

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION FOR REVOCATION OF TRADE MARK 1999B03838

MARK : LIQUID NAILS

CLASS : 1

APPLICANT : SELLEYS PTY LIMITED

**OPPONENT : REGISTERED PROPRIETOR: IMPERIAL CHEMICAL
INDUSTRIES PLC**

STATEMENT OF REASONS FOR DECISION

1. Selleys Pty Limited (“the applicant”) applied to the Registrar of Trade Marks on 18 March 2005 to revoke the registration of the trade mark “LIQUID NAILS” in class 1 under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) on the ground of non-use. The trade mark was registered, at the time the application for revocation was filed, in the name of Imperial Chemical Industries Plc of 20 Manchester Square, London W1U 3AN, United Kingdom (“the registered proprietor”).

2. The hearing of the application took place before me on 17 and 21 January 2008. Ms. Winnie Tam S.C., instructed by Messrs. Johnson, Stokes & Master, represented the applicant. Mr. James W Campbell, Counsel, instructed by Messrs. Baker & McKenzie, represented the registered proprietor.

Ground for revoking the trade mark

3. The application for revocation is made under section 52(2)(a) of the Ordinance on the ground that the trade mark has not been genuinely used in Hong

Kong by the registered proprietor or with his consent, in relation to the goods for which it is registered.

Three-year period of non-use

4. Under section 52(2)(a) the registration may be revoked if the trade mark has not been used for a continuous period of at least three years. The applicant's statement of grounds, filed with the application for revocation on 18 March 2005, refers to 'the three year period immediately prior to these revocation proceedings'. In these proceedings, therefore, the relevant period of the enquiry is the three year period immediately prior to 18 March 2005 ("the relevant period").

Registration

5. The registration that the applicant applies to revoke is the trade mark:

LIQUID NAILS

registration number 1999B03838 (the "registered mark"), registered in class 1 in respect of 'adhesives, adhesives for building construction; all being in liquid form and all included in Class 1'. The filing date of the application for registration of the registered mark, which is deemed to be also the date of registration, is 17 October 1997.

Applicant's evidence

6. The applicant's evidence consists of a statutory declaration of Kathleen Jane Grecki, declared on 18 March 2005. Ms. Grecki is the general manager of a private investigation company which received instruction from the applicant's solicitors to

conduct investigations into the use of the registered mark in Hong Kong. Ms. Grecki's statutory declaration sets out the results of the investigations.

7. Ms. Grecki claims that between December 2004 and January 2005, contact was made with the registered proprietor via their web-based mailing system and a reply was received from the Marketing Department at ICI Swire Paints Ltd., a company alleged to be in the registered proprietor's group, saying that they do not have Liquid Nails in the Hong Kong product range. Further enquiry was then made via email with Macco Adhesives, which is alleged to be "a division of ICI Paints [*undefined, but see paragraph 14 below*] and is responsible for the manufacture and distribution of the Liquid Nails products". An email reply was received from a Ms. Gall, Supervisor-Export Sales ICI Paints International Export & Licensing, advising that they do not have a distributor for their products in Hong Kong.

8. A telephone enquiry was then made with a Ms. Carol Bird of the Corporate Communications Department of the registered proprietor in the United Kingdom, who confirmed that she had no personal knowledge of the LIQUID NAILS products.

9. On 22 January 2005, visits were allegedly made by investigators to "over 40 hardware retailers and distributors in Wanchai, Hong Kong". According to Ms. Grecki, the products available at these retailers and distributors were carefully inspected and no products manufactured or distributed by the registered proprietor carrying the registered mark were found. The shopkeepers were asked if the registered proprietor's Liquid Nails products were sold in Hong Kong in the past three years. It is alleged that none of the shopkeepers interviewed claimed to have seen the registered proprietor's brand of Liquid Nails products offered for sale in Hong Kong. According to Ms. Grecki, the shopkeepers interviewed indicated that they were only familiar with the Selleys' brand of Liquid Nails products of the applicant and did not sell ICI branded Liquid Nails products.

10. On 25 January 2005, telephone enquiries were conducted with 19 distributors or agents of a list of hardware outlets which was compiled from a search of Yellow Pages on the Internet. Ms. Grecki alleges that all of the distributors

interviewed claimed that they only stocked Selleys' Liquid Nails adhesive (i.e., that of the applicant's) and did not sell any Liquid Nails products of the registered proprietor.

