

## Brief Summary

### SUNFLOWER 葵 谷 & Device

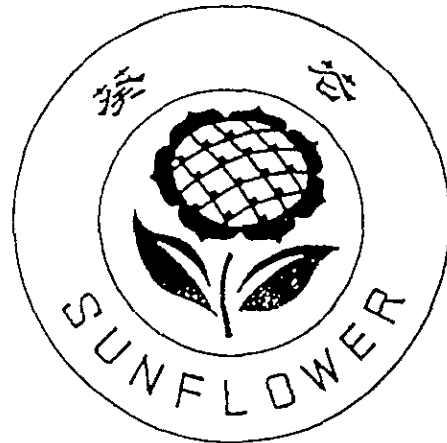
Application under section 37(1) for removal of **SUNFLOWER 葵 谷 & Device** registered on 15 January 1969 as of 29 November 1967 for “meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; jellies, jams; milk, milk powder and condensed milk” - Applicant for Removal was a person aggrieved, its subsequent application to register the **SUNFLOWER & Device** having been refused - Evidence sufficient to establish a prima facie case of non-use - Registered Proprietor’s use of **SUNFLOWER 葵 谷 & Device** for “preserved, dried and cooked fruits” - Registered Proprietor can rely on section 37(1A) though not specifically referred to in pleadings or evidence - “preserved, dried and cooked fruits” and “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description - Discretion exercised in favour of Applicant for Removal to exclude “meat, fish, poultry and game; milk, milk powder and condensed milk” from the registration - No order for costs.

Trade Mark No 61/1969

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

AND

IN THE MATTER of an application by  
Intraco Limited for the rectification of the  
Register by the removal of Trade Mark No  
61 of 1969



registered in Class 29 in the name of  
Shandong Foodstuffs Import and Export  
Corporation

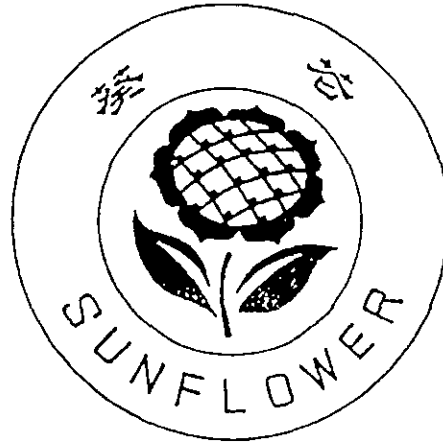
DECISION  
OF

Miss Fung Shuk Hing acting for the Registrar of Trade Marks after a hearing on  
Thursday, 18 December 1997

Appearing: Mr Stephen T H Tay, Counsel, instructed by Messrs Wenping & Co on  
behalf of the Applicant for Removal, Intraco Limited

Mr John Cheung of Messrs Johnson Stokes & Master on behalf of the  
Registered Proprietor, Shandong Foodstuffs Import and Export  
Corporation

1. On 15 January 1969 Ng Fung Hong of Hong Kong was registered under the Trade Marks Ordinance ("Ordinance") as proprietor as of 29 November 1967 of a trade mark in Class 29 under No 61 of 1969 ("Registered Trade Mark") for "meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; jellies, jams; milk, milk powder and condensed milk" ("specified goods"). A representation of the Registered Trade Mark appears below:-



The transliteration and translation of the Chinese characters appearing in the Registered Trade Mark are "Kwei Fa", meaning "Sunflower".

2. There are subsequent assignments of the Registered Trade Mark. By virtue of an assignment dated 11 December 1986 China National Cereals, Oils and Foodstuffs Import and Export Corporation ("China National") of China was registered as proprietor on 18 November 1987. Thereafter, Shandong Foodstuffs Import and Export Corporation ("Registered Proprietor") of China becomes the proprietor of the Registered Trade Mark by virtue of an assignment dated 4 October 1993 and it was registered as proprietor on 19 January 1994.

### **Statement of Case**

3. On 27 January 1994 ("Application for Removal Date") Intraco Limited ("Applicant for Removal") of Singapore applied for the rectification of the Register by the removal of the Registered Trade Mark effectively stated its case that:-

- (a) The Applicant for Removal is carrying on business in relation to, inter alia, "canned food, canned poultry and game; preserved, dried and cooked fruits and vegetables; prepared food preparations consisting of foodstuffs included in Class 29; clams" ("Goods of the Applicant for Removal") in Singapore.

- (b) The Applicant for Removal has first used the **SUNFLOWER & Device** mark for the Goods of the Applicant for Removal in Singapore and Malaysia since 1973 and then in many other countries.
- (c) The Applicant for Removal is the registered proprietor of trade marks comprising the word **SUNFLOWER** and **Sunflower Device** for goods in Class 29 in Brunei, Peru, Singapore, South Korea and Thailand.
- (d) On 7 August 1990 the Applicant for Removal applied for registration in Hong Kong of the **SUNFLOWER & Device** mark in Class 29 for the Goods of the Applicant for Removal under Application No 6451 of 1990 ("Trade Mark Application of the Applicant for Removal").
- (e) On 31 October 1991 the Registrar refused the Trade Mark Application of the Applicant for Removal as it was in conflict with the Registered Trade Mark then registered in the name of China National.
- (f) The Applicant for Removal has caused enquiries to be made concerning the use of the Registered Trade Mark in Hong Kong and is informed there is no evidence showing the use of the Registered Trade Mark for the specified goods in Hong Kong for a continuous period of at least five years and one month prior to the Application for Removal Date.
- (g) The Applicant for Removal seeks rectification of the Register by the removal of the Registered Trade Mark.

#### Counter-statement

4. The Registered Proprietor, by its counter-statement lodged on 29 July 1994, relies effectively on the ground that goods bearing the Registered Trade Mark has been sold in Hong Kong between 1990 and 1994 in support of its registration. Copies of sales invoices and bills of lading showing sales of goods bearing the Registered Trade Mark are attached in the Appendix of the counter-statement.

5. The Registered Proprietor also seeks refusal of the application for removal in exercise of the Registrar's discretion.

### **Evidence under Rules 64 and 25**

6. Evidence on behalf of the Applicant for Removal comes in a declaration dated 6 February 1995 of Tang Yoke Lin, its Senior Manager ("Tang's Declaration").

