

Applications Nos. 7237 & 7239 of 1997

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

AND

IN THE MATTER of applications by CU
Chemie Uetikon AG to register the trade
mark "ZEOCHEM" in Class 1 and
"ZEOCAT" in Class 1

DECISION
OF

Miss Finnie Quek acting for the Registrar of Trade Marks after a hearing on 10
February 2000.

Appearing : Mr. Lindsay Esler of Deacons Graham & James on behalf of the
Applicant, CU Chemie Uetikon AG

1. On 29 May 1997, CU Chemie Uetikon AG ("**Applicant**"), through its agent Messrs Deacons Graham & James ("**DGJ**") applied under the Trade Marks Ordinance ("**Ordinance**") for the registration of trade mark "ZEOCHEM" (application No. 7237/97) and the trade mark "ZEOCAT" (application No. 7239/97) both in Part A of the Register in Class 1 (collectively, the "**Trade Mark Applications**").

2. By two letters both dated 29 November 1997, pursuant to Rule 18 of the Trade Marks Rules, the Registrar sent to DGJ for the Applicant his objections to the Trade Mark Applications. One of the objections raised was a conflict with registered trade mark No. 1054/90 which the Registrar considered to be deceptively similar to the Trade Mark Applications.

3. Since then until 29 June 1999, DGJ and the Registrar engaged in correspondence in relation to these objections.

4. By letter dated 29 June 1999 in relation to the Trade Mark Applications, the Registrar informed DGJ that he was not persuaded to waive the citation of trade mark No. 1054/90. The letter contained, inter alia, the following reminders :-

"Please note that any action you proposed to take, for example filing evidence of use, should be taken within three months from receipt of this letter. The three months is an extension of the six months time limit under Rule 18 and 19....

Please reply by **6 October 1999** the expiry date of the 3-month extension period.

If I do not hear from you in writing by this date, the applications for registration will be removed from the list of pending applications without further notice."

5. On 6 October 1999, DGJ applied for extensions of time from 6 October 1999 to 6 January 2000 in relation to the Trade Mark Applications. DGJ stated that "Time is required for the applicant to consider its response to the Trade Marks Registry's letter of 29 June 1999." No further explanation was provided in support of the extension applications.

6. By a faxed letter dated 25 October 1999, the Registrar informed DGJ, inter alia, that their requests for extension of time up to 6 January 2000 in respect of the Trade Mark Applications were provisionally refused, subject to their right to call for a hearing under Trade Marks Rule 86 on the issue of extension of time, which right must be exercised within one month of the date of that letter. This was in accordance with Trade Marks Rule 87.

7. By letter dated 12 November 1999 received on 18 November 1999, DGJ informed the Registrar that their client had confirmed its interest in pursuing the Trade Mark Applications and they thereby applied for a hearing on the extension of time

issue. By letter dated 30 November 1999, an extension of time hearing was fixed to take place on 15 December 1999.

8. By fax of 14 December 1999, DGJ informed the Registrar that as they had been unable to obtain their client's further instructions, they asked to vacate the hearing scheduled for 15 December 1999.

9. By letter dated 15 December 1999, the Registrar informed DGJ that since the extension of time hearing fixed for 15 December 1999 was vacated upon their request, the Registrar refused the applications for extension of time beyond 6 October 1999, and the Trade Mark Applications had been treated as withdrawn.

10. By letter dated 23 December 1999, DGJ informed the Registrar that their client had then confirmed that it did wish to proceed with the Trade Mark Applications and asked that the Applications be reinstated.

11. By letter dated 3 January 2000, the Registrar informed DGJ that the request to reactivate the Trade Mark Applications was provisionally refused, subject to their right to call for a hearing within one month. By letter dated 6 January 2000, DGJ called for a hearing. By letter dated 31 January 2000, an extension of time hearing was fixed to take place on 10 February 2000.

12. At the hearing on 10 February 2000, Mr. Lindsay Esler of DGJ appeared on behalf of the Applicant. Mr. Esler provided written submissions covering the history of the Trade Mark Applications and to the effect that :-

- (a) DGJ had received clear and direct instructions on numerous occasions from their client that it still wished to proceed with the Trade Mark Applications.
- (b) The Applicant had advised that it was having difficulties understanding the objections raised for these Hong Kong applications since they had not encountered this problem in any other country where the marks had been registered.
- (c) He disagreed that the Trade Mark Applications could be considered to have been withdrawn as at 7 October 1999 when a hearing to consider the extension of time requests in relation thereto was set down for 15 December 1999. He said it was irrational for a hearing to be set down to consider an application which had already been withdrawn.
- (d) On the substantive merits of the Trade Mark Applications, Mr. Esler argued that the citation objection for the Trade Mark Applications should be withdrawn.

13. Mr. Esler also made oral submissions at the hearing to the effect that:

- (a) DGJ took instructions from the Applicant via an agent in mainland

China ("Chinese Agent").

