

IN THE MATTER of the Trade Marks
Ordinance

AND

IN THE MATTER of an Application by
A. Wagner's Son for the Cancellation
of the registration of the Trade Mark
No. 484 of 1959 "Club-Man" in Class 25
in respect of ready-made garments
registered in the name of Union (V-Tex)
Shirt Factory.

DECISION

OF

Dr P. L. Grindley, acting for the Registrar of Trade Marks.

The trade mark "Club-Man", the subject of these proceedings was registered in Part A of the Register in the name of Union Shirt Manufactory on 23rd May 1959 in respect of ready-made garments. In May 1965 the registered name of the proprietor was changed to Union (V-Tex) Shirt Factory and its address of 142 Nos Vaux Road Central Hong Kong was recorded in the Register.

On 20th September 1970 A. Wagner's Son, a firm having its principal place of business in the City of Frederick, State of Maryland, United States of America, submitted through their agents, Messrs Deacons, an application to the Registrar for the removal of the trade mark from the Register on the ground that up to the date one month before the date of the application a continuous period of 5 years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof. The power to rectify the Register is set out in s.45 of the

Trade Marks Ordinance and the ground for its application is s.37(1)(b). The Statement of Case filed on behalf of the applicants stated that the applicants had applied for registration of the word "CLUB-MAN" (in block letters) in respect of clothing including boots, shoes and slippers but excluding shirts in Class 25 but that the Registrar had cited the registered trade mark against the application. The applicants had since made inquiries throughout the trade and could find no trace of the said registered trade mark having been used in relation to the goods and to the best of their knowledge and belief the said registered trade mark had not been used over 5 years on the market.

The counter statement filed by the solicitors for the registered proprietor admitted that the trade mark was a registered trade mark but maintained that during the period of 5 years prior to one month before the date of the application by the applicants there had been bona fide use of the mark in relation to the goods.

In support of the application a Statutory Declaration dated 11th January 1972 by Mr Mok Yue Sing was filed by the applicants on 21st February 1973. This Declaration is a short one and the relevant parts are as follows :-

"(1) I did on or about 7th October 1971 visit a sales department of Union (V-Jax) Shirt Factory Limited at 142 Des Voeux Road Central, Hong Kong on the pretext of seeking to purchase a "CLUBMAN" branded shirt or garment. However, I was informed by a salesman thereof and verily believe that there was no shirt or garment under the trade mark "CLUBMAN" for sale. I did observe from the display inside the shop that there was no sale of any garment bearing such trade mark "CLUBMAN".

(2) I did again on the 9th day of January 1972 called at the said shop for the purpose of having the confirmation of my last finding. I was again informed by a salesman thereof and

verily believe that there was no shirt or garment under the trade mark "CLUBMAN" for sale."

As this turned out to be the only evidence produced by the applicants in support of their application it is perhaps appropriate to consider the strength of their case at this point. It will be noted that Mr Mok, who was at the time a clerk to Messrs Alexander Teang & Co., a firm of solicitors in Hong Kong, states that he visited a sales department of the Company and he was informed by a salesman that there was no shirt or garment under the trade mark "Club-Man" for sale. No information is given in the Declaration as to how many sales departments of the Company are in Hong Kong, what was the status in the Company of the salesman or how he knew the person to whom he spoke was a salesman. He goes on to state that he observed from the display inside the shop that there was no sale of any garment bearing the trade mark, which seems a rather sweeping statement, but it is not qualified in any way by stating the extent of his observation or the means of his knowledge. The evidence relating to what he ascertained on his second visit on the 5th January 1972 is even more sparse. It is simply that he was again informed by a salesman and that he believed that there was no shirt or garment under the trade mark "CLUBMAN" for sale. Having regard to the fact that in order for the applicants in such a case to succeed they must establish at least a prima facie case that there has been no user of the trade mark for a period of 5 years it seems indeed strange that no attempt was made by the applicants to cover this period of time and that they limited their evidence to an inquiry made at one place on two days within 12 months of the application.