11. A further check was conducted with Macco Adhesives of the USA, which is described as a supplier of Liquid Nails on an internet search. A call was made to a representative called Mike who said that Macco Adhesives of the USA was not selling in Hong Kong and did not have an agent or distributor here.

Registered proprietor's evidence

12. The registered proprietor's evidence consists of a statutory declaration declared on 14 September 2005 by Caroline Anne Davies, the registered proprietor's Senior Trade Marks Advisor and Duly Authorised Attorney, who had been associated with the registered proprietor for 14 years.

13. According to Ms. Davies, the registered proprietor was incorporated on 7 December 1926 and has grown into one of the world's largest producers of specialty products and paints. It is claimed that the registered proprietor has become a global leader in creating, developing, making and marketing ingredients for foods and personal care, specialty polymers, electronic materials, fragrances and flavours, and is a major player in the worldwide development of sensory products. The registered proprietor had a range of more than 50,000 products and sales of £5.6 billion in 2004.

14. The registered proprietor is said to own companies which provide specialty chemicals and paints including ICI Paints. Macco is one of the business units of ICI Paints, which has since 1962 manufactured and distributed a full line of "Liquid Nails" products. It is claimed that "LIQUID NAILS" product line has evolved into a broad range of adhesives, caulks, sealants, and home repair products.

15. Ms. Davies claims that the registered proprietor has used and/or does use the registered mark in Hong Kong on the registered goods "adhesives, adhesives for building construction; all being in liquid form and all included in Class 1" (the

“registered goods”), and adduces evidence of use of the registered mark in Hong Kong in the remaining parts of her statutory declaration. I shall discuss in greater detail this evidence in the latter part of this decision.

Preliminary issue

16. As a preliminary issue dealt with in the hearing on 17 January 2008 before hearing on the substantive issues took place, leave to file a supplemental statutory declaration of Lee Ming Yen, Angeline made on 15 January 2008 was sought by the registered proprietor. A copy of the statutory declaration was faxed to the Registrar just two days before the hearing, and the original was filed the following day.

17. Mr. Campbell, counsel for the registered proprietor, submitted that the registered proprietor was not seeking to introduce new evidence as the supplemental statutory declaration was only to clarify two points in the evidence of the registered proprietor, which comprises the statutory declaration of Caroline Anne Davis as discussed above. I do not need to recite the two points of clarification, suffice to say that as regards the first point, Ms. Tam, counsel for the applicant, pointed out certain discrepancies in the new evidence which Mr. Campbell had to concede it had; as to the second point, Ms Tam had confirmed that they are not taking issue of the point the registered proprietor sought to clarify.

18. The registered proprietor was in effect asking for leave under Rule 38(4) of the Trade Marks Rules (Cap.559A). Mr. Campbell referred me to the chapter on “Procedure where leave is sought to file further evidence” of the Trade Marks Registry Work Manual which lists out various factors for consideration in respect of such application for admission of further evidence.

19. Having regard to the submissions from both sides and all the circumstances, I do not see how the supplemental statutory declaration of Lee Ming Yen, Angeline could really help to clarify the registered proprietor’s case and the issues between the parties. Moreover, there had been no reasonable explanation as to why the evidence

the registered proprietor sought to introduce could not have been made available at an earlier stage of the proceedings. I therefore declined to exercise my discretion under Rule 38(4) of the Trade Marks Rules to give leave for the filing of the supplemental statutory declaration of Lee Ming Yen, Angeline. The substantive hearing commenced immediately after I have given the aforesaid ruling.

Decision

20. Revocation of the registration of a trade mark is provided for under section 52 of the Ordinance. In particular, section 52(2)(a) provides that the registration of a trade mark may be revoked where “the trade mark has not been genuinely used in Hong Kong by the owner or with his consent, in relation to the goods or services for which it is registered, for a continuous period of at least 3 years, and there are no valid reasons for non-use”.

21. In other words, I need to look at whether or not the registered mark has been “genuinely” used in Hong Kong for a continuous period of at least three years *before* these revocation proceedings were instigated.

22. Section 82(1) of the Ordinance states : ‘ if in any civil proceedings under this Ordinance in which the owner of a registered trade mark is a party, a question arises as to the use to which the trade mark has been put, the burden of proving that use shall lie with the owner’ . The result is that in an application to revoke for non-use, the onus of proof of use is on the owner, which in the present context is the registered proprietor. There is no dispute between the parties on that.

