way: 'the test of sameness in description has rightly been taken to be a business and practical test, and I would accept the utility for most purposes of the matters stated as relevant by Romer J in *Jellinek's Application (1946) 63 RPC 59*: these are the nature and composition of the goods, the respective uses of the articles and the trade channels through which the commodities are bought and sold: there may, and as business patterns change no doubt will, be others, but it is tests of this nature by which the registrar should be guided'.

26. The term ‘disposable diapers or nappies in class 16’ in the applicant’s application, is confined to disposable products for babies or young children. The International Classification of Goods and Services (the Nice Classification) classifies ‘napkin-pants (babies)’ of paper and cellulose [disposable]’ and ‘napkins of paper and cellulose (babies’) [disposable]’ as goods in class 16. The term does not cover ‘napkins (babies’) of textile’ which are classified in class 25, or ‘napkins for incontinents’ classified in class 5.

27. The term ‘sanitary towels or napkins and tampons’ in the opponent’s registrations, 1973 01286 and 1997 09001, refers to goods for women. In the context of the opponent’s specifications, the term ‘napkins’ refers to sanitary napkins and is merely an alternative term to ‘sanitary towels’. The International Classification of Goods and Services refers to ‘sanitary napkins’, ‘sanitary pads’ and ‘sanitary towels’ as goods in class 5. In common use the terms are synonymous.

28. The physical nature or composition of ‘sanitary towels or napkins and tampons’ and ‘disposable diapers or nappies in class 16’ is the same. They are made of similar or identical materials: absorbent materials and (tampons excepted) leak-proof linings. The presentation or appearance of the respective goods is different, even if, for ‘sanitary towels or napkins’ on the one hand and ‘disposable diapers or nappies’ on the other, it is only a question of the size and the shape of the goods. Nevertheless, there is an immediately obvious difference in the appearance of the two sets of goods. Presentation is a relevant consideration for the purposes of the second head of *Jellinek’s* test, the respective uses of the goods, because it can condition the use for which the goods are intended. Surgical dressings could also be made of absorbent materials and leak-proof linings but would look very different from and would not be used for the same purpose, or be goods of the same description as ‘sanitary towels or napkins’ or ‘disposable diapers or nappies’.

29. The opponent argues that ‘sanitary towels or napkins and tampons’ and ‘disposable diapers or nappies in class 16’ are ‘goods for personal hygiene’ which indicates they are goods of the same description. However, *Kerly’s 12 edition paragraph 10-12*, relying

on *J Lyons & Co Ltd's Application [1959] RPC 120 at 128* and *Daiquiri Rum [1969] RPC 600 at 609 and 620*, cautions against the use of a description that covers both sets of goods as a sufficient test of whether they are of the same description: 'before goods can be of the same description, there must be a description that covers both, although this is not a sufficient test for a description may be too wide to be usable'. 'Goods for personal hygiene' describes a range of widely different goods. The term would include goods such as 'soap', which is an entirely different product from either 'sanitary towels or napkins and tampons' or 'disposable diapers or nappies'. A narrower term such as 'disposable personal hygiene products' would still include a wide range of dissimilar goods: for example 'cotton buds'. Even if 'sanitary towels or napkins and tampons' and 'disposable diapers or nappies' were referred to in the trade as 'goods for personal hygiene', this is not conclusive. The fact that there is a description common to both sets of goods, even a common trade description, is not necessarily conclusive (*Invicta [1992] RPC 541 at 546*).

30. The uses of the goods are different. 'Sanitary towels or napkins and tampons' are for use by women during menstruation. 'Disposable diapers or nappies' are for babies and young children.

31. The opponent says the trade channels are the same because the same sort of company might make both sets of goods, and the same sort of shops for example chemist shops, pharmacies and supermarkets would stock them. I think the same sort of company would be likely to make both sets of goods. The evidence shows that the applicant and Kimberly-Clark Corp make sanitary towels and babies' disposable nappies (Mr Laurence Rickles' statutory declaration paragraph 11 and exhibits LR-4, LR-6 and LR-7). However, the same evidence indicates that the companies that make both sets of goods would be likely to market them under different trade marks. This negates the application of the 'trade mark extension' argument: that consumers will think a business in one line of products will extend to make and sell, under the same mark, a wider range of goods of broadly the same type. I think the same sort of shops would sell both sets of goods. There is no evidence before me as to how the goods are stocked and sold but I think chemist shops, pharmacies and supermarkets could stock both sets of goods in sections next to each other. But I do not think that for the purposes of marketing and advertising, anyone would consider them as the same sort of goods.

