

Trade Mark No 505/82

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

AND

IN THE MATTER of an application by
Gruppo Alma SpA for the rectification of
the Register by removal of Trade Mark No
505/82



registered in Class 25 in the name of
Dragon Light Knitters Limited

DECISION
OF

Miss Fung Shuk Hing acting for the Registrar of Trade Marks

Messrs Deacons Graham & James on behalf of the Applicant for Removal, Gruppo
Alma SpA

Dragon Light Knitters Limited, the Registered Proprietor

1. On 25 February 1982 Dragon Light Knitters Limited (“Registered Proprietor”) of Hong Kong was registered under the Trade Marks Ordinance (“Ordinance”) as proprietor as of 28 July 1981 of a trade mark in Class 25 under No 505 of 1982 (“Registered Trade Mark”) for “Garments” (“specified goods”). A representation of the Registered Trade Mark appears below:-



2. The registration of the Registered Trade Mark has been renewed for a period of 14 years from 28 July 1988.

Statement of Case

3. On 1 September 1995 (“Application for Removal Date”) Gruppo Alma SpA (“Applicant for Removal”) of Italy 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 has applied for registration in Hong Kong of the **SPAZIO** mark in Class 25 for “articles of clothing, footwear, headgear” under Application No 10021/95 (“Trade Mark Application of the Applicant for Removal”).
- (b) The Applicant for Removal has used the **SPAZIO** mark in Hong Kong since January 1978.
- (c) The Registered Trade Mark has not been used in Hong Kong for five years and one month prior to the Application for Removal Date.
- (d) The Registered Proprietor does not appear to be in business any longer and has vacated the address shown in the record.
- (e) The Applicant for Removal seeks rectification of the Register by the removal of the Registered Trade Mark.

Counter-statement

4. On 11 September 1995 the Registrar sent by registered post copies of the application and supporting Grounds of Rectification to the Registered Proprietor at 9th Floor, No 757 Nathan Road, Kowloon, Hong Kong.
5. Copies of the application and supporting Grounds of Rectification sent by the Registrar was returned by the Post Office marked "unknown".
6. On 16 October 1995 the Registrar sent by registered post the same copies of the application and supporting Grounds of Rectification to the Registered Proprietor at Flat/Room D, 7th Floor, 1 Humbert Street, Mei Foo Sun Chuen, Kowloon, Hong Kong.
7. The same copies of the application and supporting Grounds of Rectification sent by the Registrar was returned by the Post Office.
8. On 15 January 1996 the Registrar sent by ordinary post the same copies of the application and supporting Grounds of Rectification to the Registered Proprietor at 9th Floor, No 757 Nathan Road, Kowloon, Hong Kong.
9. The Registered Proprietor has failed to provide a counter-statement in accordance with the provisions of Trade Marks Rules 64 and 24.
10. Trade Marks Rule 64 provides that the Registrar shall not remove a mark from the Register merely because the registered proprietor has not filed a counter-statement.

Evidence under Rules 64 and 25

11. Evidence on behalf of the Applicant for Removal comes in a declaration dated 1 April 1996 of Tsang Yau Choo, a Director of Fact Finders Limited ("Tsang's Statutory Declaration").
12. Mr Tsang says by a letter dated 20 April 1995 the Applicant for Removal's agents gave instructions to Fact Finders Limited, an investigation agency, to conduct enquiries with the Registered Proprietor to determine the status of the Registered Trade Mark.
13. Mr Tsang says during a visit on 31 [sic] April 1995 it was found that the Registered Proprietor's address at 9th Floor, No 757 Nathan Road, Kowloon, Hong Kong was occupied by Hong Luen Development Co. Mr Tsang says a female staff member of Hong Yuen Development Co said the Registered Proprietor had moved three

months earlier without leaving a forwarding address. Mr Tsang further says enquiries were made with a caretaker who had no knowledge of the Registered Proprietor's new address.

14. Mr Tsang says enquiries with the Hong Kong Telephone Company revealed no listing of the Registered Proprietor but there was a listing of Dragon Light Garments Ltd. Mr Tsang says an unidentified Chinese male who answered a call made to the telephone number of Dragon Light Garments Ltd said their office was in Shamshuipo and that they had never operated in Nathan Road.

