

Application No. 08178/2001

IN THE MATTER of the Trade Marks Ordinance (Cap. 43)

AND

IN THE MATTER of an application for the registration of the trade mark :-



in Part B of the register in Class 3 by Hecom Furniture & Bedding Limited

AND

IN THE MATTER of an opposition by Böttger GmbH Pharmazeutische und Kosmetische Präparate

DECISION  
OF

Miss Lavinia Chang acting for the Registrar of Trade Marks on the notice of opposition and evidence in support filed by Messrs Johnson Stokes & Master on behalf of Böttger GmbH Pharmazeutische und Kosmetische Präparate, the opponent, and the counter statement filed by Hecom Furniture & Bedding Limited, the applicant, in person.

On 23 May 2001 (the “application date”), Hecom Furniture & Bedding Limited (the “applicant”) applied to register under the provisions of the Trade Marks Ordinance Cap 43, in Part B of the Register, the mark a representation of which appears below:



2. The application is made in Class 3 in respect of “bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices, all included in Class 3”. The applicant is a limited liability company incorporated in Hong Kong, with an address given as Shop A55, M/F, Hop Yick Plaza, 23 Tai Tong Road, Yuen Long, New Territories, Hong Kong.

3. The suit mark was accepted for registration in Part B of the register and was advertised on 7 September 2001 in the Hong Kong Special Administrative Region Government Gazette for the purpose of opposition.

*Notice of opposition*

4. On 7 November 2001 a notice of opposition was filed by Böttger GmbH Pharmazeutische und Kosmetische Präparate (the “opponent”) a limited liability company organized and existing under the laws of Federal Republic of Germany with its office at Paulsborner Str 2 D-1000 Berlin 31, Federal Republic of Germany.

5. The opponent pleads that it is the proprietor of the trade mark “Sea Horse Device” Registration No. 2970 of 1986 (the “opponent’s mark”), a representation of which appears below:



The opponent's mark has been registered in Hong Kong since 6 February 1986 in respect of "cosmetics" in Class 3.

6. The opponent pleads first use of its mark in Hong Kong since 1973. It claims that considerable goodwill has been built up in relation to the mark and it has become distinctive of and is identified with the opponent and its goods.

7. The opponent asserts that the applicant's specification are goods of the same description as "cosmetics" claimed under its registration, and that the suit mark so nearly resembles its mark that confusion in the trade and among the general public that the applicant's goods are goods of the opponent or otherwise associated with the opponent is highly probable.

8. The grounds relied on by the opponent are as follows :

- (a) Sections 2, 9 and 10 of the Ordinance as the suit mark fails to indicate a connection in the course of trade between the goods and some person or company having the right either as proprietor or as a registered user to use the mark;
- (b) Section 12(1) by reason that use of the suit mark would be likely to deceive or cause confusion and would be disentitled to protection in a court of justice;
- (c) Section 20;
- (d) Section 23; and
- (e) that the suit mark should be refused in the exercise of the Registrar's discretion.

The opponent seeks costs against the applicant.

#### *Counter statement*

9. The applicant filed a counter statement on 17 January 2002. In it the applicant denies that the suit mark resembles the opponent's mark. It asserts that no confusion will result; the latter being a device only mark with no Chinese or English word on it, the colour scheme and drawing design are different in their details. Further, the applicant denies the opponent's claim to having established substantial goodwill in its mark. It seeks registration of the suit mark and an award of costs.

*The evidence rounds*

10. The opponent has filed evidence by way of a statutory declaration of Wolfgang Böttger-Hilbert (“WBH”). Mr Böttger-Hilbert gives evidence in his capacity as managing director of the opponent. He says that the opponent has adopted and continuously used its mark since 1973 in Hong Kong in respect of cosmetics, soaps, shampoos, skin care products, bath foams and shower gels (the “opponent’s products”). Aggregate annual figures for sales of all the opponent’s products in Hong Kong between 1998 and 2001 are provided (though with no breakdown for the item “cosmetics”). Copy random invoices of sales to Hong Kong are produced at Exhibit B.

