

Application No. 10669/93

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

AND

IN THE MATTER of an
application for registration of the
Trade Mark

GANS

in Class 28 in Part B of the
Register by Tai Cheung Toys
Export Co. Ltd.

AND

IN THE MATTER of an
application by GANZ to extend
the time for the filing of a notice
of opposition

DECISION
OF

Mrs. FLORA CHENG acting for the Registrar of Trade Marks after a hearing on
Friday, 19th January 1996.

Appearing : Mr. Anthony Shin of Messrs Tsang & Shin on behalf of the
Applicant, Tai Cheung Toys Export Co. Ltd.

Mr. Lindsay Esler of Messrs Deacons Graham & James on behalf of
the Opponent, GANZ.

1. This is an interlocutory application by GANZ, a Canadian Partnership ("the Opponent") for an extension of time to file Notice of Opposition under Rule 23 of the Trade Marks Rules ("the Rules"). Following an interlocutory hearing held before me on 19th January 1996 ("the hearing"), the extension of time was allowed, and costs were awarded against the Opponent.

2. By a letter dated 29th January 1996, the solicitors for the Opponent, Messrs Deacons Graham & James ("Deacons"), informed the Registrar of Trade Marks ("the Registrar") that they proposed to apply for judicial review of the Registrar's decision on the issue of costs and requested the written grounds for the Registrar's decision.

3. The background to this application can be shortly stated :

- (a) On 8th October 1993 Tai Cheung Toys Export Co. Ltd. ("the Applicant") applied under the Trade Marks Ordinance ("the Ordinance") for registration of a trade mark "GANS" in Class 28 ("the mark").
- (b) It is provided in Section 14 of the Ordinance and Rule 22 of the Rules that once a trade mark application has been accepted by the Registrar, the Applicant must advertise it in one issue of the Gazette. Pursuant to Section 15(1) of the Ordinance and Rule 23 of the Rules any person may within two months from the date of the advertisement of an application for registration of a trade mark file notice of opposition to the registration. Here the mark was advertised in the Gazette on 28th April 1995. Accordingly, notice of opposition to the trade mark application should have been given by 28th June 1995.
- (c) On 23rd June 1995 the Opponent sought an extension of time to 28th September 1995 for filing a notice of opposition. The application was consented to by the Applicant's solicitors ("Tsang & Shin"). The extension was allowed by the Registrar.
- (d) On 28th September 1995 the Opponent sought a second extension of time up to 28th October 1995 for filing a notice of opposition. This application was consented to by Tsang & Shin and was subsequently allowed by the Registrar.

- (e) The present application concerns the third application by the Opponent for an extension of time up to 30th October 1995 for filing the Notice of Opposition (“the Notice”) lodged by Deacons in the Trade Marks Registry (“the Registry”) on 30th October 1995.
- (f) According to Deacons, a copy of the Notice was faxed to the Registrar and Tsang & Shin on 27th October 1995. Tsang & Shin confirmed at the hearing that they received a fax copy of the Notice at 5:06 p.m. on 27th October 1995. As for the Registry, no fax copy of the Notice can be found in the Registry’s file. It might be possible that the Registry had removed the fax copy from the file when the original Notice was lodged in the Registry by Deacons on 30th October 1995. Anyway it is not important whether the Registry had received such fax copy Notice on 27th October 1995. It is common knowledge that filing of form via facsimile for which a fee is payable is not acceptable by the Registry. Under Trade Marks Rule 23 a notice of opposition has to be filed in duplicate on the prescribed form with the prescribed fee. Without the form and fee the Notice cannot be considered as duly filed.
- (g) On 30th October 1995, Deacons lodged in the Registry the original Notice together with the prescribed form and fee. As the Notice was lodged two days out of time, Deacons should, under Trade Marks Rule 91, apply for an extension of time for filing the Notice. As no request for extension of time was filed by Deacons, the Registry wrote to Deacons on 14th November 1995 requesting Deacons to lodge a request for extension of time for the Registrar’s consideration. On 24th November 1995 the Registrar received Deacons’ request for an extension of time from 28th October to 30th October 1995 together with the prescribed fee. The reason stated for the request was “the Opponent requires additional time to file the Notice of Opposition (the official letter of 14th November 1995 refers)”.
- (h) On 30th November 1995 the Registrar provisionally allowed Deacons’ request for an extension of time subject to the Applicant’s right to be heard under Trade Marks Rule 86.
- (i) On 29th December 1995 Tsang & Shin requested to be heard on the Opponent’s application for extension of time.

- (j) A hearing was conducted before me on 19th January 1996. I heard arguments from Mr. Esler for the Opponent and Mr. Shin for the Applicant.

4. As the Opponent is not seeking to review the Registrar's decision on the issue of extension of time and for the sake of brevity, I will not go into details all the arguments put forward by the parties as regards the extension of time issue except in so far as they may affect the issue on costs.

