

File No. : 1417/71

IN THE MATTER of the Trade  
Marks Ordinance Cap. 43

and

IN THE MATTER of an application  
by Kam Shing Footwear Company  
(1973) Limited for the  
rectification of the Register  
in respect of the trade mark  
No. 760 of 1972 "BOBY"  
registered in Class 25 in  
respect of shoes, boots and  
slippers of all types.

D E C I S I O N

of

Mr. R.J. Perera acting for the Registrar of Trade Marks.

Hearing held on the 8th of August 1990.

Mr. Martin Liao, instructed by P.C. Woo & Co., appeared on  
behalf of the Applicant.

The Registered Proprietor was not represented.

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These proceedings concern an application by Kam Shing Footwear Company (1973) Limited ("the Applicant") for the rectification of the Register in respect of trade mark No. 760 of 1972, "BOBY", registered in Class 25 for "shoes, boots and slippers of all types" ("the Trade Mark").

The Applicant filed Form TM No. 30 (application to the Registrar for the rectification of the Register or the removal of a trade mark from the Register (Rule 63)) on the 23rd July 1984. In essence the rectification sought is for the cancellation from the Register of Liu's Shoes Manufacturing Company Limited as the proprietor of the Trade Mark and the registration of the Applicant as the proprietor of the Trade Mark. The Register presently shows that Liu's Shoes Manufacturing Company Limited ("the Registered Proprietor") is the registered proprietor pursuant to an assignment dated 19th September 1983 made between Liu Kee Cheung and Liu Chun Pong trading as Liu's Shoes Manufacturing Company to the Registered Proprietor.

I set out beneath the Grounds of Application relied upon by the Applicant appearing in Form TM-No. 30 :-

"Grounds of Application

- (1) The assignment of the Trade Mark dated the 19th day of September 1983 from Messrs. Liu Kee Cheong and Liu Chun Ping to Liu's Shoes Manufacturing Company Limited was void as the Messrs. Liu had no title on the said Trade Mark to be passed on to Liu Shoes Manufacturing Company Limited.
- (2) The said Messrs. Liu had assigned the said Trade Mark to the Applicant under the assignment dated the 25th day of June 1976 which was subsequently varied by the Deed of Variation and Further Charge dated the 14th day of July 1982.
- (3) Liu's Shoes Manufacturing Company Limited had full knowledge of the existence of the said prior assignment and Deed of Variation and Further Charge to the Applicant as the said Messrs. Liu were the only directors of the said Company.

- (4) The failure of the Applicant to register the said Assignment and Deed of Variation and Further Charge was due to inadvertence.
- (5) As confirmed by the official receiver acting as the provisional liquidator of Liu's Shoes Manufacturing Company Limited, no creditors of the said Company nor any other third party will be prejudiced by the proposed rectification and has signified his consent to the present application".

At the hearing. Mr. Liao said that his clients were relying upon section 48(1)(a) of the Trade Marks Ordinance which is in the following terms :-

"48(1)(a) Any person aggrieved by the non-insertion in or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Court or, at the option of the applicant and subject to the provisions of section 30, to the Registrar, and the tribunal may make such order for

making, expunging or varying the entry as the tribunal may think fit".

I note that under section 48(1)(a) the Registrar has powers "to make such order for making, expunging or varying the entry as the tribunal thinks fit ...".

At the hearing a bundle of documents were handed over to me by Mr. Liao containing copies of all the relevant correspondence which have been relied upon by the Applicant in this matter. In particular Mr. Liao made reference to the following documents in the bundle : document 15 (being an affidavit of Lai Yat Ming dated the 13th of February 1990), document No. 4 (being a letter dated 14th November 1985 from the Trade Marks Registry to Messrs. P.C. Woo & Co.), document 16 (being the Order of Master Beeson dated 11th April 1990), and document 18 (being a letter dated 30th May 1990 from the Trade Marks Registry to Messrs. P.C. Woo and Co.).

I also refer to an exchange of correspondence between the Trade Marks Registry dealing with certain issues which the Trade Marks Registry particularly wanted clarified as stated clearly' in two letters dated 14th November 1985 and the 30th of May 1990 respectively to Messrs. P.C. Woo & Co. (documents No. 4 and 18 in the said bundle of documents). I also refer to the Order (dated 11th April 1990) of Master Beeson who

ordered that the mortgage under the Indenture dated 25th June 1976 as varied by the Indenture dated the 14th July 1982 be foreclosed (document (16) in the said bundle of documents).