- (b) DGJ had had a history of difficulties with payment of their fees by the Chinese Agent. Despite repeated demands, DGJ had effectively been prosecuting the Trade Mark Applications since 1997 without having received any payment of their fees.
- (c) DGJ had indicated to the Chinese Agent that they would not attend the hearing fixed for 15 December 1999 unless they had received payment of their outstanding fees before that date. They had also asked the Chinese Agent to provide them with evidence of use.
- (d) On or about 18 November 1999, the Chinese Agent informed DGJ that the Applicant was gathering evidence of use, and that they would be paying DGJ's fees.
- (e) On 10 December 1999, the Chinese Agent informed DGJ that the fee payment would be forthcoming. On 13 December 1999, DGJ told the Chinese Agent that that was not good enough. They asked the Chinese Agent to send them a bank draft for the fees.
- (f) On 14 December 1999, not having received payment of their fees, DGJ wrote to the Registrar and the Chinese Agent stating that they were not going to attend the hearing fixed for 15 December 1999.
- (g) On 21 December 1999, the Chinese Agent informed DGJ that they had arranged payment and wished to keep the Trade Mark Applications alive. On 23 December 1999, DGJ informed the Registrar accordingly. Payment of the fees was received by DGJ in mid January 2000.
- (h) Mr Esler said he understand that the Applicant had paid the fees to the Chinese Agent who, however, had not promptly passed on the payment. The Applicant was therefore innocent. He also believed that the Chinese Agent had not informed the Applicant that DGJ would not attend the hearing on 15 December 1999 and the Trade Mark Applications would lapse if payment of DGJ's fees were not received before that date.
- (i) The subject applications were effectively requests under Rule 91 of the Trade Marks Rules for extension of time, from 6 October 1999 until one day after the date of my decision, to respond to the Registrar's letter dated 29 June 1999 and consequent reactivation of the Trade Mark Applications.
- (j) Reactivation of the Trade Mark Applications would not prejudice third parties since a similar mark "ZEOX" of the Applicant had been registered in the same class. Third parties wishing to register marks similar to those covered by the Trade Mark Applications would in any event be blocked by the "ZEOX" mark. That the Trade Mark

Applications were still on the list of pending applications until 15 December 1999 reduced the possibility of prejudice to third parties.

- (k) Mr. Esler undertook to take immediate steps to overcome the citation objections should the Trade Mark Applications be allowed to reactivate.

Decision

14. I reserve my decision until after the hearing.

15. By letter dated 15 February 2000, I informed DGJ that I found that the circumstances were not such as would justify the extensions of time sought. The Trade Mark Applications which were deemed withdrawn on 7 October 1999 were therefore not reactivated.

16. By letter dated 14 April 2000 received on 20 April 2000, DGJ requested my detailed explanation as to my decision, if the same had not already been fully set out in my letter of 15 February 2000.

Preliminary Point

17. The subject applications were effectively requests under Rule 91 of the Trade Marks Rules for extension of time, from 6 October 1999 until one day after the date of my decision, to respond to the Registrar's letter dated 29 June 1999 and consequent reactivation of the Trade Mark Applications.

18. If the Applicant's requests for extension from 6 October 1999 to 6 January 2000 in respect of the Trade Mark Applications are refused, the Trade Mark Applications would not be reactivated, and it is not necessary to consider further the requests for extension beyond 6 January 2000.

19. As I had pointed out at the hearing, the Registrar's provisional refusal for extension of time from 6 October 1999 to 6 January 2000, which was communicated to DGJ by letter dated 25 October 1999, was subject only to the Applicant's right to call for a hearing within one month from the date of receipt of that letter (Trade Marks Rules 86 & 87). Within that one month period, DGJ on behalf of the Applicant had called for a hearing but later decided to vacate the hearing. The right to call for a hearing in respect of that provisional refusal therefore had already been exhausted. The Applicant was not entitled as of right to a further opportunity to be heard in respect of the Registrar's refusal to grant extension from 6 October 1999 to 6 January 2000. A hearing in respect of the requests for extension beyond 6 October 1999 was nonetheless fixed for 10 February 2000, and I heard Mr. Esler appearing on behalf of the Applicant on that day.

Grounds of Decision

20. Rule 91 of the Trade Marks Rules provides that :

“If in any particular case the Registrar is satisfied that the circumstances are

such as to justify an extension of the time for doing any act or taking any proceedings under these rules, not being a time expressly provided in the Ordinance or prescribed by rule 45(3) or 49(5), he may extend the time for so doing upon such terms as he may direct, and shall give notice thereof to other interested parties. The extension may be granted though the time has expired for doing the act or taking the proceeding in question.”

21. The Trade Mark Applications were deemed withdrawn on 7 October 1999 pursuant to Rule 18 of the Trade Marks Rules since the Applicant had not within the prescribed period filed a considered reply to the Registrar’s objections in his letter dated 29 June 1999 or applied for a hearing in relation to those objections.

22. By virtue of the last sentence in Rule 91, however, the Registrar is empowered to grant an extension of time though the time for taking the actions stated in Rule 18 had expired. The Registrar may, if he is satisfied that the circumstances so justify, at a date after 6 October 1999, grant an extension to the deadline of 6 October 1999 for the Applicant to take actions under Rule 18.