Use of the registered mark in Hong Kong

23. In the counter-statement filed by the registered proprietor on 16 September 2005, it is claimed that products bearing the registered mark “have been shipped into Hong Kong during the relevant period”.

24. According to Ms. Davies, “the [registered mark] was first used by the registered proprietor in 1962. It was subsequently used in Hong Kong when the registered proprietor first started distributing the [registered goods] bearing the [registered mark] in Hong Kong and China” – there being no date specified for the first use in Hong Kong. “Exhibit-2” to Ms. Davies’ s statutory declaration is said to contain “copies of photographs and pamphlets showing the manner by which the [registered mark] is applied to the [registered proprietor’ s goods]”. These photographs and pamphlets are all undated. It is also not known where they were circulated or made available. They cannot constitute evidence of use of the registered mark for the purposes of section 52(2)(a). In the hearing Mr. Campbell relied on these photographs and pamphlets to show just that the product code of goods shipped under one of the invoices shown in “Exhibit-3” (to be discussed below) corresponds to one product advertised in one of the registered proprietor’s pamphlets (see paragraph 32 below).

25. Ms. Davies states, in paragraph 12 of her statutory declaration, that the registered mark “has been applied to products and packaging of products which are shipped into Hong Kong”. Copies of two invoices, one dated 21 August 2002 and the other dated 31 August 2004, are exhibited in “Exhibit-3” and “Exhibit-4” to Ms. Davies’ s statutory declaration respectively. Ms. Davies also exhibits in “Exhibit-5” an email dated 2 February 2004 which is alleged to be from a potential Hong Kong customer seeking price quotations for products bearing the registered mark. Ms. Tam for the applicant pointed out that the email seems only to be an internal enquiry and there is no evidence that the request for quotation came from any outside source, in respect of which Mr. Campbell made no reply. I agree with Ms. Tam and do not think the email carries any probative value to prove use of the registered mark.

26. It follows that the only evidence of use that matters is the two invoices in “Exhibit-3” and “Exhibit-4” to Ms. Davies’ s statutory declaration, purportedly showing that certain products bearing the registered mark were shipped into Hong Kong in 2002 and 2004.

27. I pause here to record that whilst in the counter-statement and in Ms. Davies' statutory declaration, all that has been said is that products bearing the registered mark have been *shipped* into Hong Kong during the relevant period; whereas in the hearing Mr. Campbell chose to characterize the transactions evidenced by the two invoices by the word "*import*". This does not make a difference as long as either word refers to the act of bringing goods into Hong Kong, but if the word "*import*" implies that the goods are something to buy or bring in from another country for use, sale, processing, re-export, or services, I wish to make it clear that this is a disputed point in respect of which I will have to investigate later in this decision.

28. Nonetheless, whilst it is clear that application of the registered mark to goods or to the packaging of goods shipped or imported into Hong Kong could constitute use, it is not an exception to the requirement that the mark has been put to genuine use. Genuine use does not subsist in merely putting the mark on a few goods and importing them for a non-commercial purpose. It is therefore imperative to examine with care that even though the mark is said to have been applied to goods or packaging of goods that are delivered to an address in Hong Kong, the use must not be private as it has been authoritatively ruled that genuine use is not just internal use by the undertaking concerned.

29. The invoice exhibited in "Exhibit-3" is dated 21 August 2002. Mr Campbell asked me to note the following features of the invoice:-

- (i) it is issued by Glidden Company, a part of the ICI Group;
- (ii) the receiving customer of the goods is C310000476;
- (iii) the goods were notified to a party in Tuen Mun, Hong Kong and sold to a party (not known whether the same party) also in Tuen Mun, Hong Kong. The other parts of the addresses were said to have been "redacted", viz. blacked out;
- (iv) the goods were shipped from the US by air;

- (v) the payment terms were “cash in advance of shipment” and “payment received” was noted on the invoice;
- (vi) the sale was subject to ICI Paints/Glidden terms and conditions;
- (vii) the product code of the goods shipped was LN-975. This product code corresponds to a product advertised in one of the registered proprietor’s pamphlets shown in “Exhibit-2”, namely, LIQUID NAILS Clear Adhesive, LN-975;
- (viii) a gross weight of 8.8 lbs of goods were shipped;
- (ix) the ultimate destination of the goods was Hong Kong;
- (x) the name of the customer has also been “redacted”.