32. In determining the question I have to look at all the factors, including the purpose of section 20. The section is to prevent the same or confusingly similar marks from co-existing on the register, not only for the same goods but for a wider class of goods, that is, goods of the same description. The wider class cannot simply be ‘any goods on which if the same mark is seen, the public would be deceived’ (*Invicta [1992] RPC 541 at 547*). The question, ‘are the two sets of goods so commonly dealt in by the same trader that his customers, knowing his mark in connection with one set and seeing it used in relation to the other, would be likely to suppose that it was so used also to indicate that they were his?’ is not the test. It is only one factor to consider in the overall value judgment, that is, ‘are the goods too alike to have the same or a similar trade mark?’ (*Invicta [1992] RPC 541 at 547*).

33. On the question, ‘are the goods too alike to have the same or a similar trade mark?’ I must have regard to all factors: business and practical factors (*Daiquiri Rum [1969] RPC 600 at 620*) or in other words, technical and commercial factors (*Invicta [1992] RPC 541 at 547*). I have considered the nature, uses and trade channels of the goods but I find there is nothing to indicate that the two sets of goods are so commonly dealt in by the same trader, under the same mark, that women who buy JOHNSON CAREFREE ‘sanitary towels or napkins and tampons’ will be deceived or confused as to the trade origin of the goods if they see CAREFREE used in relation to ‘disposable diapers or nappies’. In *Kimberly-Clark Corporation v Vereinigte Papierwerke Schickedanz & Co (1967) 118 CLR 79*, in the High Court of Australia, Windeyer J put the question in this way: ‘would there be any reason to think that the use of a word similar to ‘Kotex’ for babies-napkins suggested that the persons who manufacture or sell ‘Kotex’ (sanitary napkins) had embarked upon a new undertaking and were producing a new product, babies-napkins? His answer was, ‘that only by a peculiar and unlikely train of thought could the use for babies-napkins be misleading’. He concluded that babies-napkins and sanitary napkins are not goods of the same description; a conclusion noted in *Shanahan, Australian Law of Trade Marks and Passing Off, 2nd edition, Chapter 10.4, page 197 note 91*.

34. In commercial and practical terms, the applicant’s products for babies would, I think, be regarded as essentially different from the opponent’s products for women.

35. *British Sugar v James Robertson & Sons [1996] RPC 281* is a decision under the UK Trade Marks Act 1994 but which applied *Jellinek* in a context directly analogous to our position under the Ordinance (Cap 43): that the test as to similarity is an issue distinct from the likelihood of confusion. *British Sugar (at 297)* considers the extent to which the respective goods are competitive. This enquiry may take into account how those in trade classify goods, for instance whether market research companies put the goods in the same or different sectors. There is no evidence in this opposition of how the trade classifies the respective goods. However, even without evidence as to how ‘sanitary towels or napkins and tampons’ and ‘disposable diapers or nappies’ are classified in the trade, from a business and commercial point of view they cannot be said to be competing goods in any sense.

36. There is a separate issue as to whether the applicant’s ‘wetting tissue paper, tissue paper; all included in class 16’ are goods of the same description as the opponent’s ‘feminine intimate wipes’. On this issue the opponent relies on its registration, CAREFREE, 2000 B09138 in class 3 for ‘feminine intimate wipes’.

37. ‘Tissue paper’ classified in class 16 and within the scope of the applicant’s application is essentially ‘plain tissue paper’. It is not impregnated with cosmetic or pharmaceutical lotions. Specific items within the term ‘tissue paper’ in class 16 include ‘tissues of paper for removing make-up’, that is, plain, dry tissues for removing make-up, blowing one’s nose or mopping spills; and ‘tissue paper for wrapping or packing’. Other types of tissues are classified in class 3 (‘tissues impregnated with cosmetic lotions’) in class 5 (‘tissues impregnated with pharmaceutical lotions’) and in class 24 (tissues of textile for removing make-up) but are not within the scope of the applicant’s specification. ‘Wetting tissue paper’ in the applicant’s specification in class 16 is not a known term but I think it is sufficiently clear that it is either pre-moistened or wet tissue, or tissue that can be moistened or wetted. In either case, it is simply tissue paper.

