

TRADE MARKS ORDINANCE (Cap. 559)
OPPOSITION TO TRADE MARK APPLICATION NO. 300536706

MARK:



CLASS: 25

APPLICANT: HONGKONG FRANSALON INTERNATIONAL FASHION
LIMITED

OPPONENT: YVES SAINT LAURENT

STATEMENT OF REASONS FOR DECISION

Background

1. On 25 November 2005, Hongkong Fransalon International Fashion Limited (the “applicant”) filed an application (the “subject application”) under the Trade Marks Ordinance, Cap. 559 (the “Ordinance”) for registration of the mark, which is represented above (the “suit mark”), in Class 25 in respect of “clothing, footwear, headgear” (the “specified goods”).

2. Particulars of the subject application were published on 20 January 2006. Yves Saint Laurent (the “opponent”) filed a notice of opposition which includes the grounds of opposition on 13 April 2006.

3. The opposition hearing took place before me on 12 November 2009. Ms. Yu Tung Mui of CLT Patent & Trademark (HK) Ltd appeared for the opponent. The applicant did not appear at the hearing.

Grounds of opposition

4. In the grounds of opposition, the opponent opposes registration of the suit mark under sections 11(1), 11(4), 11(5), 12(3), 12(4) and 12(5) of the Ordinance.

Counter-statement

5. The applicant filed a counter-statement on 12 July 2006. I shall discuss in detail what the applicant had pleaded, later in this decision.

The opponent's evidence

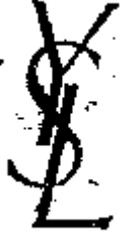
6. The opponent's evidence is the only evidence in the proceedings. This comprises a statutory declaration of Marie-José Cabrolhier dated 27 November 2006 ("Ms. Cabrolhier's statutory declaration"). Ms. Cabrolhier is the General Counsel of the opponent. She made the statutory declaration from her own personal knowledge and from the opponent's records to which she had access.

7. According to Ms. Cabrolhier, the Opponent, YVES SAINT LAURENT, is a corporation organized under the laws of France with business all over the world, including mainland China and Hong Kong. The opponent has been engaging in designing, producing, marketing and sale of branded products, especially "YSL" products that fill customer needs for quality and brand recognition. It is claimed that for almost forty years, the opponent's founder, fashion designer Yves Saint Laurent, had been one of the most innovative and provocative designers for the 20th century, the brand "YSL" is a worldwide well-known trade mark and the opponent has developed a strong business crossing all boundaries, including ready-to-wear for men and women, shoes and leather goods, perfume, cosmetics, etc. The brand products and collections are sold through directly-operated and franchise stores, department stores and specialty boutiques. Since 1999, the opponent has become part of the

Gucci Group, and has successfully expanded into accessories which complement the core business of clothing, shoes and leather goods. Exhibited at “EV-I” to Ms. Cabroler’s statutory declaration are extracts from newspapers, magazines and trade literature giving background information about the opponent.

8. In Ms. Cabroler’s statutory declaration, annual revenues of the opponent are given for the years 2000 to 2003, and 2005, in the HK\$750,000,000 to HK\$1,600,000,000 range. As for the Hong Kong business for the years 2001 to 2003, sales figures were given in the HK\$14,300,000 to HK\$38,700,000 range, and the advertising and promotion expenses in the HK\$2,310,000 to HK\$4,290,000 range. Extracts from the financial review published by the Gucci Group (the opponent being one of its acquired brands) for the years 2001, 2002, 2003 and 2005 are exhibited at “EV-II” to Ms. Cabroler’s statutory declaration.

9. The opponent claims, in the grounds of opposition, to have registered six trade marks in Hong Kong under Class 25. However, among those six marks, only the following five marks were mentioned in Ms. Cabroler’s statutory declaration and/or had copies of their registration records exhibited at “EV-III”:-

Trade Mark No.	Trade Mark	Specification of Goods	“Other Details” as appeared on the trade mark registration record ¹
1991B1827		clothing, footwear, headgear	
1977B1204		ladies’ silk scarves and ladies’ shoes	First User in Hong Kong since 1972 in respect of ladies’ silk scarves and since 1973 in respect of ladies’ shoes.