23. In considering whether the circumstances are such as to justify an extension of time, I have taken into account the case of Bristol-Myers Squibb Company v The Director of Intellectual Property in her capacity as the Registrar of Trade Marks (MP 2125 of 1994) [1995] HKC 171. The English case of R v. Registrar of Trade Marks ex parte S.A.W. Company S.A. [1996] RPC 507 also provides useful guidance.

24. As stated in the Mickey’s Stuff For Kids case (application no. 16051/1995, decision of the Registrar of Trade Marks dated 22 January 1998) at paragraph 20, although the Bristol-Myers and S.A.W. Company S.A. cases relate to applications for extension of time in opposition proceedings whereas the present case relates to an application for extension of time at the stage of applying for the registration of a trade mark, since the present case and those two cases involve consideration of Rule 91 or its U.K. counterpart, those two cases are relevant to the present case.

25. According to the Bristol-Myers case, it is incumbent upon the party seeking the Registrar’s indulgence to grant an extension of time to provide the Registrar with a satisfactory explanation as to why the relevant statutory time limit was not met.

26. Furthermore, according to the S.A.W. Company S.A. case, in exercising the Registrar’s discretion in these cases, it is relevant as to what the party did during the statutory period allowed for filing the relevant document, not what they did subsequently.

27. I have to consider all the circumstances of the present case and decide whether they are such as to justify the extension of time ought.

28. What had the Applicant and its agents done during the period from 29

June 1999 to 6 October 1999 in response to the Registrar's letter dated 29 June 1999? DGJ did at some point asked the Chinese Agent to provide them with evidence of use (paragraph 13(c) above) and the Chinese Agent said the Applicant was gathering such evidence (paragraph 13(d) above). It is, however, not clear when this exercise of gathering evidence took place, if at all, what efforts were made and what results were obtained. There was no reply to the objections raised in the Registrar's letter of 29 June 1999 until DGJ submitted written outline submissions under cover of their letter dated 2 February 2000 for the reactivation hearing on 10 February 2000. There, DGJ made some attempt to argue why they consider the citation objection should not be maintained. No evidence of use was filed. Mr. Esler undertook at the hearing that should reactivation of the Trade Mark Applications were allowed, he would take immediate steps to overcome the citation objections.

29. It seems quite clear, therefore, that little or nothing has been done during the period from 29 June 1999 to 6 October 1999 by the Applicant and its agents to overcome the citation objections maintained in the Registrar's letter of 29 June 1999. No satisfactory explanation has been provided as to why the time limit to respond to that letter was not met.

30. DGJ was aware that the result of vacating the extension of time hearing fixed for 15 December 1999 would be that the provisional determination of 25 October 1999 would be made final, the requests for extension of time from 6 October 1999 to 6 January 2000 would be refused, and the Trade Mark Applications would lapse. The Chinese Agent had also been informed by DGJ that they would not attend the hearing on 15 December 1999 without first receiving their fees. Fully aware of the consequences, the Chinese Agent had not remitted the fees to DGJ in time, and DGJ vacated the hearing.

31. It is hard on the Applicant who, according to Mr. Esler, had paid the fees which was not passed on to DGJ in time, and was not aware of what was going on. The consequence of the subject requests for extension of time being refused is that the Trade Mark Applications lapse. This is, however, no bar to the Applicant applying again for registration of the subject marks, although the priority date of 29 May 1997 would be lost. I consider that although the Applicant would suffer some prejudice if the extensions of time sought are refused, it is not such as would extinguish the Applicant's right to apply for registration of the subject marks. Any prejudice the Applicant would suffer is, in my view, a direct consequence of the conduct of its agents.

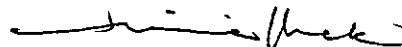
32. Mr. Esler said third parties would unlikely be prejudiced by the reactivation of the Trade Mark Applications (paragraph 13(j) above).

33. Although the Trade Mark Applications had lapsed for not a very long period of time, it is difficult to assess whether or not members of the public had searched the list of pending applications and relied on the information that the Trade Mark Applications had been withdrawn. Suffice it to say that if the subject requests for extension were allowed, the Trade Mark Applications would be revived although

for a period of time the pending list of applications shows they have been withdrawn.

34. It is for the party who has failed to observe the relevant time limit to satisfy the Registrar that despite his default, the discretion to extend time should nevertheless be exercised in his favour. Having considered all the circumstances of the present case, I do not consider that the circumstances are such as to justify the extensions sought.

35. For the reasons stated above, I consider this is not an appropriate case for me to exercise the discretion under Rule 91 to allow the Applicant an extension of time beyond 6 October 1999 in respect of each of the Trade Mark Applications to reply to the official letter of 29 June 1999. As a result of my decision the application for reactivation in respect of each of the Trade Mark Applications fails.



(Finnie Quek)
p. Registrar of Trade Marks
8 May 2000