The Statutory Declaration by Mr Lee Kwok Yat on behalf of the registered proprietor was filed on 31st July 1973. Mr Lee is a director of Union (V-Tex) Shirt Factory which, it appears, is the successor of

the firm which was the original registered proprietor. The Declaration largely consists of the production of several copy letters by his Company to various manufacturers all dated 6th November 1972 in which the letters set out the amount of the Company's orders for labels, neckties and cotton sweaters and briefs respectively during a period from January 1967 to March 1972 and the addressees are asked to confirm that information by signing the duplicate letter. The duplicate letters produced in the Declaration all bear the signature and chop of the addressees which give such confirmation. It will thus be noted that the evidence from the addressees, insofar as their confirmatory signatures and chops amount to evidence, does not bear the gloss of spontaneity, and can be said to have been prompted by the registered proprietor. Mr Lee goes on to state that the "Club-Man" brand has throughout the years 1967 to 1972 been bona fide used by his Company for shirts and other garments although it will be observed that the letters he has produced did not refer to shirts.

Subsequently the applicants asked for a hearing date and when the case came on for hearing on 23rd December 1973 the solicitors for the registered proprietor asked for an adjournment in order to adduce further evidence. In view of the quality of the evidence adduced by the applicants at this stage it is perhaps surprising that an adjournment was asked for by the registered proprietor, but by consent the adjournment was granted, on terms of costs, and a further Declaration by Mr Lee Kwok Yat was filed on 2nd January 1974. This Declaration exhibited what are described as several contracts for "Club-Man" brand shirts made on dates in 1968 and 1969. The copy documents exhibited include invoices, a declaration in support of an application for a Certificate of Origin and sales contracts and in each of them the word "Club-Man" is used to describe various kinds of shirts. The applicants elected not to file any further evidence and

the hearing was resumed on 28th March 1974.

At the hearing Mr Bridge on behalf of the applicants established that his clients were persons aggrieved within the meaning of section 48 (1)(a) of the Trade Marks Ordinance, insofar as they had made application for registration of the same word as a mark.

A preliminary point raised by him was that the registered name of the proprietor was Union (V-Tex) Shirt Factory whereas the Statutory Declarations on behalf of the registered proprietor all indicated that the registered proprietor was now a limited company. Mr Chu on behalf of the registered proprietor stated that the limited company was the successor of and under the control of the original registered proprietor firm, having been incorporated in 1966. I do not think that Mr Bridge now maintains the objection, as there is no reason to doubt this explanation, although there is of course no evidence before me on the point, and in any event the Statutory Declaration by Mr Mok on behalf of the applicants refers only to the limited company. Thus if the point were to be material, the applicants would be hoist with their own petard and their case would fail in limine. For the purpose of these proceedings, therefore, I propose to treat both the limited company and the Union (V-Tex) Shirt Factory as the registered proprietor, and it will be for the parties to consider whether any further steps should be taken with regard to this point.

Mr Bridge emphasized that it was a difficult task for his clients to prove a negative, it being agreed that the onus was upon them to prove that the mark should be removed, and said that in the circumstances little could be done other than file a nominal Statutory Declaration that research had been made and no trace of use of the mark had been found. In his submission the evidence filed was sufficient to shift the burden of proof and it would then be incumbent on the registered proprietor to

establish that they had used the mark within the required period. If the burden of proof had thus shifted in this way, Mr Bridge pointed out that the Statutory Declarations by the registered proprietor referred to only a comparatively small quantity of goods and to only a few items of the very large classification of ready-made garments in respect of which the mark was registered. Thus the registered proprietor had failed to discharge the burden of proof, at least for the majority of ready-made garments. He also commented on what he considered the dubious quality of the evidence in the first declaration by the registered proprietor, ^{which} he likened to "questionnaire" evidence.