15. Mr Tsang says on 4 May 1995 a local investigator visited the Registered Proprietor's Nathan Road address and the names of Modern Printing & Packaging Co, Herford Property Ltd, Champion Billion Development Ltd, Starwin Properties Consultants Ltd and Wah Luen Machanical [sic] Co Ltd were seen on display outside the premises. Mr Tsang says nobody answered the door. Mr Tsang further says enquiries were made with a caretaker who said that in early 1995 the existing occupant of the premises had moved in and that he did not know the Registered Proprietor.

16. Mr Tsang says during another visit on 4 May 1995 it was found that the Registered Proprietor's former address at Flat E, 4th Floor, Selwyn Factory Building, 404 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong was occupied by Hang Fai Knitters Fty. Mr Tsang says a staff member of Hang Fai Knitters Fty said they had rented the premises for three years and did not know the former occupant. Mr Tsang further says enquiries were subsequently made with a caretaker who said that the former occupant of the premises was a factory named 藝源針織廠 which was closed down four years before.

17. Mr Tsang says on 5 May 1995 an interim report was sent to the Applicant for Removal's agents by fax.

18. Mr Tsang says a company search of the Registered Proprietor was conducted. Mr Tsang produces as Exhibit TYC-1 copy search report revealing inter alia on 1 August 1994 the registered office of the Registered Proprietor was at 7D, 1 Humbert Street, Mei Foo Sun Chuen, Kowloon, Hong Kong, and up to 10 May 1994 the two Directors of the Registered Proprietor were Tse Chi San Eddie and Ching Ruth.

19. Mr Tsang says on 11 May 1995 a visit was made to the Registered Proprietor's Mei Foo Sun Chuen address but nobody answered the door and the investigator left a message underneath the door. Mr Tsang says later on the same day, a paging call was received from a Mr Ma and when a call was made to Mr Ma, Mr Ma said he was the owner of the Mei Foo Sun Chuen premises but he did not know Tse Chi San Eddie. Mr Tsang further says Mr Ma mentioned he purchased the Mei Foo Sun Chuen

premises in October 1994 from a Ms Ching who did not leave any contact numbers and that he had been approached on several occasions by people looking for the former owner of the premises for debt collection.

20. Mr Tsang says enquiries with the Hong Kong Telephone Company revealed that Tse Chi San Eddie was not listed but there was a listing of Ching Ruth.

21. Mr Tsang says between 12 to 16 May 1995, calls were made to Ching Ruth and on 16 May 1995 an English speaking female was eventually spoken to. Mr Tsang says when the investigator asked for Tse Chi San Eddie, the female said the investigator had called the wrong number and that she was a Singaporean living there alone.

22. Mr Tsang says a check of the computerised records commencing from 1980 by Fact Finders Limited revealed that the Registered Proprietor had not been involved in any High Court proceedings.

23. Based on the evidence from the enquiries, Mr Tsang concludes that neither is the Registered Proprietor trading in Hong Kong for the specified goods nor has the Registered Proprietor been using the Registered Trade Mark for the specified goods.

24. On 12 April 1996 the Applicant for Removal's agents sent by registered post a copy of Tsang's Statutory Declaration to the Registered Proprietor at 9th Floor, No 757 Nathan Road, Kowloon, Hong Kong. On 17 April 1996 the copy Tsang's Statutory Declaration was returned to the Applicant for Removal's agents. On 15 August 1996 the Applicant for Removal's agents sent by ordinary post a copy of Tsang's Statutory Declaration to the Registered Proprietor.

Hearing

25. The case was fixed to be heard on 28 July 1998. The Applicant for Removal's agents agreed that if the Registered Proprietor did not attend the hearing, they would leave the matter to be decided by the Registrar on the basis of the evidence submitted. Neither the Registered Proprietor nor its agents appeared on 28 July 1998. There was no hearing. This decision is based on the pleadings and evidence lodged in the rectification proceedings.