30. The invoice exhibited in “Exhibit-4” is dated 31 August 2004. Similarly, Mr Campbell asked me to note the following features of the invoice:-

- (i) it is issued by Glidden Company, a part of the ICI Group;
- (ii) the receiving customer of the goods is C310000593;
- (iii) the goods were notified to a party in Hong Kong and sold to a party (not known whether the same party) in Kwun Tong, Hong Kong. The other parts of the addresses were “redacted”, viz. blacked out;
- (iv) the goods were shipped from the US by air;
- (v) the payment terms were “cash in advance of shipment”;
- (vi) the sale was subject to ICI Paints/Glidden terms and conditions;
- (vii) the product shipped was described to be “Liquid Nails Heavy Duty Construction and Remodeling”;
- (viii) a gross weight of 50.4 lbs of goods were shipped;

- (ix) the ultimate destination of the goods was Hong Kong;
- (x) the information on price and the name of the customer has also been “redacted”.

31. From the unsuppressed information one can obtain from the two invoices, there were only 8.8 lbs weight of a product bearing the registered mark being shipped to an unknown party in Tuen Mun, Hong Kong in August 2002, and 50.4 lbs weight of another product to probably another party, also unknown, in Hong Kong in August 2004. Ms. Tam submitted that the quantity involved was extremely small in view of the nature of the goods at issue, and given that the nature of the transactions is unclear, it is impossible to conclude that the transactions are not internal in nature. In the circumstances, Ms. Tam argued, the registered proprietor has fallen short of showing what is required to defend an application of section 52(2)(a), viz. that the registered mark has been genuinely used in Hong Kong by the registered proprietor or with its consent, in relation to the goods for which it is registered, within the relevant period.

32. In my view, the product shipped under the invoice dated 21 August 2002 is known as “LN-975 Clear Adhesive”, which corresponds to a product called “LIQUID NAILS Clear Adhesive, LN-975” advertised in one of the registered proprietor’s pamphlets shown in “Exhibit-2”. The product was described in the pamphlet as “a unique, high quality, clear adhesive that offers a permanent, waterproof bond indoors and out”, it bonds most common construction materials and also seals around windows and doors. From the pamphlet the case weight of the product would be 9 lbs 4.08 kg) and the product size is 10.5 fl. oz. (310 ml). These seem to match up with what are shown in the invoice: gross weight of 8.8 lbs of goods shipped and size package of the product being 10.5 oz. (I take this to mean fluid ounce (fl. oz.) – a unit of volume or capacity used in liquid measure, which is not to be confused with the unit of mass, according to various common dictionaries such as The Collins English Dictionary, The Concise Oxford Dictionary). The product shipped under the invoice dated 31 August 2004 is described to be “Liquid Nails Heavy Duty Construction and Remodeling”. There is no product code available and no product bearing such name or description is found being advertised in any of the registered proprietor’s pamphlets

shown in “Exhibit-2”. The invoice also states that the size package of the product is 10 oz. (again I take this to mean fluid ounce). I note also there are stated “12 CG” on the invoice of 21 August 2002 and “48 CG” on the invoice of 31 August 2004 under the heading “NBR OF #UNITS UGM”, but no one could explain to me what they mean.

33. If the product size for “LIQUID NAILS Clear Adhesive, LN-975” is 10.5 fl. oz. and that for “Liquid Nails Heavy Duty Construction and Remodeling” is 10 fl. oz., common sense tells me that neither 8.8 lbs weight of the former, nor even 50.4 lbs weight of the latter, can amount to quantitatively a significant amount of the products for the purposes of importing with a view to retailing or reselling. They look more like one-off special order requests for delivery of goods for purposes other than retailing.

34. That brings us to the crucial question under section 52(3)(b) – the question of “genuine use”. Whether the two transactions would constitute, or be sufficient to constitute, “genuine use” of the registered mark on the goods for which it has been registered during the relevant period would be the focal point of this decision. The parties not only have dispute as to the application of the legal principles to the evidence, but appear at times to also have disagreement over the legal principles themselves. I will have to consider the legal principles in detail first.