The background to this case has been fully summarised in the said affidavit of Lai Yat Ming. A brief summary will suffice. The Trade Mark was originally registered in the name of Liu Kee Cheung and Liu Chun Pong trading as Liu's Shoes Manufacturing Company. The Certificate of Registration was issued and dated 9th June 1972. It appears that by an Indenture dated the 25th June 1976 and by a further Indenture dated 14th July 1982 the Trade Mark was assigned to the Applicant. Para. 2 of the Indenture dated the 25th of June 1976 states that Liu Kee Cheung and Liu Chun Pong assigned to Kam Shing Footwear Company (1973) Limited "the registered trade mark "BOBY" (being trade mark No. 760 of 1972) in Class 25 in respect of shoes, boots and slippers of all types registered under the Trade Marks Ordinance with the goodwill of the business connected therewith TO HOLD the same unto the Lender subject only to the provision for redemption hereinafter contained ...". Under the Indenture dated the 14th July 1982 the Trade Mark was further charged as security. However, the Applicant inadvertently failed to make an application to the Trade Marks Registry to record the change of proprietorship.

As the Applicant sees it, the need for rectification proceedings arises because the Registered Proprietor has been registered as a subsequent proprietor pursuant to an Assignment dated 19th September 1983 made between Liu Kee Cheung and Liu Chun Pong (trading as Liu's Shoes Manufacturing Company) to Liu's Shoes Manufacturing Company Limited (i.e. the Registered Proprietor).

At the hearing Mr. Liao stated that the Applicant was applying for rectification of the Trade Mark under section 48(1)(a) of the Trade Marks Ordinance on the grounds that the Trade Mark was either "an entry wrongly remaining on the register" or "an entry made in the register without sufficient cause".

I have considered all the evidence and documents on file and the statements made therein and all the submissions made to me at the hearing. I believe that the Register should be rectified by the cancellation from the Register of Liu's Shoes Manufacturing Company Limited as the proprietor and the substitution of the Applicant as the proprietor of the Trade Mark for the following reasons :-

(A) Entry made without sufficient cause

The entry of the Trade Mark on the Register in

the ownership of Liu's Shoes Manufacturing Company Limited is, in my opinion, an entry made in the Register without sufficient cause. The fact is that Liu Kee Cheung and Liu Chun Pong had by two of their Indentures dated 25th June 1976 and 14th July 1982 assigned the legal title in the Trade Mark to the Applicant. This being the case, I agree with Mr. Liao that the Assignment Deed dated 19th September 1983 between Liu Kee Cheung and Liu Chun Pong (trading as Liu's Shoes Manufacturing Company) and the Registered Proprietor whereby the Trade Mark was assigned to the Registered Proprietor was a fraudulent transfer because Liu Kee Cheung and Liu Chun Pong had no legal title, and knew full well that they had already assigned the Trade Mark to the Applicant in 1976 by virtue of the Indenture executed then as amended by the Indenture in 1982. Mr. Liao went on to say that as Liu Kee Cheung and Liu Chun Pong were the directors of the Registered Proprietor (i.e. Liu's Shoes Manufacturing Company Limited) they could not claim to be a bona fide purchaser without notice. I agree with Mr. Liao's arguments on this point and therefore hold that the entry made in the Register of the Registered

Proprietor as the proprietor of the Trade Mark was one that was made "without sufficient cause".

(B) Entry wrongly remaining on the Register

However, I may be wrong as to the matter referred to in (A) above. It might be argued that the Assignment Deed dated 19th September 1983 between Liu Kee Cheung and Liu Chun Pong and the Registered Proprietor was not completely ineffective, and that Liu Kee Cheung and Liu Chun Pong had an equity of redemption which could have been assigned. This would ignore the fact that Liu Kee Cheung and Liu Chun Pong had in fact made a prior assignment of the Trade Mark to the Applicant by virtue of two Indentures dated 25th June 1976 and 14th July 1982, and also that the equity of redemption has now been eliminated by the foreclosure of the mortgage (the Order dated 11th April 1990 of Master Beeson, document (16) in the said bundle of documents refers). In view of the this, and in the alternative, I hold that the recordal of Liu's Shoes Manufacturing Company Limited as the Registered Proprietor is an entry wrongly remaining on the Register.

Accordingly in exercise of the powers granted to me under section 48(1)(a) of the Trade Marks Ordinance I direct the Register be rectified by the deletion therefrom of the entry recording Liu's Shoes Manufacturing Company Limited and the substitution thereof of Kam Shing Footwear Company (1973) Limited as the proprietor of the Trade Mark No. 760 of 1972 "BOBY" pursuant to an indenture dated the 25th of June 1976 and a further indenture dated the 14th of July 1982, both made between Liu Kee Cheung and Liu Chun Pong and Kam Shing Footwear Company (1973) Limited.

R. J. Perera

R.J. PERERA

Date : 23/8/90