7. After repeating certain information in the statement of case (see paragraph 3(b), (c) and (d)) Mr Tang produces as Exhibit-1 copies of certificates of registration in Brunei, Peru, Singapore, South Korea and Thailand relating thereto.

8. Mr Tang repeats more information in the statement of case (see paragraph 3(e)).

9. Mr Tang says in October 1993 a market survey was conducted to determine the status of the Registered Trade Mark in Hong Kong. Mr Tang says 29 retail outlets on Hong Kong Island, in Kowloon and the New Territories were visited. Mr Tang says none of these outlets was found to be selling the specified goods bearing the Registered Trade Mark and that all the persons spoken to claimed to have never sold the specified goods bearing the Registered Trade Mark. Mr Tang says ten wholesalers and importers of the specified goods were visited and that all the persons spoken to claimed to have never sold the specified goods bearing the Registered Trade Mark. Mr Tang says inquiries were also made with the Hong Kong Trade Development Council and the Hong Kong Consumer Council and that no record of the Registered Trade Mark for the specified goods could be traced.

10. Mr Tang believes that up to one month before the Application for Removal Date a continuous period of five years or longer elapsed during which the Registered Trade Mark was a registered trade mark and during which there was no bona fide use thereof in relation to the specified goods.

11. Mr Tang produces as Exhibit-2 a survey report verifying the status of the Registered Trade Mark ("Tang's Exhibit-2").

12. Mr Tang refers to the counter-statement (see paragraph 4) and considers copies of sales invoices and bills of lading in the Appendix only refer to a very limited range of products, namely haw flakes (山楂餅(條)) and preserved apricots (杏脯) but not of the wide range of goods in respect of which the Registered Trade Mark is registered.

### **Evidence under Rules 64 and 26**

13. Evidence on behalf of the Registered Proprietor comes in a declaration dated 3 November 1995 of Monica Mitchell, a Senior Trade Mark Executive employed by the Registered Proprietor's agents ("Mitchell's Declaration").

14. Ms Mitchell says the Registered Proprietor has been selling goods bearing the Registered Trade Mark in Hong Kong for a considerable time. Ms Mitchell produces as Exhibit 1 copies of sales invoices and bills of lading showing sales of goods to Hong Kong between 1990 and 1994 ("Mitchell's Exhibit 1").

(Copies of sales invoices and bills of lading at Mitchell's Exhibit 1 are the same as those in the Appendix of the counter-statement (see paragraph 4).)

15. Ms Mitchell says the following companies are the major importers of goods bearing the Registered Trade Mark in Hong Kong:-

- (a) 順泰行(香港)有限公司  
Room 1004 Wong House, 26 - 30 Des Voeux Road West, Hong Kong;
- (b) 啟發貿易公司  
香港上環永樂街128號地下;
- (c) 新榮行食品有限公司  
123 Connaught Road West, 2nd Floor, Block A Lap (*sic*); and
- (d) 永泰糧雜有限公司  
香港西環卑路乍街42號天隆工業大廈二樓B座

16. Ms Mitchell says besides Hong Kong the Registered Trade Mark is also used and registered in other countries. Ms Mitchell produces as Exhibit 2 copies of certificates of registration, supporting documents showing assignment and renewal in France and Northern Ireland.

17. Ms Mitchell considers the **SUNFLOWER & Device** mark in the Trade Mark Application of the Applicant for Removal is identical to the Registered Trade Mark except that it does not include the Chinese characters "葵 花". Ms Mitchell says the goods of interest are virtually identical as established by the evidence of use produced, in particular the goods "preserved, dried and cooked fruits and vegetables".

18. Ms Mitchell says there has been no abandonment of the Registered Proprietor's rights in the Registered Trade Mark.

### Grounds of Rectification

19. The application to rectify is made under section 37(1) of the Ordinance which, so far as material, is as follows:-

“ ... a registered trade mark may be taken off the register in respect of any of the goods ... in respect of which it is registered on application by any person aggrieved ... on the ground either -

(b) 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 for the time being.”

### Person Aggrieved

20. The provisions of section 37(1) of the Ordinance requires that the application to rectify must be made by a “person aggrieved”. The question is whether the Applicant for Removal is a person aggrieved. This phrase has been very liberally construed. In this case, the Applicant for Removal has applied for registration of the **SUNFLOWER & Device** mark which has met with the objection that it is in conflict with the Registered Trade Mark (see paragraph 3(d) and (e)). Having regard to the Trade Mark Application of the Applicant for Removal, I accept that it is a person aggrieved and is therefore entitled to make this application to rectify. It is noted that the Registered Proprietor has not disputed this.

### Prima Facie Case

21. It is well established that in any proceedings brought under section 37(1) of the Ordinance, the onus of proof on non-use rests on the applicant for removal. Only if non-use is established in the prima facie case does the burden of proof pass to the registered proprietor. I refer to what is stated by Mr R Egan in **FLASHPOINT Trade Mark [1988] RPC 561** at page 564 as follows:

“ I presume the requirement, that applicants asserting non use of the part of registered proprietors, must first make out a prima facie case, is to guard registered proprietors against vexatious or speculative attacks. Each case will be decided on its own facts but in general I see no reason why a prima facie case could not be made out by a single person provided he satisfied the tribunal as to the nature and extent of his enquiries. I do not think a registered proprietor should be made to defend his registration on a bald

assertion that enquiries have been made and no evidence of use has been found.”

22. As a first step the question is whether the Applicant for Removal has made out a prima facie case of non-use by the Registered Proprietor. The Applicant for Removal approaches this by bringing forward survey evidence as shown in Tang’s Exhibit-2 to establish that no use of the Registered Trade Mark for the specified goods in Hong Kong can be found.

23. Mr Tay submitted in October 1993 the Applicant for Removal’s agents instructed Fact Finders Limited (“Fact Finders”) to conduct a market survey, the report of which is at Tang’s Exhibit-2. Mr Tay pointed out Fact Finders was a Hong Kong company whose business included providing specialist services for the protection of intellectual property rights including investigation services relating to infringement of intellectual property rights. Mr Tay said the investigators who were employed by Fact Finders to conduct the market survey for the Applicant for Removal had experience in conducting market surveys of a similar nature.