Genuine use

35. Guidance as to the meaning of genuine use can be found in *Ansul BV v Ajax Brandeveiliging BV* [2003] RPC 40 and *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38 (referred to below as “*La Mer*”), judgments of the European Court of Justice (“ECJ”) which have been considered and applied by the Court of Appeal of England and Wales in *Laboratoire De La Mer* [2006] FSR 5. In fact *Laboratoire De La Mer* is the case which, after being referred to the ECJ which gave a “reasoned Order” reported in *La Mer*, came back to England for a decision first by Blackburne J. (reported as *Laboratoire de la Mer Trade Mark (No.2)* [2005]

F.S.R. 29) but whose decision was finally reversed by the Court of Appeal of England and Wales. Counsel on both sides in the present case had referred extensively to these cases.

36. In *Ansul* the ECJ states that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. Use of the mark must relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way. Regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark (*paras. 36 to 40*).

37. In *La Mer*, the ECJ affirmed *Ansul*. It is said that if use of the mark does not have as its essential aim the preservation or creation of market share for the goods or services that it protects, such use cannot be characterised as genuine (*para. 26*).

38. The parties are largely in agreement as far as the above principles are concerned. What divides them is the formulation of the proper test to apply in view of the peculiar facts of the instant case, namely, that only limited quantity of goods bearing the registered mark had been shipped into Hong Kong on two occasions during the relevant period.

39. Ms. Tam submitted that the question is whether the minimal quantity is deemed sufficient in maintaining or creating a share in the market for the goods bearing the registered mark. Obviously such a formulation has its root in the following paragraphs in *La Mer*:-

“21 Moreover, it is clear from para.[39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the

economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

- 22** The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.

.....

- 26** Finally, it can clearly be inferred from para.[36] of *Ansul* that, where use of the mark does not have as its essential aim the preservation or creation of market share for the goods or services which it protects, such use must be considered in fact to be intended to defeat any request for revocation. Such use cannot be characterised as genuine within the meaning of the Directive.”

40. Mr. Campbell disagreed that this is the test, arguing that there is neither minimal quantity requirement nor requirement that there be a share in the market for the goods bearing the registered mark. On the contrary, Mr. Campbell submitted that, as demonstrated in paragraph 25 of *Laboratoire De La Mer*, sufficiency of use is not a factor for consideration, the crucial question is what kind of market use is sufficient – in that respect it is argued, on the basis of the last sentence of paragraph 33 of *Laboratoire De La Mer*, that the mere act of importation of goods could constitute putting the goods on the market in the country of importation. Paragraph 33 of *Laboratoire De La Mer* reads:-

- “**33** Trade marks are not only used on the market in which goods bearing the mark are sold to consumers and end users. A market exists in

which goods bearing the mark are sold by foreign manufacturers to importers in the United Kingdom. The goods bearing the LA MER mark were sold by Goëmar and bought by Health Scope Direct on that market in arm's length transactions. The modest amount of the quantities involved and the more restricted nature of the import market did not prevent the use of the mark on the goods from being genuine use on the market. The Court of Justice made it clear that, provided the use was neither token nor internal, imports by a single importer could suffice for determining whether there was genuine use of the mark on the market.”

41. I should say at this juncture that the differences between the parties in the interpretation of these authoritative cases are not something novel; indeed they resemble the respective arguments advanced by counsel for the trade mark owner and counsel for the applicant for revocation in *Laboratoire De La Mer*. On one side was the argument of the trade mark owner that provided use is shown which is not token and not merely internal, it must necessarily be external and for the purpose of preserving or creating a market share for the goods; on the other side was the argument of the applicant for revocation that, leaving aside merely token use and internal use, genuine use requires use of the mark on the market, *i.e.* it must be directed to and come to the attention of the consumer or end user, implying that only in this way could the use be viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods. These arguments were advanced by the parties in *Laboratoire De La Mer* with reference to the judgments of the ECJ in *Ansul* and *La Mer*. Blackburne J. sitting at the Chancery Division of the High Court found favour with the latter argument and ruled for the applicant for revocation, but his decision was reversed by the Court of Appeal of England and Wales which was of the view that the effect of Blackburne J.'s judgment was to erect a quantitative and qualitative test for market use and market share which was not set by the ECJ in its rulings.