Grounds of Rectification

26. The application is based on section 37(1) of the Ordinance. The Applicant for Removal is possibly relying on the ground of abandonment under section 48(1)(a) of the Ordinance.

Section 37(1)

27. In the Statement of Case, the non-use of the Registered Trade Mark in Hong Kong for five years and one month prior to the Application for Removal Date is mentioned (see paragraph 3(c)). 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 ... to the Registrar, 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

28. 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 **SPAZIO** mark (see paragraph 3(a)). This application has met with the objection that it is in conflict with the Registered Trade Mark. Having regard to the Trade Mark Application of the Applicant for Removal, I accept that the Applicant for Removal is a person aggrieved and is therefore entitled to make this application to rectify.

Prima Facie Case

29. 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.”

30. As a first step the question is whether the Applicant for Removal has made out a prima facie case of non-use of the Registered Trade Mark by the Registered Proprietor during the relevant period, which, in these proceedings, runs from 1 August 1990 to 1 August 1995.

31. The Applicant for Removal has proceeded to establish its case by filing Tsang’s Statutory Declaration. However, nowhere in Tsang’s Statutory Declaration has it been shown that the Applicant for Removal has caused enquiries to be made relating to any instances of the use of the Registered Trade Mark in the trade for the specified goods during the relevant period. Declarations by persons who are in a position to know what marks are, or have been, in use in the relevant trade but have no knowledge of the Registered Trade Mark, may help. But no such evidence is available. From Tsang’s Statutory Declaration, it appears that the enquiries caused to be made are largely confined to ascertaining the whereabouts of the Registered Proprietor and its Directors.

32. I appreciate that the burden on the Applicant for Removal, in the words of Wilberforce J in **NODOZ Trade Mark [1962] RPC 1** at page 5, “involves the proof of a negative, and is obviously a type of proof which it is difficult to establish”. Nevertheless, given that no attempts have ever been caused to be made by the Applicant for Removal to investigate the non-use of the Registered Trade Mark in the trade, I am not satisfied that the Applicant for Removal has made out a prima facie case of non-use of the Registered Trade Mark to shift the onus of proof to the Registered Proprietor.

Section 48(1)(a): Abandonment

33. The ground of abandonment under section 48(1)(a) of the Ordinance is not specifically pleaded by the Applicant for Removal in its pleadings and evidence. However, the assertion that the Registered Proprietor does not appear to be in business any longer and has vacated the address shown in the record (see paragraph 3(d)), and the substance of the enquiries conducted by Fact Finders Limited and the conclusion drawn relating thereto as shown in Tsang’s Statutory Declaration may suggest that the Applicant for Removal comes to the view that the Registered Trade Mark has been abandoned. In the circumstances, I am prepared to consider this possible ground of rectification.

34. Section 48(1)(a) of the Ordinance which, so far as material, is as follows:-
“ any person aggrieved by ... any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register ... may

apply in the prescribed manner ... to the Registrar, and the tribunal may make such order for ... expunging ... the entry as the tribunal may think fit”

35. Section 48(1)(a) of the Ordinance is discretionary. The onus is on the Applicant for Removal in seeking to remove the Registered Trade Mark from the Register.

36. The consideration as to whether the Applicant for Removal is a “person aggrieved” under section 48(1)(a) is the same as the consideration under section 37(1). When considering the ground of rectification under section 37(1) of the Ordinance, I have already accepted that the Applicant for Removal is a “person aggrieved” (see paragraph 28). Likewise, I find the Applicant for Removal is a “person aggrieved” for the purposes of section 48(1)(a) of the Ordinance.

37. It is clear there are difficulties in locating the Registered Proprietor. Copies of the application for rectification and supporting Grounds of Rectification and Tsang’s Statutory Declaration sent by registered post to the Registered Proprietor are returned (see paragraphs 4, 6 and 24). The Applicant for Removal has made efforts to trace the Registered Proprietor and its Directors. Tsang’s Statutory Declaration shows that visits to both the current and former addresses of the Registered Proprietor according to the record of the Register were unfruitful in tracing the whereabouts of the Registered Proprietor (see paragraphs 13, 15 and 16). From Tsang’s Statutory Declaration, it can also be gathered that subsequent to the company search of the Registered Proprietor which is shown at Exhibit TYC-1, the attempts to contact the Registered Proprietor and its Directors by visiting its registered office and making calls to one Ching Ruth whose name was identical to the name of one of the Registered Proprietor’s Directors were of no avail (see paragraphs 19 to 21).