11. Mr Böttger-Hilbert says that the opponent’s products have been marketed, sold and circulated worldwide and advertised through publications and magazines. Advertising expenditure in Hong Kong for the opponent’s products was approximately HK\$100,000 annually between 2000 and 2002.

12. The opponent’s mark has been registered in many jurisdictions including Hong Kong. WBH says the opponent’s mark has acquired substantial reputation both locally and internationally and it has become distinctive of and identified with the opponent and its products.

13. The rest of WBH’s declaration consists of argument rather than evidence.

14. The applicant has filed no evidence in support of the application. By letter dated 6 April 2004 and 25 May 2004 respectively, the opponent and applicant elected to have the opposition decided on the basis of the pleadings and evidence already before the Registrar.

*Decision*

15. Although this matter falls to be decided after the commencement of the Trade Marks Ordinance Cap 559 on 4 April 2003, by virtue of sections 1(4), and 10(1) and (2) of Schedule 5 to Cap 559, the application is a matter pending on the commencement date and the opposition thereto remains to be dealt with under the provisions of the Trade Marks Ordinance, Cap 43.

*Under s20(1) of the Ordinance*

16. Section 20(1), insofar as it relates to goods, provides as follows :

“Except as provided by section 22, no trade mark relating to goods shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a trade mark belonging to a different proprietor and already on the register in respect of –

- (a) the same goods;
- (b) the same description of goods; or
- (c) ...”

Section 2(4) of the Ordinance provides that references in Cap 43 to a near resemblance of marks are references to a resemblance “so near as to be likely to deceive or cause confusion”.

17. Two questions arise for determination, firstly, whether the goods of the opponent’s registration, and the goods in this application are the same or of the same description; and secondly whether the marks  and  so nearly resemble each other as to be likely to deceive or cause confusion should they be used in relation to the respective goods claimed.

*Same goods or same description of goods*

18. On the first question, the opponent’s registration is confined to “cosmetics” in Class 3. The goods in this application on the other hand, spans a wide spectrum: “bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices, all included in Class 3.” Apart from the item “cosmetics”, the rest of the applicant’s proposed specification is not shared by the opponent’s earlier registration. However that may be, the authorities are clear that to call section 20(1) into play, it is enough if the opponent can show that their registration extends to any goods, not necessarily all the goods specified in the applicant’s application, or to any goods of the same description (*Smith Hayden & Co’s Application* (1946) 63 RPC 97 at 101). The overlap of one single item, namely “cosmetics”, suffices. That is not to say that the remaining goods in the applicant’s specification are not goods of the same description as the opponent’s cosmetics.

19. In view of the apparently small extent of overlap between the two specifications, for the sake of argument (for the applicant has not put this in issue) can a deletion of “cosmetics” from the applicant’s proposed specification remove the conflict with the opponent’s mark?

20. The point has arisen in a recent decision of the Registrar in DELONG in Class 11 (unreported decision of K S Kripas, on behalf of the Registrar of Trade Marks dated 2 May 2003), where the Hearing Officer analysed the wording of section 20(1), at page 12 of his decision:

“37. The word “any” I have highlighted is significant. The section does not use the word “all”. Had the word “all” been used the onus would be upon the opponent to show that every item in the applicant’s specification is the same description as those protected by the opponent’s registration. That is clearly not the case and the use of “any” is totally consistent with the onus being on the applicant to show that no item in its specification is the same description as those protected by the opponent’s registration.

38. Ms Chow is correct when she says I have no discretion under section 20(1), contrasted to the discretion contained in sections 21 and 23. Once opposition is entered, if the parties have not previously agreed to limit their respective specifications, it is the specification as it stands on the date of the hearing that must be tested against section 20(1) and if any of the goods of the applicant’s specification fall within section 20(1) then that trade mark shall not be registered.