24. Mr Tay said the market survey comprised visits to 29 outlets selling the specified goods which were made between 13 and 22 October 1993, telephone contact with ten wholesalers and importers of the specified goods between 20 and 22 October 1993, enquiries with Chi Wai Hong, enquiries with the Hong Kong Trade Development Council and the Hong Kong Consumer Council, and investigations against Ng Fung Hong Ltd.

25. Mr Tay said in the market survey each interview sheet for the visits and the telephone contact contained a representation of the Registered Trade Mark at the top centre and included the following three questions:

- “ 1. Do you sell any meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables, jellies, jams; milk, milk powder and condensed milk products bearing the name “SUNFLOWER & Device”?
2. Have you ever sold any meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables, jellies, jams; milk, milk powder and condensed milk products bearing the name “SUNFLOWER & Device”?
3. Do you know any other establishments selling any meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables, jellies, jams; milk, milk powder and condensed milk products bearing the name “SUNFLOWER & Device”? ”

Mr Tay referred to Appendices A and D of Tang's Exhibit-2 and submitted all the persons spoken to in the visits and by telephone contact all having at least five years' experience in the trade answered the aforesaid three questions in the negative. Mr Tay further submitted during the visits to 29 outlets the investigators employed by Fact Finders never saw any products bearing the Registered Trade Mark save and except the use of **SUNFLOWER & Device** mark for table salt and **SOLDEN SUNFLOWER & DEVICE** mark for coarse salt both said to be packed by Chi Wai Hong, the relevant details of which were shown in Appendices B and C of Tang's Exhibit-2.

26. Mr Tay considered the enquiries with Chi Wai Hong which was included in the survey report at Tang's Exhibit-2 irrelevant. Mr Cheung agreed.

27. Mr Tay said in the market survey, enquiries with the Hong Kong Trade Development Council and the Hong Kong Consumer Council revealed that there existed no record of the **SUNFLOWER** mark for the specified goods.

28. Mr Tay submitted as preliminary enquiries by Fact Finders showed China National, the registered proprietor at the material time was represented in Hong Kong by Ng Fung Hong Ltd, investigations were also conducted against Ng Fung Hong Ltd as shown in the market survey. Mr Tay said the result of the investigations between 21 October and 1 November 1993 which was shown in Tang's Exhibit-2 was that one David J M Huang who had been working in Ng Fung Hong Ltd for more than six years indicated he knew a **SUNFLOWER** mark in Beijing but Mr Huang said that Ng Fung Hong Ltd did not deal with products bearing the **SUNFLOWER** mark. At the hearing, leave was given for the introduction of a catalogue of goods provided to the investigator at that time. Mr Tay referred to the catalogue and submitted no products with the **SUNFLOWER** mark could be found in the catalogue.

29. Mr Tay pointed out decided cases like the **FLASHPOINT** case and **ARLITE Trade Mark [1995] RPC 504** might not be of great assistance as whether there was a prima facie case depended on the facts of the case. Mr Tay asserted the evidence submitted in this case was sufficient to establish a prima facie case of non-user which existed so as to guard the Registered Proprietor from vexatious or speculative attacks. Mr Tay urged me to look into the nature and extent of enquiries as shown in the survey evidence at Tang's Exhibit-2. Mr Tay said strict quality control was unnecessary and that even if criticism could be made against the evidence of the Applicant for Removal such criticism did not necessarily impede a finding that a prima facie case had been made out so as to shift the burden of proof to the Registered Proprietor. Mr Tay stated the requirement of a prima facie case was merely a threshold onus which should not be difficult to surpass. Mr Tay pointed out should the onus be intended to be a more onerous one words like a strong prima facie case or a positive case should be used. Mr

Tay referred me to what is stated by Mr M J Tuck in the **ARLITE** case at page 508 as follows:

“ It appears to me that the applicants’ rule 49 evidence consists solely of reports of enquiries made at the level of what might be termed the established market, by which I mean the market in goods which have been promoted to the point where they have come to the notice of the larger users and the compilers of catalogues. These could be classed as first level enquiries, perhaps. Also I note that this evidence could be criticised on the grounds that the statements alleged to have been made by respondents to the enquiries, are not subsequently confirmed at first-hand by those who were said to have made them. Nevertheless, given the difficulties inherent in the investigation of non-use of a mark, the evidence appears to me to be sufficient for the purpose of making out a prima facie case, a case which required an answer from the registered proprietor.”

(Rule 49 of the United Kingdom Trade Marks Act 1938 (“1938 Act”) is in essence the same as Rule 25 of the Ordinance.)

Mr Tay said it was ruled in the **ARLITE** case that the evidence of the applicant for removal was sufficient to establish a prima facie case of non-use. Mr Tay concluded as the evidence produced by the Applicant for Removal was as good as if not better than what was available in the **ARLITE** case and that having considered the difficulties inherent in the investigation of non-use of a mark, the evidence submitted by the Applicant for Removal had to be sufficient to make out a prima facie case with the result that the Registered Proprietor be called upon to answer the allegation.

30. Mr Cheung contended the Applicant for Removal had not made out a prima facie case of non-use. Mr Cheung attacked the survey evidence at Tang’s Exhibit-2. He said the visits, telephone contact and enquiries were made within a few days. He considered the three questions in the interview sheet vague (see paragraph 25). He also referred to the part on “Details of the persons spoken to” in the interview sheet which included information on their “Name”, “Experience in the trade” and “How long has the interviewee been working for the present employer”. Mr Cheung pointed out the details covered personal information and considered the survey evidence relating thereto was not exactly accurate. Mr Cheung said there was no definition of “trade” in the survey report. Mr Cheung referred me to lines 24 to 26 of page 563 in the **FLASHPOINT** case and appeared to suggest that there was no information as to how the interviewees of the visits and by telephone contact were selected or approached or whether the interview sheets were sent to other potential respondents and what their response was, if any. Mr Cheung further referred me to lines 6 to 13 of page 564 in the **FLASHPOINT** case and appeared to suggest that the Registered Proprietor should not

be made to defend its registration on the Applicant for Removal's bald assertion of non-use and that the interviewees could speak for only the minor part of the relevant five year period and that he did not know how the survey evidence was obtained nor whether other interview sheets were issued and with what result. Mr Cheung then drew my attention to two paragraphs in the survey report at Tang's Exhibit-2 which provide as follows:

“Enquiries were made with the Hong Kong Trade Development Council and a Chinese female surnamed CHAN was spoken to. After checking their computer records, CHAN advised that they did not have any record of the SUNFLOWER trade mark in respect of meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; jellies, jams; milk, milk powder and condensed milk products. However, CHAN advised that they had records of the brand name SUNFLOWER in respect of kitchen utensils.