If the burden of proof were on the registered proprietor in these proceedings and no other evidence were adduced there might well be deficiencies in their case, but I do not ~~think~~ ^{accept} ~~that~~ ^{that} the burden of proof has so shifted. I have already commented on the quality of the evidence in support of the application and in my view, while still having regard to the difficulty of proving ^a negative, it is not sufficient that no effort other than what could be described as a perfunctory enquiry should have been made to show that the registered proprietor had not been using the mark for the 5-year period. The applicants, in their Statement of Case, stated that inquiries had been made throughout the trade but they could find no trace of the registered mark having been used in relation to the goods. One might therefore have expected to see a Statutory Declaration giving details of those inquiries throughout the trade and relating to the 5-year period but little is forthcoming. I find, therefore, that the burden of proof has not shifted, and that the applicants have not satisfied me that the mark has not been used during the 5-year period.

Mr Bridge also argued that even if the Statutory Declaration was not sufficient to shift the burden of proof by itself one is entitled

to look at the other documents in the case, i.e. the declarations of the registered proprietor, and the combined effect of them is to shift the burden of proof or at least ^{raise the presumption} that the user of the mark has been raised ~~the presumption~~ minimal and limited to the few categories of clothing mentioned. I regret that I do not agree with these contentions either. If, as I am inclined to believe, the applicants' case would not have succeeded if no evidence had been adduced by the respondents, I do not think their case has been saved by the declarations made by the registered proprietor, in the same way that a criminal case might be proved against a defendant by means of his own confession or sworn evidence. The declarations on the part of the registered proprietor never state that the dealings referred to are the only cases of user of the mark nor is it necessary for them to set out exhaustively all the cases of user. At paragraph 11-30 of Kerly 10th Edition it is stated that where any use whatever has been made of the mark for the goods and within the period concerned there is no discretion to remove it, although there are reservations in the case of a single act of sale, according to the case of "Nedoz" L.S. (1962) W. 1041. In the same case it was held that alleged isolated instances of use must be convincingly proved, but I think that the use deposed to on behalf of the registered proprietor amounts to more than that.

It is indeed interesting to compare the facts of the "Nedoz" case with those presently under consideration. That was a case which an application was made for removal of the mark, registered in Class 5 in respect of medicinal preparations, on the ground of no bona fide user during the period of 5 years up to a date one month before the date of the application i.e. the same ground as the present application. Wilberforce J. in his judgment on appeal at page 5 of the Report, accepts that the proof of a negative is difficult to establish but goes on to

refer to the evidence adduced by the applicant as follows :-

" The appellants approached this, as is usual in such cases, by bringing forward general evidence from the trade to establish that no use of the trade mark in this country could be found. There was a statutory declaration by Mr Stanley William Day, who was the chief buyer of proprietary goods for Boots Pure Drug Co. Ltd., and by virtue of his employment with that very considerable company, and of his own experience, there is no doubt that he was extremely well qualified to testify as to the general situation as regards use of trade marks in connection with pharmaceutical products. He states in his evidence that extensive records are kept of the branded products of a very large number of companies in the United Kingdom, and he states his belief, which no doubt is correct, that he has access to records and has knowledge of most branded pharmaceutical products generally available in the United Kingdom.

As regards the mark NCDOL, he says that he had personally never heard it as being a mark used in respect of medicinal preparations in the United Kingdom. Having searched his records, he was unable to trace any entry of the mark NCDOL in respect of medicinal preparations. That is undoubtedly strong prima facie evidence of a general character that the mark had not been used in this country.

There was, further, a statutory declaration by Mr Lingwood, who is a patent agent. He testified that he was instructed first of all to take some steps on behalf of a firm of continental patent agents in relation to tablets sold in this country under the name NCDOL. He says that after

having telephoned certain firms (which included Boots (Cash Chemists) Ltd.), he was advised that NODOL tablets were not available for sale in the United Kingdom. Another firm testified that they had never heard of the name NODOL at all, and could find no trace of it in their records. He heard from Messrs Boots that their representative did not think that NODOL had ever been sold in this country at all, but he had some recollection of it as an American product. He further instructed one of his staff to visit certain chemists' shops in an endeavour to buy NODOL tablets, but she was told that they had never heard of them. He examined the Handbook of Chemists and Druggists in the Patent Office Library, and was unable to find any reference to NODOL.