39. There is further support for this view in section 37(1) where there is a specific power to remove a trade mark “in respect of any of the goods or services in respect of which it is registered” in certain circumstances. Special provision has also been made in the current Trade Marks Ordinance, Cap 559 (section 12(7)) for refusal to apply only to the goods or services where the grounds for refusal exist in respect of only some of the goods or services for which the application for registration is made.

40. I accordingly hold that I have no power to accept the suit mark subject to the deletion of overlapping goods.”

21. Further support for this view is found in *Kerly’s Law of Trade Marks and Trade Names* (12<sup>th</sup> edn) where it is stated (at para 10-11):

“ ... a section [20(1)] objection cannot be removed merely by disclaiming from the application those goods or services specified in the earlier registration.”

The position is thus: subject to the issue of identity or near resemblance of the marks, if any of the goods in the applicant’s specification overlaps with those in the earlier mark, section 20(1) becomes applicable. The application stands or falls with the specification of goods as applied for; no issue of discretion arises.

22. The same conclusion is reached by construing the wording of section 13(2):

“*Subject to the provisions of this Ordinance*, the Registrar may refuse the application, or accept it absolutely or subject to such conditions, amendments, modifications, or limitations, if any, as he may think right.” (emphasis added)

Section 13(2) must therefore be construed subject, among other things, to section 20(1).

#### *Near resemblance of marks*

23. I move on to a comparison of the marks themselves. The suit mark will be banned from registration if it is identical with or nearly resembles the opponent’s mark. Although the two marks are not identical, nevertheless does the suit mark nearly resemble the opponent’s trade mark? A “near resemblance” of marks is one so near as to be likely to deceive or cause confusion (section 2(4) of the Ordinance). Adapting the time-honoured test in *Smith Hayden & Co’s Application (supra)* to the facts of this application, I should therefore ask myself :

“Assuming user by the opponent of its mark  in a normal and fair manner for cosmetics, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion among a substantial number of persons if the applicant also uses its mark  normally and fairly in respect of any goods covered by its proposed registration?”

24. The suit mark is a composite mark comprising the device of a sea horse alongside Chinese and English words. Although as a general rule marks should be compared as a whole, in the case of a composite mark, the “idea of the mark” is paramount in the exercise of comparison (*Kerly, supra*, at para 17-08). The device in the suit mark, taking up three-quarters of the length of the mark, is quite unmistakably a pictorial representation of a sea

horse. As a matter of impression, I find the “idea” or the leading characteristic of the suit mark to be the device of a sea horse.

25. Though it is trite to say that words are more readily recalled than devices, a device which comprises a representation of its Chinese and English word elements simply serves to reinforce the word elements. Despite the additional features of the English word SEA HORSE and the Chinese characters 海馬牌, they add nothing more than to reinforce the idea of a sea horse in the suit mark. The overall impression or idea remains one of a sea horse. It may be argued that the Chinese characters 海馬牌 introduce a “local” touch to the mark. However I think any such impression is balanced out by the English words SEA HORSE and in any case overpowered by the device of the sea horse.

26. Admittedly there are differences. There is a colour contrast between the respective sea horse devices. Further, the sea horse device in the suit mark is enclosed in a plaque-like device. The test of comparison however, does not require me to engage in a side-by-side examination for differences. I have to consider how the marks compare in imperfect or sequential recollection. The test is not whether there would be a possibility of confusion if a person looks at the two marks side by side, but whether a person who sees the suit mark in the absence of the opponent’s mark, and in view only of his general recollection of what the nature of the opponent’s mark was, would be likely to be confused.

27. The onus is upon the applicant to show on a balance of probabilities, that assuming notional fair use of the opponent’s mark on cosmetics, there is no reasonable likelihood of deception or confusion among a substantial number of persons if the suit mark is also used and registered in respect of any goods in its specification.