Enquiries were made with the Hong Kong Consumer Council and a Miss CHEUNG advised they do not have any record of the brand name SUNFLOWER in respect of meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; jellies, jams; milk, milk powder or condensed milk products.”

Mr Cheung said the capacities of CHAN and CHEUNG in the Hong Kong Trade Development Council and the Hong Kong Consumer Council respectively had not been mentioned in the survey report. Mr Cheung submitted **SUNFLOWER** might not necessarily be the description for the Registered Trade Mark. Mr Cheung said the Registered Trade Mark could be described as “葵 花”. Mr Cheung considered with respect to the target of the market survey the enquiries that had been made were not sufficient. Mr Cheung did not agree with Mr Tay's submission that the requirement of a prima facie case was a threshold onus and that the establishment of a strong prima facie case was not required (see paragraph 29). Mr Cheung referred me to paragraph 26-116 of the United Kingdom Trade Marks Registry Work Manual which provides as follows:

“ It must always be remembered that the removal of a mark from the register on the application of a third party is a very serious matter and, unless we are completely satisfied, there should be no hesitation in telling the applicant that further evidence is required. In some cases we may be able to suggest the further evidence that would suffice but, ultimately, it is for the applicant to make his case.”

Mr Cheung submitted the removal of the Registered Trade Mark which had been registered as of 29 November 1967 was a serious matter, therefore the standard of establishing a prima facie case was quite high.

31. In reply, Mr Tay said he did not go with Mr Cheung that the standard of a prima facie case had to be high due to the long period of registration of the Registered Trade Mark. Mr Tay emphasized in light of the nature and extent of enquiries in the survey report the Applicant for Removal had done more than the minimum to establish a prima facie case. Mr Cheung denied linking up the standard of a prima facie case with the long history of registration of the Registered Trade Mark. Mr Cheung submitted public policy required the standard of a prima facie should not be minimal.

32. As Mr Tay said whether there is a prima facie case must be determined on the particular facts of this case. I turn to consider the survey report at Tang's Exhibit-2 to see whether it can be relied on to prove a prima facie case of non-use.

33. It is shown in the survey report at Tang's Exhibit-2 that visits to 29 outlets selling the specified goods were made between 13 and 22 October 1993. Though the visits took place within a period of ten days, the enquiries as shown in the three questions in the interview sheet (see paragraph 25) indicated that the interviewees of the visits were asked about their sale and knowledge of sale of the specified goods bearing the Registered Trade Mark not only on the dates of the visits but also the period stretching back prior to these dates. Mr Cheung considered the three questions in the interview sheet vague (see paragraph 30). Mr Cheung gave no particulars in this respect. I find the meaning of the three questions sufficiently clear. In the survey report at Tang's Exhibit-2, as Mr Tay said, every interview sheet for the visits contains a representation of the Registered Trade Mark at the top centre. Besides, there is written instruction after each of the three questions to the effect that the Registered Trade Mark is to be shown to the interviewee. It follows that it is reasonable to believe that the interviewees had a look of the Registered Trade Mark during the visits. At the beginning of the interview sheet, there is such statement - "It is essential that the person interviewed has more than five (5) years experience in the trade." in bold type which probably serves as a reminder to the investigator that the interviewee has to be at least five years in the trade so as to cover the requisite five-year period under section 37(1)(b) of the Ordinance. Mr Cheung criticised the lack of definition of "trade" in the survey report (see paragraph 30). As the three questions in the interview sheet (see paragraph 25) all point to the sale of the specified goods, any ambiguities as to the meaning of "trade" seem unlikely. From the completed interview sheets of the visits at Tang's Exhibit-2, it is important to note that all but one of the interviewees of the visits have been in the trade for at least five years as at the dates of the visits. That odd man out is an interviewee from Cheung Fat Meat & Fish Wholesaler (祥發肉食海鮮批發) who answered all the three standard questions in the negative but refused to give his personal details. The weight of evidence given by this interviewee should be discounted accordingly. A simple counting exercise based on the completed interview sheets of the visits further shows that 23 out of the 29 interviewees have been in the trade for over

five years as at the dates of the visits. Their experience ranges from five to tens of years. This means most of the interviewees are experienced in the trade as at the dates of the visits. They are therefore qualified to testify as to the general situation as regards use of the Registered Trade Mark for the specified goods during the requisite five-year period. I note Mr Cheung's suggestion of the inadequacies of the survey evidence obtained from the visits (see paragraph 30). While I agree that there is no information as to how the interviewees of the visits were selected or whether the interview sheets were sent to other potential respondents, I should also bear in mind the fact that there is a fairly wide spread of the locations of the 29 outlets on Hong Kong Island, in Kowloon and the New Territories, that many of the outlets are in the main shopping areas, and that the 29 outlets include names of big supermarkets like Wellcome Supermarket, Park'N Shop, Daimaru Supermarket and Jusco Store. As indicated by Mr Tay all the interviewees of the visits answered all the three standard questions in the negative. Four interviewees of the visits intimated there was salt bearing the **SUNFLOWER & Device** mark. It is agreed by both Mr Tay and Mr Cheung that the subsequent enquiries with Chi Wai Hong relating thereto are irrelevant (see paragraph 26).

