

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

**OPPOSITION TO TRADE MARK APPLICATION NO. 300079696**

**MARK :**



**CLASS : 3**

**APPLICANT : HAIR REGENERATION LIMITED**

**OPPONENT : NEW CYNOSURE COMPANY LIMITED**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 17 September 2003, Hair Regeneration Limited (the “Applicant”) filed an application (the “subject application”) for registration of the mark above (the “subject mark”) in respect of “shampoo” (the “subject goods”) in Class 3 under the Trade Marks Ordinance (Cap. 559) (the “Ordinance”).
2. Particulars of the subject application were published on 10 September 2004. New Cynosure Company Limited (the “Opponent”) filed a notice of opposition to the subject application on 9 December 2004.
3. The opposition hearing took place before me on 12 February 2008. Mr. Vincent Lam Chung Wai, Counsel, instructed by Messrs. Chow, Griffiths & Chan appeared for the Opponent. The Applicant did not appear at the hearing.

**Grounds of opposition**

4. The Opponent relied on the grounds of opposition under sections 11(1), 11(5) and 12(5)(a) of the Ordinance.

### **Counter-statement and evidence**

5. The Applicant filed a counter-statement on 7 March 2005 in response to the Opponent's notice of opposition.
6. The Opponent's evidence consists of : -
  - (a) a statutory declaration of Wong Chong On, director of the Opponent, declared on 6 September 2005 ("Wong's First Declaration");
  - (b) a second declaration of Wong Chong On declared on 30 August 2006 ("Wong's Second Declaration");
  - (c) a supplemental statutory declaration of Wong Chong On declared on 30 August 2006 ("Wong's Third Declaration"); and
  - (d) a statutory declaration of Yeung Wai Kit declared on 31 August 2006.
7. The Applicant's evidence consists of a statutory declaration of Yeung Yim, director and shareholder of the Applicant, declared on 2 March 2006 ("Yeung's Declaration").

### **Opposition under section 12(5)(a) of the Ordinance**

8. Section 12(5)(a) of the Ordinance provides, inter alia, as follows :

“... a trade mark shall not be registered if, or to the extent that, its use in Hong Kong is liable to be prevented –

  - (a) by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade or business (in particular, by virtue of the law of passing off) ...”
9. The relevant question is whether normal and fair use of the subject mark for the purpose of distinguishing the Applicant's goods from those of other undertakings was liable to be prevented at the date of application for registration of the subject mark by an action for passing off.

10. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of Hong Kong Vol 15(2)* at paragraph 225.001. The guidance takes account of speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731, and is as follows :

“The House of Lords has restated the necessary elements which a plaintiff has to establish in an action for passing off :

- (1) the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) the plaintiff has suffered or is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation.

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

### ***Goodwill or Reputation***

11. According to Wong’s First Declaration, the Opponent was incorporated in Hong Kong in July 1999, and has been engaged in the business of sale and supply of shampoo and products relating to hair treatment (the “Opponent’s Goods”).

12. The Opponent claimed that in 1999, the Opponent commissioned the design of, and subsequently adopted, the following mark (the “Opponent’s Mark”) :



13. The Opponent claimed<sup>1</sup>, and the Applicant did not deny<sup>2</sup>, that the Opponent first used the Opponent’s Mark in 1999.
14. The Opponent claimed that it has continuously used the Opponent’s Mark in Hong Kong in respect of the Opponent’s Goods since 1999. Exhibits to Wong’s First Declaration show that the Opponent’s Goods with the Opponent’s Mark were promoted, *inter alia*, at the Millennium Health Food, Drugs & Auxiliary Product Expo held at the Hong Kong Convention and Exhibition Centre between 28 and 30 July 2000 and The 37<sup>th</sup> Hong Kong Products Expo held at the Tamar Site between 14 December 2002 and 6 January 2003.
15. The Opponent also placed advertisements of the Opponent’s Goods with the Opponent’s Mark at the publication “優惠廣告雙周刊” in March 2001, at the publication “3 周刊” in May 2001, at 星島日報 (Sing Tao Daily) in July 2001, at 香港文匯報 (Wen Wei Po, Hong Kong) in November 2001 and at the publication “2003 春節回鄉旅遊手冊” published by 香港中國旅行社 (China Travel Service (Hong Kong)) and 大公報 (Ta Kung Pao). According to some of these advertisements, the Opponent’s Goods were available at various dispensaries as well as the following retail stores and department stores :

Heath Plus 健怡坊  
中藝  
裕華  
華潤堂  
華潤百貨

<sup>1</sup> Notice of Opposition, paragraph 3.