38. ‘Wipes’ is a comparatively modern term. The International Classification of Goods and Services does not list it. Nevertheless, it is commonly used to describe paper tissues

or fibre ‘cloths’, pre-moistened for the purpose of cleaning: for either personal or household use. The term ‘feminine intimate wipes’ in the opponent’s specification describes a product for personal use by women. It is a disposable, pre-moistened paper or fibre product impregnated with lotions or chemicals, for personal cleansing.

39. In nature or composition, the applicant’s ‘wetting tissue paper, tissue paper’ is not the same as the opponent’s ‘feminine intimate wipes’, although ‘feminine intimate wipes’ could be made of paper and ‘wetting tissue paper’ or ‘tissue paper’ are terms that include ‘pre-moistened or wet tissue’ which is a kind of ‘wipe’. The essential difference is that the opponent’s product contains substances specifically for the purpose of personal cleansing.

40. ‘Feminine intimate wipes’ are for personal cleansing and ‘wetting tissue paper, tissue paper’ could be used for personal cleansing. ‘Feminine intimate wipes’ are likely to be packaged and sold either individually wrapped in a sachet, in a flat pack, or in a plastic dispenser. ‘Wetting tissue paper, tissue paper’ if sold for personal use, is likely to be packaged and sold in the same way. ‘Wetting tissue paper, tissue paper, for personal use’ could well be used for the same purpose as ‘feminine intimate wipes’.

41. The trade channels are the same. Chemist shops, pharmacies and supermarkets are likely to stock ‘feminine intimate wipes’ and ‘wetting tissue paper, tissue paper, for personal use’ and are likely to sell them in the same or neighbouring sections. In terms of marketing, ‘wetting tissue paper, tissue paper’ is likely to be regarded as a ‘wipe’ for a variety of uses, including use by women and ‘feminine intimate wipes’ as wipes particularly suited for women.

42. Applying *British Sugar*, the respective goods are likely to be competitive in the sense that women are likely to be persuaded that ‘feminine intimate wipes’ are a type of ‘wipe’ or ‘pre-moistened or wet tissue’ (‘wetting tissue paper, tissue paper’) particularly suited to their

needs.

43. For these reasons, I find that the applicant's goods 'wetting tissue paper, tissue paper' are goods of the same description as the opponent's 'feminine intimate wipes' and as the applicant's mark nearly resembles the opponent's, deception or confusion is likely. As at least some of the respective goods are goods of the same description, the opponent succeeds in its opposition under section 20 because it is enough that the opponent's registrations extend to *any* goods specified in the applicant's application (*Smith Hayden & Co's Application (1946) 63 RPC 97 at 101*).

Section 12(1) – deception and confusion

44. The basis of the opponent's opposition under section 12(1) is that the opponent's marks have a reputation through use and advertisement in Hong Kong so that at the date of the applicant's application to register, use of the applicant's mark would be likely to deceive.

45. Although section 20 applies only where the competing marks are for the same goods or goods of the same description, section 12(1) is not similarly restricted. But the extent of the reputation of the opponent's mark and the goods for which it has been achieved are factors in determining whether there is a sufficient likelihood of deception or confusion to refuse the applicant registration under section 12(1).

46. The applicant concedes that the opponent has extensively used and advertised its marks in Hong Kong and had a reputation in its marks at the date of the applicant's application. It is not at issue that the opponent can oppose under section 12(1). The evidence shows that the opponent has used the mark CAREFREE for sanitary napkins, panty liners, panty shields, tampons (Mr Laurence Rickles' statutory declaration paragraph 7; Si Ting Ting's statutory declaration paragraphs 2 - 6, and exhibits 'STT-1' – 'STT3'). The evidence

does not show use of CAREFREE for 'intimate washes and intimate wipes'.

47. Evidence of how the opponent has actually used its mark is relevant to section 12(1). The opponent's evidence indicates its mark CAREFREE is used prominently on packaging in a simple script with the characters '嬌爽'.

48. In the comparison with the opponent's mark, the applicant's mark should be considered in notional fair use, that is, any normal and fair use that as registered owner, the applicant would be entitled to make of the mark. The opponent says the applicant could use its mark, if registered, in a script similar to the script the opponent uses, a factor that would be particularly likely to deceive.