34. As shown in the survey report at Tang's Exhibit-2, there was telephone contact with ten wholesalers and importers of the specified goods between 20 and 22 October 1993. It is noted that the same interview sheet as that of the visits was adopted for recording the telephone contact. Therefore some of my comments in paragraph 33 are equally applicable here. While the telephone contact took place within a period of three days, the enquiries (as shown in the three standard questions in the interview sheet) relating to the interviewees' sale and knowledge of sale of the specified goods bearing the Registered Trade Mark cover not only the dates of the telephone contact but also the period stretching back prior to these dates. As I say in paragraph 33, I find the meaning of the three standard questions sufficiently clear. Unlike the visits to 29 outlets where the investigators could show a representation of the Registered Trade Mark to the interviewees, contacting by phone only allows the investigators to describe the Registered Trade Mark to the interviewees orally. The Registered Trade Mark is referred to in the interview sheet as "**SUNFLOWER & Device**". The Registered Trade Mark is shown in paragraph 1. It is basically composed of four elements - an English word "**SUNFLOWER**", two Chinese characters "葵 花", a fairly stylised flower device, and two circles, the flower device being encircled by a smaller circle and the English word and the Chinese characters being encircled by a bigger circle. The Chinese characters mean sunflower (see paragraph 1). The flower device may or may not be looked upon as a sunflower. I find "**SUNFLOWER & Device**" is probably the usual way to describe the Registered Trade Mark orally. Though the investigators were unable to produce a representation of the Registered Trade Mark to the interviewees by telephone contact, their proper description of the Registered Trade Mark as "**SUNFLOWER & Device**" orally needed to be taken into account. As I say in paragraph 33, ambiguities as to the meaning of "trade" in the interview sheet are considered unlikely. From the completed interview sheets of the telephone contact at

Tang's Exhibit-2, it is observed that all but one of the interviewees have been in the trade for at least five years as at the dates of the telephone contact. Their experience ranges from five to over 20 years. One Mr Lam of Cheong Kong Co Ltd at 84 Jervois Street, Sheung Wan answered all the three standard questions in the negative but information on his experience in the trade and the period he has been working for Cheong Kong Co Ltd (昌港有限公司) has not been inserted in the interview sheet. The weight of evidence given by Mr Lam should be discounted accordingly. As almost all the interviewees by telephone contact are experienced in the trade as at the dates of the telephone contact, they are qualified to testify as to the general situation relating to the use of the Registered Trade Mark for the specified goods during the relevant five-year period. Mr Cheung suggested there were inadequacies of the survey evidence elicited from the telephone contact (see paragraph 30). I agree I should take them into account. I note from the names of the streets shown in the completed interview sheets that some of the wholesalers and importers are located in North Point, Causeway Bay, Wanchai, Central, Sheung Wan and Sai Ying Pun which are all on Hong Kong Island. Though there is quite a spread of the locations of the wholesalers and importers on Hong Kong Island, it appears none of them situates in Kowloon or the New Territories. I should bear in mind this inadequacy. As indicated by Mr Tay all the interviewees by telephone contact answered all the three standard questions in the negative.

35. The survey report at Tang's Exhibit-2 also shows that enquiries have been made with the Hong Kong Trade Development Council and the Hong Kong Consumer Council to ascertain whether these two organisations have any record of the **SUNFLOWER** mark for the specified goods. Mr Cheung made reference to the extract from the survey report showing the outcome of the enquiries (see paragraph 30). I agree with Mr Cheung that the capacities of CHAN and CHEUNG in these two organisations remain unknown. I consider this certainly affects adversely the weight that can be attached to the outcome of these enquiries.

36. Fact Finders, on behalf of the Applicant for Removal, also carried out investigations against Ng Fung Hong Ltd as shown in Tang's Exhibit-2. Mr Tay explained the background for the investigations against Ng Fung Hong Ltd (see paragraph 28). The status of Ng Fung Hong Ltd as the representative of the predecessor of the Registered Proprietor, that is, China National in Hong Kong at the material time is not disputed in the pleadings and evidence submitted by the Registered Proprietor or by Mr Cheung at the hearing. The result of the investigations is not challenged either. It is noteworthy that it is mentioned in the survey report that David J M Huang being the Deputy Manager and who has been working for Ng Fung Hong Ltd for more than six years as at the end of 1993 said his company did not deal in any products bearing the **SUNFLOWER** mark in Hong Kong. I observe that the catalogue which is allowed to be produced at the hearing (see paragraph 28) is a commodities catalogue of China Resources New Creation Ltd. As the relationship between China Resources New

Creation Ltd and China National (or the Registered Proprietor) is not known, this piece of evidence should carry no weight.

37. I note that the survey evidence is collected by a professional firm. The survey is quite extensive and not perfunctory. It is stated in the survey report that the investigators who conducted the survey are Ms Ng Sau Wan and Ms Ada Chan Kit Seung who have been employed by Fact Finders for ten, and three and a half years respectively as at the time of the survey and that they are experienced in conducting market surveys of a similar nature. The experience or expertise of the investigators is not challenged. From the survey report, I gather that the two investigators did not see the sale of the specified goods bearing the Registered Trade Mark in the 29 outlets.

38. I recognise that the survey evidence at Tang's Exhibit-2 can be criticised on some grounds as indicated above. Nevertheless, given the difficulty in proving a negative as stated by Wilberforce J in **NODOZ Trade Mark [1962] RPC 1** and the difficulties inherent in the investigation of non-use of a mark as pointed out by Mr M J Tuck in the **ARLITE** case (see paragraph 29), the evidence appears to me to be sufficient for the purpose of making out a prima facie case. Though the evidence herein cannot equal the strength of the evidence in the **NODOZ** case where Wilberforce J concluded that "a prima facie case of considerable strength is established", I find the evidence submitted by the Applicant for Removal is sufficient to establish a prima facie case of non-use. It is then incumbent on the Registered Proprietor to establish that it has used the Registered Trade Mark within the requisite five-year period.

### Use of Registered Trade Mark

39. The evidence by which the Registered Proprietor seeks to establish actual user consists of Mitchell's Declaration.

40. At the hearing, Mr Tay accepted that the Registered Proprietor had used the Registered Trade Mark in relation to haw flakes and dried apricots which could be described as "preserved, dried and cooked fruits". Mr Tay submitted the evidence of use of the Registered Proprietor did not attempt to show the Registered Trade Mark was and had been used in relation to either all or substantially all the specified goods. Mr Tay said there was no evidence of use by licensees for some of the specified goods. Mr Tay referred to Mitchell's Declaration on the four major importers of goods bearing the Registered Trade Mark (see paragraph 15) and pointed out such assertion was not supported by any evidence at all or sufficient evidence. Mr Tay concluded the only inference which could be drawn from the Registered Proprietor's evidence was that the Registered Proprietor had never within the relevant five-year period if not longer used the Registered Trade Mark on the specified goods other than "preserved, dried and cooked fruits".