That being the position as regards general enquiries and records generally available in this country, it seems to me that a *prima facie* case of considerable strength is established to the effect that medical preparations bearing the mark NODOL have not been sold in this country and that the mark has not been used in this country in connection with medicinal preparations over the requisite period. That being so, it appears to me that the onus of proof of showing actual user shifts to the respondents in this case."

Against ^{the} evidence thus described the registered proprietor was only able to produce evidence of one single order for the "NODOL" tablets which had been received by the registered proprietor in San Francisco, by post from a private individual staying at a hotel in Brighton, England, and the decision to remove the mark was based solely on the narrow ground that it had not been proved that the tablets, although sent, had been received by the person who made the order, and had thus been used in

England. At p.7 of the Judgment it is stated :-

" It may well be, of course, that in a suitable case one single act of user of the trade mark may be sufficient; I am not saying for a moment that that is not so; but in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof."

Now there is a great deal of difference between the efforts made by the applicants in that case, and the applicants in the present case, and I am accordingly reinforced in my belief that the applicants here have not made out such a *prima facie* case as to shift the onus of proof to the registered proprietor. Similarly, if it were necessary to consider it, the evidence adduced by the registered proprietor here is to my mind much stronger than the evidence adduced by the respondents in the *NODOZ* case. Furthermore, if the applicants objected to the quality of the evidence adduced in the Statutory Declarations, particularly the first Statutory Declaration, it was open to them to have challenged this by calling for direct evidence. In my view the evidence from the registered proprietor, even allowing for the "leading questionnaire" aspect of some of it, is sufficient both to rebut a *prima facie* case of non-use (if I am wrong in holding that no such case has been made) and to negate my discretion to remove the mark from the Register.

For the same reasons on the evidence before me I consider it would be wrong to impose a restriction upon the particular goods for which the registered proprietor is to use the mark. It seems that the applicants in these proceedings, aware of the deficiencies of their own evidence, are endeavouring to make use of the evidence of the registered proprietor in two separate ways. First they are alleging that it is insufficient to rebut a *prima facie* case of non-use, and alternatively

they allege it is sufficient to delineate the extent to which user of the mark should be applied. I regret that I find against them on both propositions. It may be that the applicants will be able to come to an arrangement with the registered proprietor on a limitation of the classification of goods but in my view they have not established a right to such a restriction by these proceedings.

I therefore find that the applicants have failed to prove that the mark should be removed from the Register or that any limitation as to user of the mark for any particular goods should be imposed. This application is accordingly refused.

It remains for me to deal with the question of costs and in this connection I have been asked to bear in mind the dates of filing of the two statutory declarations by the registered proprietor. I do not consider that the filing of the second statutory declaration was vital to their case but if I am wrong in this I agree that it would be a factor to consider with regard to the costs of the proceedings.

As to the question of costs generally I am rather concerned that the registered proprietor and the Registry has been put to the expense and time of a hearing on the basis of such flimsy evidence by the applicants. If the evidence adduced by the applicants was the best that they could muster, it seems fair to say that their case consisted in the main of those doubtful assets of bluff and hope. In my view this would be an appropriate case for an order that the registered proprietor's costs should be paid by the applicants on a higher scale than the normal party and party basis. There is, however, some doubt as to whether I am permitted to make such an order, and I assume that in any event the costs of these proceedings are comparatively small. Accordingly, subject to any representations that are made to me within the next 21 days, I order that the costs of the proceedings (except the costs of the hearing on the 26th December 1973 which have already

been dealt with) shall be paid by the applicants to the registered proprietor, the costs to be calculated on the usual scale and to be taxed by me in default of agreement.



P. F. Grindley

Dated the 3rd day of May 1974.

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Ordinance

AND

IN THE MATTER of an Application by
A. Sagner's Son for the Cancellation
of the registration of the Trade Mark
No. 481 of 1959 "Club-Man" in Class 25
in respect of ready-made garments
registered in the name of Union (V-Tex)
Shirt Factory.

DECISION

by

Mr P.F. Grindey

Acting for

the Registrar of Trade Marks

dated *3rd* May, 1974.

TRADE MARKS REGISTRY

HONG KONG.