¹ And also deposited to in Ms. Cabroler’s statutory declaration.

Trade Mark No.	Trade Mark	Specification of Goods	“Other Details” as appeared on the trade mark registration record ¹
1978B0310		men’s belts	First User in Hong Kong since 1973.
1996B00981		scarves and shawls	Use claimed from 1978.
1999B01553		clothing, belts, gloves, headgear and footwear	

For the discussions below, I would just refer to all these signs or marks as the opponent’s marks.

10. Ms. Cabrolier further deposes that “Yves Saint Laurent” is the company name of the opponent and that the “YSL” brand has been developed by the opponent for over thirty years in Hong Kong. The opponent has two direct-operated stores in Hong Kong. Various promotional items and advertisements extracted from certain websites, newspapers and magazines are exhibited at “EV-IV” to Ms. Cabrolier’s statutory declaration. In those exhibits, whilst the plain words “Yves Saint Laurent” and the plain letters “YSL” are seen to have been consistently used for making reference to the opponent or its shops, a sign or mark consisting of the words “Yves Saint Laurent” in the same lettering style as those same words which appear in the opponent’s registered marks can be seen to have been used independently. I shall call the sign or mark ‘the stylized words of “Yves Saint Laurent”’.

11. Ms. Cabrolier claims that the opponent’s products are also popular in the second hand market. The various exhibits at “EV-V” to Ms. Cabrolier’s statutory declaration contain material obtained from the www.fashion-premiere.com and www.bestwishes.com.hk websites over the years 2005 to 2006, showing that the

“YSL” brand clothing and handbags are sold online. Ignoring those of 2006 which are post application date, on the photos of handbags shown, a monogram formed by three intertwined and overlapping letters Y, S and L (as in the mark under registration no. 1991B1827) can be clearly seen.

12. The other exhibits to Ms. Cabrolier’s statutory declaration are listed and described below:-

EV-VI – opponent’s advertisements and articles about the “Yves Saint Laurent (YSL)” brand products placed in magazines, newspapers and other online media in Hong Kong over the years 2004 to 2006.

EV-VII – photos of YSL Runway Fashion Shows 2001, 2003 and 2005.

EV-VIII – copies of the brochures of the Yves Saint Laurent collections 2004, mentioning Yves Saint Laurent boutiques throughout the world, including the two in Hong Kong at Alexandra House and Harbour City.

EV-IX – articles in respect of certain well known trade marks recognised by the Trademark Office under the State Administration for Industry and Commerce (國家工商行政管理局商標局) and the decision in respect of the trade mark opposition proceedings on the “YEAR’S SAN LORENZ - YSSL” mark, showing that “YSL Yves Saint Laurent” is a recognised well known trade mark in mainland China.

EV-X – Printout of the database of various trade marks offices over the world — of the trade marks “YSL” and “YSL (monogram)” registered in Class 25 — together with some certificates and trade mark records.

EV-XI – records of the applicant company obtained from the Companies Registry of Hong Kong.

13. The rest of Ms. Cabrolier's statutory declaration contains comments about the applicant and the suit mark, and its comparison with the opponent's trade marks, which in the main consists of Ms. Cabrolier's own observation and submissions. I do not propose to summarize them but would refer to the relevant parts as and when appropriate.

Finding on reputation of the opponent's marks

14. The core of the opponent's case, as apparent from the discussions below, is to be built upon the reputation of the opponent's marks. It is convenient for me to first make a finding here in that connection.