41. Mr Cheung submitted the Registered Proprietor had shown genuine commercial use of the Registered Trade Mark. Mr Cheung said **BON MATIN Trade Mark [1989] RPC 537** showed the use did not need to be extensive in order to establish the bona fide use of a registered trade mark and that acts which could be regarded as preparatory to launching a mark onto the market should be taken into account. At the hearing, Mr Cheung sought leave to introduce a packet containing ten rolls of haw flakes which he purchased from the Wellcome Supermarket on 17 December 1997 and the copy receipt relating thereto. As Mr Tay raised no objection, I allowed their admission. Mr Cheung, relying on the freshly admitted evidence, submitted that as ten rolls of haw flakes only cost HK\$2.60, the value of haw flakes was minimal in terms of market price. Mr Cheung submitted some of the copy documents at Mitchell's Exhibit 1 show the following:

- (a) A transaction confirmation dated 22 September 1990 showing the sale of haw flakes bearing the Registered Trade Mark to 順泰行 (香港) 有限公司 in the sum of HK\$488,000.00;
- (b) A transaction agreement dated 21 October 1991 showing the sale of haw flakes and preserved apricots bearing the Registered Trade Mark to 啟發貿易公司 in the sum of HK\$150,500.00; and
- (c) A transaction agreement dated 17 April 1993 showing the sale of haw flakes and preserved apricots to 永泰糧雜有限公司 in the sum of HK\$301,324.06.

Mr Cheung said the Registered Proprietor's evidence supported the extensive use of the Registered Trade Mark in relation to haw flakes and preserved apricots which, among the goods covered by the registration of the Registered Trade Mark, fell under the specification "preserved, dried and cooked fruits".

42. Mr Tay conceded the Registered Proprietor's use of the Registered Trade Mark for haw flakes and dried apricots. Mr Cheung asserted the extensive use of the Registered Proprietor's Registered Trade Mark for haw flakes and preserved apricots. Between the parties, it is not disputed that there is the bona fide use of the Registered Trade Mark for "preserved, dried and cooked fruits" during the relevant five-year period. However, from the copy documents at Mithcell's Exhibit 1, other than haw flakes (山楂餅(條)) and preserved apricots (杏脯), there is no sale of other goods by China National or the Registered Proprietor.

**Section 37(1A)**

43. Mr Cheung drew my attention to section 37(1A) of the Ordinance which provides as follows:

“ Subject to subsection (1C), the tribunal may refuse an application made under subsection (1)(a) or (b) in relation to any goods if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by the proprietor thereof for the time being in relation to -

- (a) goods of the same description; or
- (b) services associated with those goods or goods of that description,

being goods or, as the case may be, services in respect of which the trade mark is registered.”

Mr Cheung submitted “preserved, dried and cooked fruits” and “preserved, dried and cooked vegetables; jellies, jams” were goods of the same description. Mr Cheung did not raise the issues that “meat, fish, poultry and game” and “preserved, dried and cooked fruits”, and “milk, milk powder and condensed milk” and “preserved, dried and cooked fruits” are goods of the same description. Mr Cheung referred to **ACETEST Trade Mark [1967] FSR 315** and submitted whenever a proprietor of a mark launched protection of his mark, he would identify the relevant goods for protection having taken into account of the marketing plan and diversification in the future.

44. In reply, Mr Tay asserted section 37(1A) of the Ordinance did not come into play because while the onus under the section was on the Registered Proprietor, the section was not pleaded by the Registered Proprietor and that the Registered Proprietor had at no material times adduced evidence for the tribunal to decide. Mr Tay urged me not to consider section 37(1A).

45. Mr Cheung said he noted section 37(1A) was subject to subsection (1C). His submission was to the effect that as the Applicant for Removal could not make out a case in terms of section 22 of the Ordinance for registration of an identical or nearly resembling trade mark in its name, the Registered Proprietor could rely on section 37(1A).

46. Section 37(1A) of the Ordinance does not apply where the Applicant for Removal can demonstrate honest concurrent use (under section 22 of the Ordinance) of the goods in respect of which rectification is sought. The Applicant for Removal,

although also the applicant for the Trade Mark Application of the Applicant for Removal considered to be in conflict with the Registered Trade Mark, has not made out a case of the required sort. While it is not disputed that there is the bona fide use of the Registered Trade Mark for “preserved, dried and cooked fruits”, there are arguments as to whether the Registered Proprietor can invoke section 37(1A). The effect of allowing the Registered Proprietor to rely on section 37(1A) is that the Registered Proprietor may base on its bona fide use to defeat the rectification proceedings if it can be shown any of the goods covered by its bona fide use, that is, “preserved, dried and cooked fruits”, and goods covered by its non-use, that is, “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description. However, whether the Registered Proprietor is successful or not still depends on how the Registrar exercises his discretion under section 37(1A). The pleadings of the Registered Proprietor make no express reference to section 37(1A). The Registered Proprietor’s evidence of use of the Registered Trade Mark is not expressly related to section 37(1A). However, in Tang’s Declaration, Mr Tang, on behalf of the Applicant for Removal, mentioned copies of sales invoices and bills of lading submitted with the Registered Proprietor’s counter-statement and considered only reference of haw flakes (山楂餅(條)) and preserved apricots (杏脯) was made (see paragraph 12). I consider this part of the pleadings should put the Applicant for Removal on the alert that the Registered Proprietor may seek to rely on section 37(1A).

47. The Registered Proprietor can invoke section 37(1A) of the Ordinance.

48. I will consider whether or not “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description as “preserved, dried and cooked fruits”. A single class may contain more than one description of goods, whilst goods of the same description may fall into distinct classes.