42. Kerly's Law of Trade Marks & Trade Names (14th Edition) (“*Kerly*”) at paragraphs 10-040 to 10-050 set out a very clear and detailed exposition of the above

cases and arguments. The learned authors are of the view that “the reasoning of the Court of Appeal is significantly out of step with *Ansul*, *La Mer* and numerous CFI decisions, as well as representing a retrograde step in this area of the law.” (*para 10-050*)

43. Ms. Tam submitted that, in so far as interpretation of “genuine use” by the Court of Appeal of England and Wales in *Laboratoire De La Mer* is found to be incompatible with that of the ECJ in *Ansul* and *La Mer*, the approach of ECJ is to be preferred to that of the Court of Appeal of England and Wales. There is, as far as I know, no local authority binding on this tribunal that sheds light on the aforesaid.

44. In my view, the reasoning of the Court of Appeal of England and Wales in *Laboratoire De La Mer* is not necessarily different from that of the ECJ in *Ansul* and *La Mer*. First, on the point that “minimal” use will not of itself disqualify the use from being “genuine”, I think this is beyond dispute even in *Ansul* and *La Mer*. Secondly, about the argument that in order to be “genuine”, the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used, I do not think the judgments in *Ansul* and *La Mer* have really got that far. In *Laboratoire De La Mer*, Mummery L.J. said, “The Court of Justice did not rule that the retail or end user market is the only relevant market on which a mark is used for the purpose of determining whether use of the mark is genuine” (*para. 32*); and Neuberger L.J., referring to the argument, is more expressive in saying:-

“Although it has some attraction, I can see no warrant for such a requirement, whether in the words of the directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be “consistent with the essential function of a trademark” as explained in [36] and [37] of the judgment in *Ansul*, it appears to me that genuine use for the purpose of the directive will be established.” (*para. 48*)

45. I should record that in reply, Ms. Tam did clarify that whilst she accepts there is no *de minimis* rule for the sufficiency of use, regard has to be had to all the circumstances. Looking at all the circumstances objectively, Ms. Tam submitted, since the evidence shows that the amount of use of the registered mark is excessively small, it belies on the registered proprietor to show that the mark nonetheless has been used purposefully, failing which the inference must be that the mark has not been genuinely used. I think this is the correct approach to the present issue. At least we have to ascertain for what purposes the registered mark is put to use, before we need to be concerned with what kind of market use is sufficient.

46. Moreover, even if I were wrong on the compatibility of the reasoning of the Court of Appeal in *Laboratoire De La Mer* with that of the ECJ in *Ansul* and *La Mer*, before I really need to embark on answering the difficult question of to which side I should incline, and assuming the proposition that use shown which is not token and not merely internal must necessarily be external is correct, I have to satisfy myself that the use of the registered mark, as contained in the evidence tendered by the registered proprietor, if not token, at least amounts to something “not merely internal”. As to be discussed below, I do not find the registered proprietor has even come to the proof of that.

47. The two invoices, as analysed in paragraphs 29 to 33 above, do not suggest, or there is nothing to suggest, that the shipments of goods into Hong Kong were done for the purposes of further retailing in Hong Kong. They have the identity of the customers and the price blacked out. Mr. Campbell submitted that since the “redaction” (i.e., blacking out) of parts of the two invoices had not met with any objection of the applicant, at least not before the hearing, no adverse conclusions are to be drawn against the registered proprietor who wishes to keep those information confidential. The case *Continental Shelf 128 Ltd's Trade Mark* [2007] E.T.M.R. 6 (at paras. 19 to 23, esp. para 21) was cited in support. With respect, I do not think the case could be an authority for such a proposition, not because the decision has subsequently been overturned on appeal to the Appointed Person of the UK Trade Mark Registry (see *Continental Shelf 128 Ltd v Hebrew University of Jerusalem (also known as EINSTEIN Trade Mark)* [2007] R.P.C. 23), but because all that had been

said by the hearing officer of the UK Registry does not give rise to such a proposition. The hearing officer only said the following:-

“21 The redactions of the invoices raise issues as to what weight should be given to them; *[the applicant]* was deprived of the ability to investigate further. However, *[the applicant]* could have objected to the nature of the evidence furnished; it could have requested disclosure of the redacted parts of the invoices. It did not do so. It only raised the issue in its submissions. I will consider the invoices on the basis that they are in an acceptable format.”

48. Similarly, I would also treat the present two invoices on the basis that they are still in an acceptable format for consideration, but I do not consider myself bound by any mandate to draw or not to draw any inference as regards the fact that certain information about the identity of the customers and the price does not show up.