<sup>2</sup> Counter-statement paragraph 3.

永安百貨  
吉之島千島

16. The Opponent's Mark consists of the Chinese characters “髮再生”, meaning “hair, regenerate”, and a device of a strand of hair. Although the Chinese characters “髮再生” are descriptive of hair care products which treat baldness or facilitate hair growth, and the device of a strand of hair is indistinctive of hair care products, by virtue of the usage of the combination of those Chinese characters and the device in the form of the Opponent's Mark in the manner described in paragraphs 14 and 15 above, I find that the Opponent's Goods have acquired goodwill and reputation in the market, and are known by the Opponent's Mark which has become distinctive of the Opponent's Goods.
17. In Yeung's Declaration, Madam Yeung Yim stated that she was a ‘de facto partner at the Opponent’ between 1999 and 2003, and had been a director and shareholder of the Applicant since its incorporation in February 2003. Madam Yeung stated that she had a close relationship with Mr. Wong Chong On (“Mr Wong”) of the Opponent when the Opponent was established in 1999. Madam Yeung claimed that “despite the legal title of the shareholdings in the Opponent were at material times held under others' name, it was agreed and understood that the beneficial interest in the shareholdings were vested in Wong and me”.
18. Madam Yeung also stated in Yeung's Declaration that, “As Wong, a businessman for years, has to deal with his other businesses, he did not have time and focus to spare on the operations and development of the Opponent”. Madam Yeung considered that she had been the “lifeblood” and the “moving light” of the Opponent's business operations, including the development of the Opponent's products under the name “髮再生”. Madam Yeung also claimed that she and Mr. Wong “expressly discussed and agreed that the development of the line of business relating to the sale and supply of hair cleaning and hair care products under the name “髮再生” would be my [*i.e. Madam Yeung's*] personal business, and if it turned out to be successful, I would be the one enjoying the fruits harvested from it”. Madam Yeung stated that she had invested her time, skill and labour in the sale and supply of the Opponent's products in consideration of the “agreement” between Mr. Wong and herself, and that the legal and equitable title of the Opponent's Mark was at all material times owned by her.

19. There is no evidence as to who were the shareholders of the Opponent at the material times. There is no independent evidence to support the claim that “despite the legal title of the shareholdings in the Opponent were at material times held under others’ name, it was agreed and understood that the beneficial interest in the shareholdings were vested in *[Mr. Wong]* and *[Madam Yeung]*”. There is also no independent evidence to support the claim that the legal and equitable title of the Opponent’s Mark was owned by Madam Yeung.
20. Although Madam Yeung claimed that Mr. Wong did not have time to deal with, and was not focused on, the operations and development of the Opponent, it is clear from the Opponent’s evidence that Mr. Wong was heavily involved in the business development of the Opponent’s Goods under the Opponent’s Mark. It was Mr. Wong who in 1999 signed and accepted proofs of the design of the Opponent’s Mark and packaging designs with the Opponent’s Mark. Mr. Wong was also named as the contact person in numerous invoices, quotations and forms in relation to the Opponent’s business in the Opponent’s Goods. Among them were a quotation for printing an advertisement of the Opponent’s Mark in December 2000, a confirmation for the Opponent’s subscription to the Hong Kong Article Numbering Association’s full membership for the use of the e-ID repository to assign and store the Global Trade Item Number and Global Location Number for the Opponent’s Goods, forms in relation to the Opponent’s participation in the 2<sup>nd</sup> Health Food, Drugs & Auxiliary Products Expo in July 2001, the 3<sup>rd</sup> Hong Kong Health Expo in 2002 and The 37<sup>th</sup> Hong Kong Products Expo from 14 December 2002 to 6 January 2003, and an exhibition contract for participation in the Sports Fair 2003 held at The Hong Kong Convention and Exhibition Centre in March 2003.
21. The Opponent has participated in the exhibitions referred to in paragraph 20 above in the name of the Opponent, New Cynosure Co., Ltd. (創生興業有限公司). The Opponent’s name also appeared in some of the advertisements for the Opponent’s Goods bearing the Opponent’s Mark. I find that through the use that has been made of the Opponent’s Mark, by the date of application for registration of the subject mark, the Opponent’s Mark has come to be relied upon as denoting that the quality or character of the Opponent’s Goods marked with the Opponent’s Mark is the responsibility of the Opponent.