49. As Mr Cheung said, the question whether goods are of the same description is one of fact. It is decided by Romer J in **Panda (1946) 63 RPC 59** that the nature and composition of the goods, the respective uses of the articles and the trade channels through which the commodities respectively are bought and sold are the matters to be taken into account in deciding whether goods are goods of the same description. No single consideration is conclusive. Each matter is considered in turn before a decision is made whether on balance the goods are sufficiently related. It is not essential all three criteria are fulfilled. While it is difficult to generalize, each case being decided on its own facts, decided cases show that goods are not necessarily of the same description merely because they are foods or intended for human consumption or are used in association. Tea and milk products are not goods of the same description (**Lifeguard Milk Products Pty Ltd’s Application [1957] RPC 79**). As Mr Tay said, mustard and semolina have been held not to be goods of the same description although sold side by side in the same shops. Though both are articles of food, used in cooking,

their real natures are different, one being a condiment and the other a cereal (**Coleman Application (1929) 46 RPC 126**).

50. First, I consider whether “preserved, dried and cooked fruits” and “preserved, dried and cooked vegetables” are goods of the same description. According to the meanings laid down in Collins English Dictionary, “fruit” can mean “any plant product useful to man, including grain, vegetables, etc.”. “Fruit” can therefore include “vegetables”. In the circumstances it follows that “preserved, dried and cooked vegetables” must be goods of the same description as “preserved, dried and cooked fruits” and that all the three criteria set out in the **Panda** case are fulfilled.

51. Second, I consider whether “preserved, dried and cooked fruits” and “jams” are goods of the same description. “Jam”, according to Webster’s Encyclopedic Unabridged Dictionary of the English Language, New Revised Edition (“Webster”), means “a preserve of whole fruit, slightly crushed, boiled with sugar”. Fruits can be prepared by having them preserved, dried or cooked. “Preserve” as a verb, according to Webster, means “to prepare (fruit, vegetables, etc.) by cooking with sugar”. “Dry” as a verb, according to Webster, means “to make dry; free from moisture”. “Cook” as a verb, according to Webster, means “to prepare (food) by the action of heat, as by boiling, baking, roasting, etc.”. It follows that “preserved fruit” means a preserve of fruit cooked with sugar. It can be seen that “preserved fruits” and “jams” can be more or less the same thing. “Jams” are goods of the same description as “preserved, dried and cooked fruits” and that all the three criteria set out in the **Panda** case are fulfilled.

52. Third, I consider whether “preserved, dried and cooked fruits” and “jellies” are goods of the same description. “Jelly”, according to Webster, means “a food preparation of a soft, elastic consistency due to the presence of gelatin, pectin, etc., as fruit juice boiled down with sugar and used as a sweet spread for bread and toast, as a filling for cakes, doughnuts, etc.”. As referred to in paragraph 51, “preserved fruit” means a preserve of fruit cooked with sugar which is more or less the same thing as “jam”. Both “preserved fruit” and “jelly” contain ingredients from fruit, the former having the fruit itself while the latter having fruit juice. Both are sweet in taste. Both can be used for spreading on bread and toast. Both can be bought and sold in the same trade channels. “Jellies” are goods of the same description as “preserved, dried and cooked fruits”.

53. In sum, I find “preserved, dried and cooked fruits” and “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description. Accordingly section 37(1A) of the Ordinance is of assistance to the Registered Proprietor.

### Exercise of Discretion

54. Under section 37(1) of the Ordinance, Mr Tay submitted, the Registrar of Trade Marks had a discretion whether to expunge a registered trade mark or not. Mr Tay said where there had not been a bona fide use of a registered trade mark, it would generally be expunged unless there existed good reason for keeping it in the Register. Mr Tay asserted all goods covered by the registration of the Registered Trade Mark should be expunged except “preserved, dried and cooked fruits”. Mr Tay submitted the discretion should not be exercised in favour of the Registered Proprietor as the lack of intention to use and/or use of the Registered Trade Mark was shown not only at the Application for Removal Date but also went beyond that day. Mr Tay said the Registered Proprietor or anyone on its behalf made no attempt stating the intention to use the Registered Trade Mark either in the past or in the future in relation to the goods covered by the registration except “preserved, dried and cooked fruits”.

55. Mr Cheung drew my attention to one sub-paragraph in (E) of paragraph 9.5.3 of the United Kingdom Trade Mark Handbook which provides as follows:

“Neither the Registrar nor the court is obliged to rectify the Register even if the requisite non-use can be shown. The power to do so is discretionary (see s 26(1) of the 1938 Act) and may not be exercised in inappropriate circumstances. The tribunal must weigh advantage to the public in having the register maintained in its present form against the disadvantage to the applicant for rectification in refusing the application (*Hostess TM* [1959] RPC 120).”

(Section 26(1) of the 1938 Act is in essence the same as section 37(1) of the Ordinance.)

Mr Cheung said public policy was a crucial matter that I should bear in mind when exercising my discretion under section 37(1). Mr Cheung requested me to consider the application for removal very seriously. Mr Cheung said if the discretion was exercised inappropriately a door would be opened for traders to use section 37(1) as a mechanism to avoid the general principle of protection for registered trade marks against confusingly similar marks in respect of the same description of goods. Mr Cheung considered the goods covered by the Trade Mark Application of the Applicant for Removal and those covered by the registration of the Registered Trade Mark were goods of the same description. Mr Cheung submitted even if the application for removal was allowed in respect of goods covered by the registration other than “preserved, dried and cooked fruits”, the Trade Mark Application of the Applicant for Removal could not proceed. Mr Cheung seemed to suggest that this was because “canned food, canned poultry and game; preserved, dried and cooked fruits and vegetables; prepared food preparations consisting of foodstuffs included in Class 29;

clams” covered by the Trade Mark Application of the Applicant for Removal, and “preserved, dried and cooked fruits” were still goods of the same description and that the Registrar did not allow the registration of confusingly similar marks with the same description of goods. Mr Cheung pointed out the amendments of the Ordinance relating to provisions on infringement of registered trade marks were to comply with the TRIPS requirements and that the use of confusingly similar marks for similar and related goods might constitute infringement of registered trade marks.