28. In my view, the opponent’s mark will doubtless be memorised or recalled as the “sea horse” mark and referred to as the “sea horse” mark in speech. It is quite unlike the kind of device marks so lacking in eye appeal that they are either immediately forgotten, or so abstract as to be incapable of mental classification and therefore again immediately forgotten. (see *audio pro & device*, unreported decision of K S Kripas on behalf of the Registrar of Trade Marks dated 6 March 2003, at para 50). I find that the suit mark is very similar to the opponent’s mark in imperfect or sequential recollection. On seeing the suit mark in the absence of the opponent’s mark, and having only a general recollection of the latter, one would be liable to think they were the same or related to the other.

*Likelihood of deception or confusion*

29. Although the answer to the question of whether there exists a likelihood of deception or confusion is one of fact for the tribunal, it is the mind of the ultimate purchasers of the respective goods that I must consider. The deception and confusion under question need not ultimately lead the purchaser to purchase the wrong trader's products. It is sufficient if he is likely to be caused to wonder whether or not the product has emanated from the opponent.

30. The purchasers to be considered are those who are likely to purchase the product in question. Evidence of the opponent's sales in Hong Kong prior to the relevant date shows its goods to be in the nature of liquid soap, perfume shower, shower gel and "collagen." Elsewhere in the evidence the opponent's mark is used in the "algemarin" and "algemarin therapy" range of products featuring body and skincare products also sold to companies in Hong Kong. Exhibit B to Mr Böttger-Hilbert's statutory declaration lists some of the unit prices of goods sold to Hong Kong trading companies. The evidence does not suggest that the opponent deals in specialist or exclusive items. The applicant has filed no evidence whatsoever. On the premise that the respective parties' goods are common consumer products, I postulate the ultimate purchasers of both parties' goods to be members of the general public. On the basis that the applicant's proposed goods cover, amongst other things, "cosmetics" which overlaps with the specification of the opponent's earlier registration, I consider that they will be sold in the same trade channels.

31. The onus lies upon the applicant for registration to satisfy the Registrar that the answer to the enquiry in *Smith Hayden (supra)* is negative "regard being had to the whole range of goods covered by the proposed registration" (*Smith Hayden* at 102). It has to show that the suit mark is not reasonably likely to deceive or cause confusion. If the tribunal is in doubt as to whether deception is likely the application should be refused.

32. I have found that the applicant's goods overlap with those of the opponent insofar as cosmetics and possibly other goods of the same description are concerned for example perfumery, essential oils, hair lotions which are products intended and used for personal grooming. There is as I have said, no need for a larger extent of overlap to bring section 20 into play.

33. Would a substantial number of purchasers of the goods on which the respective marks are used, having an imperfect recollection of the opponent's mark applied to cosmetics (and goods of the same description), have reason to call to mind that mark upon seeing the

goods bearing the suit mark which are sought to be protected by this application? The answer may be no for those goods in the specification which are neither the same nor of the same description as those covered by the opponent's registration. However for those goods which are the same or those that I have identified to be of the same description as the opponent's "cosmetics", the applicant encounters the problem of "triple identity," that is to say, nearly resembling marks for the same goods in the same market.

34. The authorities on the issue of triple identity make clear that confusion in such cases as to origin is inevitable. Having considered the matter I am not satisfied that the applicant has discharged its onus.

35. Although section 20(1) is expressly subject to section 22 of the Ordinance, since the applicant has filed no evidence in this matter, no issue of bona fide concurrent user arises. The opposition having succeeded under section 20(1), I must refuse the application and it is unnecessary that I deal with the opposition under the remaining grounds.

#### *Costs*

36. The opponent has sought costs. There is nothing in the circumstances or conduct of this case which would warrant a departure from the general rule that costs should follow the event. I accordingly order that the applicant pays the costs of and incidental to these proceedings.

37. 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.

( Lavinia Chang )  
p. Registrar of Trade Marks  
7 August 2004