15. I have outlined the unchallenged evidence of the opponent at paragraphs 6 to 13 above. Ms. Cabrolier claims that the mark under registration nos. 1977B1204, 1978B0310 and 1996B00981 has been used in Hong Kong since 1972 in respect of ladies silk scarves, since 1973 in respect of ladies' shoes and men's belts, and since 1978 in respect of scarves and shawls. From the various materials exhibited at "EV-IV" to "EV-VIII", in particular the opponent's promotional materials, advertisements and catalogues, and articles about the "Yves Saint Laurent (YSL)" brand products placed in magazines, newspapers and other online media, there is no doubt that over the years not only the said mark, but also the stylized words of "Yves Saint Laurent", the plain three-letter sign "YSL" (being the mark under registration no. 1999B01553) and the monogram made up of the letters Y, S and L (being the mark under registration no. 1991B1827), had each on its own been used as a trade mark by the opponent to identify its goods. All these confirm that all of the opponent's marks had been in use.

16. What I could say on the evidence is this: on the one hand, given the way the opponent's marks were used, which I would characterize as intermingling with one another, the exact length in time and extent of use of each of the opponent's marks concerned could not be made out; on the other hand, taking the unchallenged evidence as a whole, and particularly the long history, the figures of strong sales and advertising over the years of the opponent's products which bear and/or were

promoted or advertised by reference to one or more of the opponent's marks, I find that as of the day the subject application was filed, high quality fashion products designated by the opponent's marks had been enjoying a substantial reputation and goodwill in Hong Kong and in mainland China.

Decision

17. There are a number of grounds of opposition pleaded by the opponent against the subject application (see paragraph 4 above). The pleadings as set forth, however, are merely recitation of various sections of the Ordinance with little regard to provide a full and focused statement of the grounds relied on. To make matters worse, at the hearing, Ms. Yu's submissions did little to relate the facts to be relied upon by the opponent with the basis in law on which a ground is to be founded, and Ms. Yu was not even able to identify, on my request to do so, which specific section of the Ordinance a stated ground of opposition was supposed to be premised upon. In essence, I do not have the benefit of being presented with a comprehensible and viable case on each and every ground of opposition pleaded.

18. What I can gather from Ms. Yu's submissions about the opponent's case is at most the following: that due to the fact that the main components making up the suit mark are very similar to the opponent's marks, the application for registration of the suit mark is made in bad faith calculated to ride on the goodwill and reputation of the opponent's marks. This could fall within a bad faith claim to be examined under section 11(5)(b) of the Ordinance, in respect of which I will accordingly do below, and Ms. Yu has agreed to rest the opponent's case on this claim alone.

19. But even so, to be fair to the opponent's stated grounds of opposition under sections 12(3), 12(4) and 12(5), which essentially involve an allegation of similarity between the suit mark and the opponent's marks, I shall first examine this issue and see whether there is a chance that other sections of the Ordinance could come into play.

20. As to the other sections under the sweeping plea of grounds of opposition under sections 11(1), 11(4) and 11(5) of the Ordinance (other than section 11(5)(b) on the claim of bad faith), I do not see there is an arguable case being advanced, nor do I see any evidence in these proceedings which support those ground of opposition.

The issue of similarity between the suit mark and the opponent's marks under sections 12(3), 12(4) and 12(5) of the Ordinance

21. The suit mark is made up of the following components:-

- (i) a monogram formed by two intertwined, overlapping or otherwise combined letters, namely, S and L, with the letter S having its upper part taking the shape of a dragon head (hereinafter referred to as the "SL monogram");
- (ii) Two sets of Chinese characters, namely, "法萊" and "聖龍", aligning horizontally, separated with a dot in between, becoming what I shall hereinafter refer to as the term "法萊 · 聖龍"; and
- (iii) the word "FRANSALON".

22. Each of the opponent's marks is made up of one or more of the following elements:-

- (i) a monogram formed by three intertwined, overlapping or otherwise combined letters, namely, Y, S and L (as in the mark under registration no. 1991B1827, hereinafter referred to as the "YSL monogram");
- (ii) the stylized words of "Yves Saint Laurent"; and
- (iii) a plain three-letter sign "YSL".