38. I consider the mere fact that the Registered Proprietor cannot be traced after some efforts have been made is not enough to lead me to come to the view that the Registered Proprietor is no longer in the business. Therefore, no conclusion should be drawn to the effect that the Registered Proprietor has abandoned the Registered Trade Mark. The evidence of this case does not support such a conclusion.

39. There is no other evidence suggesting that the Registered Proprietor has abandoned the Registered Trade Mark. There is no evidence showing the liquidation of the Registered Proprietor. The copy search report at Exhibit TYC-1 fails to indicate the liquidation of the Registered Proprietor, if any. In the absence of relevant evidence, the liquidation of the company which owns the Registered Trade Mark should not be inferred. In Tsang’s Statutory Declaration it is understood that a female staff member of Hong Luen Development Co pointed out that the Registered Proprietor moved out from its current address at Nathan Road (according to the record of the Register) in early 1995 (see paragraph 13). This may well show that the Registered Proprietor is active in the

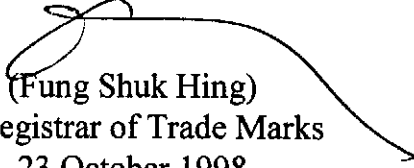
business at least up to a few months prior to the Application for Removal Date on 1 September 1995. Subsequent to the Registered Proprietor's moving out from the Nathan Road address, there is no evidence showing the cessation of its business. It can also be gathered from Tsang's Statutory Declaration that during a visit to the Registered Proprietor's former address in Kwun Tong Road (according to the record of the Register) in May 1995, it transpired that a factory named 藝源針織廠 which formerly occupied the Kwun Tong Road address was closed down in around 1991 (see paragraph 16). The two documents shown in the copy search report at Exhibit TYC-1 indicate that the name of the Registered Proprietor is DRAGON LIGHT KNITTERS LIMITED which does not comprise any Chinese name. Indeed it appears very unlikely that 藝源針織廠 and the Registered Proprietor refer to the same company. It is said that 藝源針織廠 was closed down in around 1991 but the two documents shown in the copy search report at Exhibit TYC-1 were filed with the Companies Registry some three years later, that is in 1994. The first document is a Notice of the Situation of the Registered Office of the Registered Proprietor which was filed on 9 August 1994. The second document is the Annual Return of the Registered Proprietor made up to 10 May 1994 which was filed in May 1994. From the said Annual Return, it can be seen that the entry under the item "DATE OF LAST ANNUAL GENERAL MEETING" is "30th September, 1993". If 藝源針織廠 and the Registered Proprietor refer to the same company, it would seem very strange that a company which has been closed down would still continue to fulfill the obligations of an ongoing concern under the Companies Ordinance (Cap 32). In addition there is no evidence to show that the Registered Proprietor has made any declared intention not to use the Registered Trade Mark. As the Applicant for Removal has not made out a prima facie case of non-use of the Registered Trade Mark by the Registered Proprietor (see paragraph 32), the Applicant for Removal cannot rely on non-use to support its possible claim that the Registered Trade Mark has been abandoned.

40. All in all, I am not satisfied that the Applicant for Removal has discharged the onus on it in seeking to remove the Registered Trade Mark from the Register based on the ground of abandonment.

Conclusion

41. It follows that the application to rectify fails. I make no order for rectification of the Register. The Registered Proprietor is to remain the proprietor of the Registered Trade Mark on the Register.

42. Although the present proceedings are inter-partes, it appears there is no involvement on the part of the Registered Proprietor. I therefore make no order as to costs.



(Fung Shuk Hing)
p. Registrar of Trade Marks
23 October 1998