49. I have found that the opponent's mark and the applicant's mark are similar but would there be confusion in the market, particularly if the applicant were to use its mark in a script similar to the script the opponent uses? The applicant applies to register and intends to use the mark CAREFREE for 'disposable diapers or nappies, wetting tissue paper, tissue paper'. The opponent's substantial reputation in the mark CAREFREE is for sanitary napkins, panty liners, panty shields, tampons. The opponent says that the applicant's 'disposable diapers or nappies' and the opponent's 'sanitary napkins, panty liners, panty shields, and tampons' would be sold in neighbouring sections in the same shops. Women who buy the opponent's sanitary napkins panty liners, panty shields, and tampons would buy disposable diapers or nappies for their children. Neither the applicant's nor the opponent's goods are of a type that a purchaser would spend much time in assessing. The opponent says these factors point to a likelihood of confusion and deception.

50. Is there any reason to think that the use of CAREFREE for 'babies' disposable diapers or napkins, wetting tissue paper, tissue paper' will suggest that the persons who manufacture or sell CAREFREE 'sanitary napkins, panty liners, panty shields, tampons' are

embarking on a new undertaking and are producing a new product, 'babies-napkins'? Mr Laurence Rickles' evidence shows that Kimberly Clark and the applicant make both sets of products but under different trademarks. This evidence does not indicate that owners of marks for 'sanitary napkins, panty liners, panty shields, tampons' usually extend their product lines under those marks to 'babies napkins'. The circumstances do not suggest that purchasers will be put into a state of doubt or uncertainty or be caused to wonder whether the opponent makes CAREREE babies' disposable diapers or napkins.

51. A similar argument that confusion will arise because companies make both sets of products was rejected in *Lifeguard [1957] RPC 79 at 82,83*. In that decision, the Assistant-Comptroller stated, 'in my opinion the known and accepted fact that large firms such as J.Lyons & Coy. Ltd put their own or a brand name on various types of goods is not an adequate reason for postulating confusion among members of the public who buy 'Life Guard' tea from the opponents and also see 'Lifeguard' milk (the applicant's product) for sale at the same counter'.

52. The applicant has not used its mark in Hong Kong so there is no evidence that the mark has not led to confusion. But actual confusion or the lack of it is not determinative (see *GE [1973] RPC 297 at 320, 321*) and although the onus of showing there is no reasonable probability of confusion is on the applicant, there is nothing in the opponent's evidence that indicates the applicant's mark would lead to confusion in use.

53. For these reasons the opponent cannot succeed on the ground of deception and confusion under section 12(1).

Sections 2 and 13(1)

54. The opponent raises sections 2 and 13(1), on an argument that the applicant is not entitled to register a mark that it does not use or propose to use. The opponent points to the e-mail exhibit 'LR-5' saying that the applicant has used the mark CAREREE in Japan only for incontinence products sold directly to hospitals and that it intends to phase out the brand. The opponent points to the applicant's annual reports, exhibits 'LR-6' and 'LR-7', which do not mention the brand. The opponent says the applicant's statements that it will use the mark do not show a bona fide intention to use and that the applicant does not show evidence to rebut the inference that it has no bona fide intention. In support of the argument, the opponent cites *Duckers (1928) 45 RPC 397* and *Thermax [1985] RPC 403*.

55. Bona fides is always a relevant consideration in an application for registration but the evidence does not indicate that the applicant does not intend to use the mark. *Duckers* and *Thermax* are decisions in rectification proceedings in which after a period of non-use of the marks after registration, it was evident that the marks had not been used in any bona fide sense. That is not the situation here. The applicant has made its application and intends to use its mark, if the opposition is resolved in its favour. This is a bona fide intention to use the mark and I reject the opponent's argument under sections 2 and 13(1).

Section 13(2)

56. If there is a probability of deception, there is no discretion to the registrar in the application of section 12(1) or section 20 (*Broadhead's Application (1950) 67 RPC 209 at 213*). It is only if the opposition fails under section 12(1) and section 20 that the exercise of the registrar's discretion under section 13(2) arises. In this opposition, I find there is a reasonable likelihood of confusion between the applicant's and the opponent's marks, so that the opposition succeeds under section 20. It follows that the discretion under section 13(2) does not arise.

Costs

57. As the opposition has succeeded, I award the opponent costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap. 4) as applied to trade mark matters, unless otherwise agreed between the parties.

(Teresa Grant)
for Registrar of Trade Marks
17 August 2004