23. For ease of analysis I would make some comparisons among the various elements between the suit mark and the opponent's marks, and then assess their overall impact.

24. The first obvious comparison is between the applicant's SL monogram and the opponent's YSL monogram. In visual terms, allowing for imperfect memory and the fact that the average customer would not be comparing the marks or signs side by side, I would disregard the niggling differences in the relative sizes of the letter L vis-à-vis the letter S in the respective monograms, and the dragon head forming the upper part of the letter S in the SL monogram, as these may not be noticed and remembered by customers. I would also disregard the slanting manner in which the letters were arranged in the YSL monogram. But I think the absence of the letter Y in the SL monogram is a difference I cannot disregard. Phonetically speaking, "YSL" and "SL" have obvious differences. In conceptual terms, the two monograms share the concept of the letter L superimposed on the letter S, but again there is the marked difference that one is made up of three letters whereas the other is two. On balance, I find the two monograms only share a low degree of similarity.

25. In connection with the term "法萊·聖龍", as there is no Chinese terms or characters in any of the opponent's marks, I do not find there is any corresponding feature or element there. Ms. Yu's argument, in paragraph 2 of her skeleton argument, that the term will bring an image to the public that the suit mark is related to the French brand "聖羅蘭" is neither here nor there, given that there is no suggestion why the mark "聖羅蘭" should be of concern to us, either on evidence or on pleadings.

26. To stretch to the limit, I have considered whether one may think of the words "Yves Saint Laurent", if they were to be translated into Chinese, a term comprising "聖", "萊" and "龍" alongside some other Chinese characters may possibly end up. But I think that is too much a far-fetched idea which, in the absence of any concrete evidence, I am not going to take account of in making a comparison for similar features between the marks. I conclude that there is no corresponding comparison to be found in the opponent's marks for the term "法萊·聖龍".

27. Turning to the word “FRANSALON”, I also do not think the words “Yves Saint Laurent”, or indeed any other elements in the opponent’s marks, could be meaningfully taken as a comparison for our purpose. There is therefore no feature or element in the opponent’s marks which is similar to the word “FRANSALON”.

28. As there is only the SL monogram which can be said to have a low degree of similarity with the YSL monogram, the impact of combining the SL monogram, the term “法萊·聖龍” and the word “FRANSALON” as one whole in the suit mark could only be that the suit mark has an even lower level of similarity with the YSL monogram. There is no suggestion that the term “法萊·聖龍” and the word “FRANSALON” are not distinctive elements in relation to the specified goods, and given their relative sizes, in particular the term “法萊·聖龍” and its position in the mark, I do not think consumers would just ignore them and remember only the SL monogram in perceiving the suit mark as a whole. I come to the conclusion that the suit mark only has a very low level of similarity with the YSL monogram.

29. The level of similarity between the suit mark as a whole and YSL monogram is so low that when an average consumer sees the suit mark used in relation to the specified goods, despite the reputation of the opponent’s marks in relation to fashion products, the suit mark would hardly call to mind the YSL monogram, let alone the others of the opponent’s marks.

30. At such low level of similarity, I do not consider there is a sufficient basis for me to go on to consider the grounds of opposition based on sections 12(3), 12(4) and 12(5) of the Ordinance.

Section 11(5)(b)

31. Section 11(5)(b) of the Ordinance provides that a trade mark shall not be registered if the application for registration of the trade mark is made in bad faith. The term “bad faith” is not defined in the Ordinance.

32. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367 at 379, Lindsay J. said in relation to section 3(6) of the U.K. Trade Marks Act 1994 (equivalent to section 11(5)(b) of the Ordinance):

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

33. In *Harrison v Teton Valley Trading Co (CHINAWHITE)* [2005] F.S.R. 10, the Court of Appeal in the United Kingdom said (at paragraph 26):

“The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. *However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.*” (Emphasis added)

34. Further, in *Ajit Weekly Trade Mark* [2006] RPC 25, the Appointed Person said,

“The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”

35. The position is best summarised more recently in the following passage in *Melly’s Trade Mark Application (Oppositions of Fianna Fail and Fine Gael)* [2008] R.P.C. 20, where the same Appointed Person who presided in *Ajit Weekly Trade Mark* said:

“53 The mental element required for a finding of bad faith has been much discussed. The discussion has centred on the test for determining dishonesty in English law, that is to say the “combined test” as explained by the House of Lords in *Twinsectra Ltd v Yardley* and clarified by the Privy Council in *Barlow Clowes International Ltd (In Liquidation) v Eurotrust International Ltd*. In her decision in *Ajit Newspaper Advertising Marketing & Communications Inc’s Trade Mark* (No.2283796) Professor Annand considered whether the “combined test” makes it necessary to give effect to the applicant’s belief in the propriety of his own behaviour when deciding whether he applied for registration in bad faith. She said not, on the basis that his own perception of propriety could not provide a conclusive answer to the question whether he actually had applied for registration in bad faith. I agree with her analysis. It supports the view that the relevant determination must ultimately be made “on the basis of objective evidence” rather than upon the basis of evidence as to the beliefs and opinions of the applicant with regard to the propriety of his disputed application for registration. I note in this connection that in the *Harrison v Teton Valley Trading Co Ltd--CHINA WHITE* the Court of Appeal upheld the Hearing Officer’s finding of bad faith: (1) notwithstanding that the applicant for registration had deposed to the fact that he “recognised no bad faith in my decision to develop and market the drink CHINA WHITE” and was not cross-examined on the evidence he had given; and (2) notwithstanding that the Registrar’s Hearing Officer had accepted the applicant’s evidence and concluded that at the date of the disputed application for registration the applicant “saw nothing wrong in his own behaviour”.” (footnotes omitted)

36. As discussed above, the opponent has grounded the bad faith objection on the close similarity between the main components of the suit mark and those of the opponent’s marks, in respect of which I have already found that the suit mark only share a very low degree of similarity with the YSL monogram. Nonetheless, the focus of attention in a claim of bad faith must be the propriety of a party’s conduct in relation to his request for protection of the subject mark for the goods in question. The opponent alleges that the application for registration of the suit mark is made in bad faith calculated to ride on the goodwill and reputation of the opponent’s marks, and I have to examine such a claim against the backdrop of my finding on the issue of similarity.

37. First I must ascertain what the applicant knew about the opponent's marks at the time when it made the subject application. There is no direct evidence on this point, but the overwhelming evidence of reputation and goodwill of the opponent's marks means that a strong inference can be drawn that the applicant, admittedly interested in entering into the same field of business as the opponent's when it filed the subject application in 2005 to register in Hong Kong the suit mark in Class 25 goods, must be aware of and have sufficient knowledge of the opponent's marks and their reputation in fashion products.

38. What the applicant has put forth in the present proceedings, not as evidence by way of statutory declaration but merely as pleading under the counter-statement, is only the following:

- (a) The wording and the structure of the suit mark are completely different from those of the opponent's marks, hence use of the suit mark would not cause any confusion to the public.
- (b) The applicant had invested much money in promoting the publicity of the suit mark and had used the suit mark on all products.
- (c) The suit mark, consisting of words, indications, designs, letters and characters and is capable of being represented graphically, must be registrable under the Trade Marks Ordinance, Cap. 559 after the applicant had followed a normal procedure to apply for its registration.

39. The above, whilst on the one hand could be interpreted as the applicant having little to offer to answer the allegation that the suit mark is calculated to ride on the reputation and goodwill of the opponent's marks²; on the other hand, it shows that the applicant is clearly of the view that the marks concerned are dissimilar and it wishes to assert what it perceived to be its entitlement – upon meeting certain technical or procedural requirements – to registration of the suit mark. Nonetheless,

² I would not entirely attribute such fault to the applicant as given the state of the pleadings in the grounds of opposition, it is never clear which ground(s) of opposition the applicant is supposed to meet and address in relation to a particular piece of factual allegation.

against the backdrop of overwhelming evidence of reputation and goodwill of the opponent's marks as I have found, this fails to rebut, if not to reinforce, the inference that there is awareness on the applicant's part of the opponent's marks when it made the subject application, and I must accordingly hold that to be so.