56. In reply, Mr Tay emphasized the proceedings under section 37 had to be considered in the light of being an avenue for a person aggrieved by a registered trade mark not having been used but still remaining on the Register. Mr Tay submitted he did not see the relevancy of Mr Cheung’s submission on amendments of provisions in the Ordinance relating to infringement as this was an application for removal of the Registered Trade Mark, and that he was not pleading for the registration of the mark under the Trade Mark Application of the Applicant for Removal. Mr Tay referred me to another sub-paragraph in (E) of paragraph 9.5.3 of the United Kingdom Trade Mark Handbook which provides as follows:

“ In practice it is rare for rectification to be refused where the conditions of s26(1) are satisfied. This is probably a correct approach given that the sections specifically provides exceptions and limitations to the power to rectify in the proviso to s26(1) and in s26(2) and (3). In addition, the proprietor may rely on use of an associated mark under s30(1) to defeat the proceedings, (see para (F) below).”

(Section 26(1), proviso to section 26(1), sections 26(3) and 30(1) of the 1938 Act are in essence the same as sections 37(1), 37(1A), 37(3) and 38 of the Ordinance respectively.)

57. It is not disputed that the Registered Proprietor has shown bona fide use of the Registered Trade Mark for “preserved, dried and cooked fruits”. However, I am not obliged to rectify the Register even if the requisite non-use of the other goods covered by the Registered Proprietor’s registration, that is, “meat, fish, poultry and game; preserved, dried and cooked vegetables; jellies, jams; milk, milk powder and condensed milk” has been shown. The word “may” in section 37(1) of the Ordinance involves a discretion not to remove. The discretionary nature of the jurisdiction to remove a mark under section 37(1) is affirmed by Whitford J in **ASTRONAUT Trade Mark [1972] RPC 655** where he considered section 26(1) of the 1938 Act which is in essence the same as section 37(1) of the Ordinance. The relevant part from page 672 of the **ASTRONAUT** case is as follows:

“ It has been said, and it is in fact, I accept, well established on the authorities, that if prima facie a case of non-use is made out then the

remedy of rectification should go. It is none the less well established in authority binding upon me that a discretion still remains.”

58. The parties accepted that there is the bona fide use of the Registered Trade Mark for “preserved, dried and cooked fruits”. I rule that “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description as “preserved, dried and cooked fruits” (see paragraph 53). Under section 37(1A), there is the discretion not to remove a registered trade mark where there has been use on goods of the same description. Therefore, I also have to consider the discretion available to me under section 37(1A).

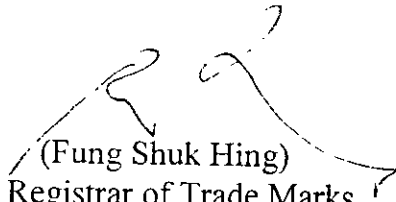
59. The discretions under sections 37(1) and 37(1A) are of a judicial nature. It is necessary to consider all the circumstances including public interest and to decide whether as a matter of business and fair dealing it would be proper to take from the Registered Proprietor some part of its monopoly.

60. The Registered Proprietor, or its predecessor, that is, China National, or any company associated with it has made no use of the Registered Trade Mark on “meat, fish, poultry and game; preserved, dried and cooked vegetables; jellies, jams; milk, milk powder and condensed milk” either before the Application for Removal Date or beyond that date, and it has not intimated that it, or any company associated with it, has any intention of making any such use in the future. I find that “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description as “preserved, dried and cooked fruits”. I take notice of the packet of haw flakes and the receipt allowed to be produced at the hearing (see paragraph 41). I am satisfied that haw flakes and dried apricots which fall under the description of “preserved, dried and cooked fruits” are in the low price range. Having gone through the copy documents at Mitchell’s Exhibit 1, some of which are referred to by Mr Cheung in his submission (see paragraph 41), I consider the commercial use of the Registered Trade Mark for “preserved, dried and cooked fruits” are on a quite substantial scale. In view of the extent of such use, I should allow the Registered Proprietor to retain sufficient protection of the Registered Trade Mark to prevent the use by others of conflicting marks in relation to goods likely to be regarded as coming from the same source. In the circumstances, I consider appropriate to exercise my discretion under section 37(1A) not to remove “preserved, dried and cooked vegetables; jellies, jams”, which are goods of the same description as “preserved, dried and cooked fruits”, from the registration of the Registered Trade Mark. Even if the arguments of Mr Tay on section 37(1A) of the Ordinance carry great weight and that the Registered Proprietor cannot invoke section 37(1A), while means there is only the discretion under section 37(1) to be relied on, I should still take into account of my finding that “preserved, dried and cooked fruits” and “preserved, dried and cooked vegetables; jellies, jams” are goods of the same description and that there is quite a substantial use of the Registered Trade Mark for “preserved, dried and cooked fruits” when I exercise my discretion under section 37(1). Based on the aforesaid

reasoning, I consider inappropriate to remove "preserved, dried and cooked vegetables; jellies, jams" from the registration of the Registered Trade Mark. Mr Cheung emphasized I had to bear in mind the public policy (see paragraph 55). I agree. No use or intention to use by the Registered Proprietor, or its predecessor, that is, China National, or its associated company before or in the future relating to the Registered Trade Mark for "meat, fish, poultry and game; milk, milk powder and condensed milk" has been shown. No reasons have been given for the non-use. No advantage that I can see would accrue to the public from maintaining the Register without removing "meat, fish, poultry and game; milk, milk powder and condensed milk" from the registration of the Registered Trade Mark. It would not appear the Registered Proprietor will be disadvantaged in its business if "meat, fish, poultry and game; milk, milk powder and condensed milk" are taken out. I consider the Applicant for Removal's prospects of securing registration of its mark under the Trade Mark Application of the Applicant for Removal is immaterial in considering the present application for removal.

61. In all the circumstances of the case I consider I should exercise my discretion in favour of the Applicant for Removal to the extent that I should require the exclusion of "meat, fish, poultry and game; milk, milk powder and condensed milk" from the registration of the Registered Trade Mark.

62. The Applicant for Removal has succeeded in part, justifying these proceedings. The Registered Proprietor has succeeded in part, justifying its defence of these proceedings. I make no order as to costs.

  
(Fung Shuk Hing)  
p. Registrar of Trade Marks  
6 March 1998