5. At the hearing, Mr. Esler suggested that the possible reason why the original Notice was not hand delivered to the Registry until 30th October 1995 was because Deacons' trade mark registration department was closed on Saturday 28th October 1995 and Sunday 29th October 1995. On the question of costs, Mr. Esler submitted that if a party had acted unreasonably or improperly costs may be awarded against it. Mr. Esler asked for an award of the Opponent's costs against the Applicant to reflect the Applicant's attorney's improper conduct and unreasonableness of the objection to the Opponent's request for extension of time. He based his request on the following arguments :

- (a) The Applicant's attorneys' reasons for objecting to the Opponent's extension of time request were unjustified. The Applicant's attorneys had deliberately raised the objection in order to delay proceedings.
- (b) Although given the opportunity to withdraw the objection and although being advised that an award of costs would be sought, the Applicant's attorneys' maintenance of their objection was not justified.
- (c) The Applicant's attorneys had acted improperly by maintaining unreasonable objections in view of the Opponent's clear case for an extension of time. By improperly maintaining those objections, the Applicant's attorneys had forced this matter to a hearing, a hearing which was always going to result in the extension of time being granted in view of the Registry's practice of treating documents as validly filed if received on the day following expiry of a deadline.

6. (a) Mr. Shin based his argument mainly on the recent decision of the High Court dated 22nd November 1994 in Bristol-Myers Squibb Company v. The Director of Intellectual Property in her capacity as the Registrar of Trade Marks (MP 2125/94). In this case, the Court held that a satisfactory explanation for the delay had to be given by an extension seeker.
- (b) Mr. Shin submitted that no satisfactory explanation for the delay had been provided by the Opponent seeking for extension of time. Mr. Shin submitted that the explanation that Deacons' trade mark registration department was closed on Saturday (28th October 1995) was unacceptable. No explanation at all was given as to why the Notice could not have been filed on 27th October 1995. No explanation at all was provided as to why the Notice could not have been filed on 28th October 1995 by other dispatch personnel of Deacons or attempts made in that regard knowing that Deacons' trade mark registration department would be closed on 28th October 1995. In the absence of an acceptable explanation the Applicant contended that the Opponent had not made out a case for extension of time.
- (c) Mr. Shin further submitted that the Applicant was not trying to delay proceedings by objecting to the Opponent's request for extension of time. After receiving the fax Notice from Deacons and before applying for the hearing, Tsang & Shin had instructed a Canadian Associate to conduct a search in respect of the mark "GANZ" which the Opponent claimed to be the subject of its application for trade mark registration in its country of origin. The search result showed that there were only one application and one registration for the mark "GANZ" in Canada. However both the applicant of the Canadian application and the registered owner of the Canadian registration were not related to the Opponent. As the Opponent also claimed to be the applicant for registration of the mark "GANZ" in Hong Kong, Tsang & Shin had conducted a trade mark search at the Registry. The search result showed that Deacons on behalf of the Opponent filed a trade mark application for the mark "GANZ" in Hong Kong only on 27th October 1995 i.e. the date the Notice was faxed to Tsang & Shin. Mr. Shin questioned Deacons as to why they were able to file a trade mark application for "GANZ" on 27th October 1995 but were unable to file the Notice on the same day. No explanation at all was provided by Deacons. Mr. Shin submitted that

in view of their findings, the Applicant believed the Opponent had not established its case. Mr. Shin therefore asked the Registrar to dismiss the Opponent's application with costs.

- (d) Mr. Shin submitted that costs of the hearing should be awarded against the Opponent who was seeking extension of time indulgence from the Registrar, whether or not the indulgence was granted. The Applicant believed that the Opponent had not made out a case for extension of time. The Applicant was only asking to be heard in accordance with the principles of natural justice.

7. Pursuant to Section 82 of the Ordinance, the Registrar has discretion to award to any party such costs as he may consider reasonable. The following passage taken from paragraph 3 of Circular No. 14/1994 issued by the Registrar sets out the basis upon which the Registrar considers the question of costs arising out of interlocutory extension of time hearings :

“A party seeking extension of time indulgence from the Registrar at an inter-partes hearing (because of failure to comply with time limits laid down in the Trade Mark Rules) may expect costs to be awarded against that party, whether or not the indulgence is granted, unless the hearing officer considers the objection of the other party was unreasonable ...”

The Registrar's position, I believe, is consistent with that operated by the Courts. Order 62 Rule 3(4) of the Rules of the Supreme Court provides as follows :

“The costs of and occasioned by any application to extend the time fixed by these rules, or any direction or order thereunder, for serving or filing any document or the doing of any other act (including the costs of any order made on the application) shall be borne by the party making the application, unless the Court otherwise orders.”

8. I have considered the Opponent's submission that the Applicant was unreasonable in objecting to the Opponent's request for extension of time. I note that no explanation for the delay was provided by the Opponent in its application for extension of time. Reason for the delay was only provided at the hearing. I note also that no explanation as to why no application for extension of time was filed by Deacons until the Registrar requested for such application. At the hearing the Opponent attempted to explain for this by saying that it was the Registrar's practice to accept documents as duly filed if they were received by the Registry on

the next working day following the expiry of a deadline. This explanation was totally unacceptable. The alleged practice was clearly wrong in law and certainly not the Registrar's practice relating to the filing of pleadings in Opposition proceedings.

9. In all the circumstances of this case, I am not satisfied that the Applicant's objection was unreasonable. I therefore ordered that costs of the interlocutory hearing to be borne by the Opponent, the party seeking an extension of time.



Flora CHENG (Mrs.)

28 February 1996