40. As stated above, when considering the question of whether an application to register is made in bad faith, all the circumstances will be relevant, and the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards (*Harrison v Teton Valley Trading Co (CHINAWHITE)*). I have already discussed and assessed the possible knowledge of the applicant, but this is not the end of the matter. What must be further decided is whether in the light of the applicant's knowledge, the applicant's conduct is dishonest judged by ordinary standards of honest people, the applicant's own standards of honesty being irrelevant to the determination of the objective element (see paragraph 35 above).

41. Whilst it is true that, as I have found, there is a certain degree of similarity between the SL monogram and the YSL monogram, and indeed the YSL monogram had enjoyed high reputation and goodwill, hence in the absence of an explanation of how the suit mark was designed there came naturally the speculation that the applicant designed that mark with a view to riding on the reputation of the opponent's marks. But looking at matters in the round, in particular my finding that the suit mark overall only shares a very low degree of similarity with the YSL monogram of the opponent, one may just think that it is equally possible for the applicant to come up with the design of the suit mark regardless of its awareness of the opponent's marks and their reputation. Just as the YSL monogram was derived from "YSL" which in turn formed from the first letters of the name of the opponent, it could be that the letters S and L in the SL monogram are the initials of the term "法萊·聖龍" transliterated into certain Latin language, or represent the name of the applicant (i.e., "FRANSALON") contracted in a certain way. All this is interesting if only to show that allegedly similar components of marks may have different origins, not necessarily one copying from the other.

42. After all, I have objectively assessed the similarity between the suit mark and the opponent's marks, and came to the view that only the SL monogram and the

YSL monogram share a low degree of similarity. Even if (which I do not believe to be the case here) the low degree of similarity might lead consumers of fashion products to faintly call to mind the opponent's marks, given the overall dissimilarity between the suit mark and the YSL monogram or any other of the opponent's marks, it is a leap in logic to suggest that the design of the suit mark was calculated to ride on the reputation and goodwill of the opponent's marks.

43. In Ms. Cabrolier's statutory declaration, the following circumstances are specifically mentioned:-

- (a) The applicant, having interest in the garment industry, must be familiar with the "YSL" brand.
- (b) The applicant only gave the agent's address instead of its registered office address (revealed in the Companies Registry records at exhibit "EV-XI") as its address for service.
- (c) The applicant has no relationship with the opponent and no relationship with France, yet the suit mark would convey wrong messages that it had such connections.
- (d) The Chinese character "法" and the English word "FRANSALON" in the suit mark presents an image that the mark belongs to a French company and the products bearing this trade mark comes from France, whereas the applicant is in fact a Hong Kong company.

44. The applicant has filed no evidence to counter any of the above. But in the absence of a finding that the suit mark has high resemblance to any element of the opponent's marks, I do not think the allegation that the applicant wants to convey a wrong message that it had connection with the opponent can be made. As to the alleged attempt by the applicant to instill a message of connection with France, I do not think average consumers would regard the Chinese character "法" and the English word "FRANSALON" as indicating a connection with France.

45. Other than what has been discussed above so far, there is nothing in the

pleadings or in the evidence that could possibly allude to any dealings on the part of the applicant which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the field as the applicant's.

46. A case of bad faith has not been made out. The ground of opposition under section 11(5)(b) therefore fails.

Conclusion

47. As the opponent has not succeeded in any of the grounds of opposition, I award the applicant costs. Subject to any representations, as to the amount of costs or calling for special treatment, which either the opponent or the applicant 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.

(Frederick Wong)
for Registrar of Trade Marks
10 May 2010