22. I find that as at the date of application for registration of the subject mark, the Opponent had goodwill and reputation arising from the use of the Opponent's Mark for the Opponent's Goods in Hong Kong.

### ***Misrepresentation***

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

### **Deception**

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

"To establish a likelihood of deception or confusion in an action for passing off where

there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

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

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

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

27. I have already found that the Opponent had goodwill and reputation arising from the use of the Opponent's Mark for the Opponent's Goods in Hong Kong.

28. The subject goods are “shampoo”. The Opponent’s field of activity, by reference to the Opponent’s Goods, overlaps with that of the Applicant by reference to the subject goods.
29. The subject mark consists of the Chinese characters “髮再生” arranged vertically within a box, with a device consisting of a few arcs and curves placed against each other superimposed over the last Chinese character “生”.
30. The Opponent’s Mark consists of the Chinese characters “髮再生” arranged vertically, with a device of a strand of hair superimposed over the three Chinese characters.
31. Although the Applicant claimed that it had used the subject mark, no example of actual use of the subject mark was provided in the Applicant’s evidence. In any event, I have to consider whether normal and fair use of the subject mark for the purpose of distinguishing the subject goods from those of other undertakings would constitute passing off.
32. The subject goods are “shampoo”. Such goods may be sold in dispensaries or self-serve retail outlets. The relevant consumers include general members of the public. It is not to be supposed that the typical customer can precisely remember every detail of the name, mark or get-up of the goods he intends to buy. It is therefore inappropriate to compare the marks or signs side-by-side. Allowance has to be made for the imperfect recollection of the consumers.
33. For both the subject mark and the Opponent’s Mark, the only textual element consists of the Chinese characters “髮再生” arranged vertically. Although each of the subject mark and the Opponent’s Mark contains a device element, the average consumer would remember each of the subject mark and the Opponent’s Mark mainly by the Chinese characters “髮再生”. The overall impressions created by both marks are very similar.
34. When customers see the subject mark used in relation to the subject goods, they are likely to be misled into believing that goods marked with the subject mark are from the same source as those marked with the Opponent’s Mark. A substantial number of persons are liable to be deceived by the normal and fair use by the Applicant of the subject mark into believing that the Applicant’s goods are goods of the Opponent, or alternatively, that the

Applicant's business is in some way connected with the Opponent's business.

### ***Damage***

35. A misrepresentation that the defendant's goods or business are those of the claimant is intrinsically likely to damage the claimant if the fields of business of the claimant and the defendant are reasonably close (*The Law of Passing-Off*, Christopher Wadlow, 3<sup>rd</sup> edition, 4–13).
36. In view of the reputation and goodwill of the Opponent, the fact that the Opponent's and the Applicant's respective fields of activity overlap and the fact that a substantial number of persons are likely to mistakenly infer from the Applicant's use of the subject mark that the Applicant's subject goods are from the Opponent or are connected with the Opponent, damage to the Opponent's goodwill is a reasonably foreseeable consequence of use of the subject mark.
37. I find that use of the subject mark in Hong Kong is liable to be prevented at the date of application for registration of the subject mark by an action for passing off.

### **Conclusion**

38. For the reasons stated above, the ground of opposition under section 12(5)(a) of the Ordinance is made out. The subject application is therefore refused.
39. As I have found in favour of the Opponent on the ground of opposition under section 12(5)(a) of the Ordinance, it is not necessary for me to consider the other grounds of opposition.
40. 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. 4A) as applied to trade mark matters, unless otherwise agreed between the parties.

(Finnie Quek)  
for Registrar of Trade Marks  
28 March 2008