49. Looking at the two invoices in this light, the immediate question one would have is whether the transactions therein evidenced were sales or just some internal transactions, and if they were sales for what purposes did they serve.

50. Mr. Campbell pointed out that there were the words “this sale is subject to ICI Paints/Glidden International export and licensing terms and conditions of sale which follow” appearing on the invoices. However, since these words seem just pro forma and the export and licensing terms and conditions of sale were not found to be attached, I cannot count on them to conclude that there were real sales. The invoice dated 21 August 2002 has a zero figure for the product price, whilst the invoice dated 31 August 2004 has the price figure blacked out.

51. I also recall my discussion in paragraph 27 above. All that the opponent had said in the counter-statement and in Ms. Davies’ statutory declaration is that products bearing the registered mark have been *shipped* into Hong Kong during the relevant period. The opponent has not put in any sworn evidence that products bearing the registered mark have been *imported*, or *sold*, to any customers in Hong Kong during the relevant period. In the circumstances, there is insufficient information for me to

conclude that the two shipments of the goods were sales. There is insufficient material to trigger Mr. Campbell's supposition, even if that is true, that the mere act of importation of goods could constitute putting the goods on the market in the country of importation.

52. Mr. Campbell submitted that even if this tribunal were to come to the conclusion that there was insufficient evidence of a sale of the products, the law is well settled that the provision of samples at no cost can also be sufficient to maintain a mark. Be that as it may, there is no evidence that the importations were provision of samples.

53. In sum, all that the registered proprietor can show, in relation to use of the registered mark during the relevant period in respect of the goods for which it has been registered, are two occasions of shipments recorded in two invoices. On one occasion, it had shipped 8.8 lbs weight of the "LIQUID NAILS Clear Adhesive, LN-975" to an unknown party in Tuen Mun, Hong Kong in 2002, and on another occasion, 50.4 lbs weight of "Liquid Nails Heavy Duty Construction and Remodeling" to an unknown party in Hong Kong in 2004. As only two occasions of shipments are shown, it is noteworthy to see that the registered proprietor, instead of trying to supply any information as to where these goods would go, what they were imported for, how they would be dealt with, and whether the use was intended to find a market, chose to "redact" the invoices so that important information regarding the nature of the "customers" and the worth of the goods are completely suppressed.

54. Mr. Campbell submitted that the mark was newly registered in Hong Kong with no prior market, hence attempts to establish a market may be minimal in the initial phase. Be that as it may, I would accept it only if it came as concrete evidence. That is not the case here.

55. From the evidence tendered by the registered proprietor, I cannot conclude whether the use of the registered mark during the relevant period has been external, or for that matter, internal. I would like to take a step back and recapitulate all the circumstances. The investigation commissioned by the applicant, though by no means

exhaustive, has at least shown that the registered proprietor's Liquid Nails products were not generally available in the consumers' market. The registered proprietor seems to resign on that and try to show another kind of market existed. But it did this in a very discreet way, saying through Ms. Davies' statutory declaration that there are "customers" shipping the goods into Hong Kong, and a potential Hong Kong customer had made an enquiry for quotation of the products – in support two "redacted" invoices and an email were produced. I have analysed those evidence, and found nothing proved except that two separate shipments to undisclosed parties of limited quantities of the relevant goods had occurred in 2002 and 2004. The circumstances of the case forbid me to draw an inference that use of the registered mark amounts to something "not merely internal".

56. As I have already said, in an application to revoke for non-use, the onus of proof of use is on the owner. I must hold therefore that the registered proprietor has failed to discharge the burden of showing genuine use of the mark in Hong Kong for the goods of the registration.

Revocation

57. The result is that the registration is revoked from 18 March 2005, the date of the application for revocation.

Costs

58. The applicant has sought costs. As nothing in the circumstances or conduct of this case warrants a departure from the general rule that the successful party is entitled to his costs, I order that the registered proprietor pays the costs of and incidental to these proceedings.

59. Subject to any representations, as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision,

costs will be calculated with reference to the usual scale in Part I of the First Schedule to Order 62 of the Rules of the High Court (Cap 4A) as applied to trade mark matters, unless otherwise agreed between the parties.

(Frederick Wong)
for Registrar of Trade Marks
24 April 2008