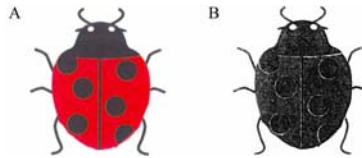


TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION FOR REVOCATION OF TRADE MARK NO. 200310798

MARKS :



CLASS : 25

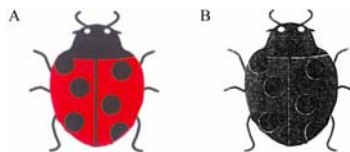
APPLICANT : LITTLEWOODS LIMITED

REGISTERED OWNER : TOPPY COMPANY (HONG KONG) LIMITED

STATEMENT OF REASONS FOR DECISION

Background

1. On 7 November 2006 (“Revocation Application Date”), WOOLWORTHS PLC filed an application and, with leave of the Registrar, filed on 8 August 2007 an amended application (as amended, the “Revocation Application”) under the Trade Marks Ordinance (Cap. 559) (“Ordinance”) to revoke with effect from 1 September 2006 on the ground of non-use the registration of the following series¹ of two marks registered under Trade Mark No. 200310798 :



(hereinafter referred to as “Mark A” and “Mark B” respectively, and together, the “subject marks”).

¹ The register details of the subject marks indicate that the registration was under section 26 of the repealed Trade Marks Ordinance (Cap.43) (“repealed Ordinance”) as a series of trade marks. According to sections 10(1) and 2(1), Schedule 5 to the Ordinance, the subject marks registered as a series under section 26 of the repealed Ordinance shall be deemed to be similarly registered in the register under the Ordinance. According to section 51(3) of the Ordinance, “series of trade marks” means a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark.

2. With leave of the Registrar, WOOLWORTHS PLC was substituted by LITTLEWOODS LIMITED (“Applicant”) as the applicant in these proceedings.
3. The subject marks are registered as of 31 May 2002 in the name of TOPPY COMPANY (HONG KONG) LIMITED (“Registered Owner”) in respect of “clothing, footwear, headgear” in Class 25 (“subject goods”). The actual date on which particulars of the subject marks were entered in the register of trade marks was 1 September 2003.
4. The Registered Owner filed its counter-statement on 7 May 2007.
5. The hearing on the Revocation Application took place before me on 3 November 2010. Mr. Philips B.F. Wong, Counsel, instructed by Yu & Partners represented the Applicant at the hearing. Mr. Anthony Evans, authorized representative of Marks & Clerk, represented the Registered Owner.

The Applicant’s evidence

6. The Applicant’s evidence consists of :
 - (a) a statutory declaration of Jens Krause declared on 7 November 2006;
 - (b) a statutory declaration of Tsang Mei Lin declared on 7 November 2006; and
 - (c) a statutory declaration of Houng Ching Ching, Cynthia declared on 7 November 2006.
7. The three declarations referred to in the preceding paragraph outline the searches, visits and enquiries made by investigators in September/October 2006 which led to the Applicant’s belief that there had been no use of the subject marks in Hong Kong for at least three years since 1 September 2003.

Registered Owner’s evidence

8. The Registered Owner’s evidence consists of :

- (a) a statutory declaration of Wong Suk Ming Eliza declared on 7 May 2007 (“Wong’s Declaration”); and
 - (b) a statutory declaration of Fang Kang Vincent, JP declared on 7 May 2007 (“Fang’s Declaration”).
9. Wong’s Declaration sought to clarify some answers given in response to certain enquiries made by investigators referred to in some of the statutory declarations listed in paragraph 6 above. Wong’s Declaration does not contain any evidence of use of any mark.
10. Fang’s Declaration therefore constitutes the Registered Owner’s main evidence. I will consider that declaration in greater detail below.

Ground for revocation

11. By the Revocation Application, the Applicant contends that following entry of the particulars of the subject marks in the register of trade marks on 1 September 2003, the Registered Owner has not made genuine use of the subject marks in Hong Kong for a continuous period of at least 3 years. The Applicant therefore seeks revocation of the subject marks with effect from 1 September 2006.
12. Section 52 of the Ordinance provides, *inter alia*, as follows:

“(2) *The registration of a trade mark may be revoked on any of the following grounds, namely-*

- (a) *that 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 (such as import restrictions on, or other governmental requirements for, goods or services protected by the trade mark);*

...

- (3) *For the purposes of subsection (2)-*

(a) *use of a trade mark includes use in a form which differs in elements which do not alter the distinctive character of the trade mark in the form in which it was registered; ...*

(4) *Subject to subsection (5), the registration of a trade mark shall not be revoked on the ground mentioned in subsection (2)(a) if the use described in that subsection is commenced or resumed after the expiry of the 3-year period and before the application for revocation is made.”*

13. The Applicant seeks revocation of the subject marks with effect from 1 September 2006. The Registered Owner in this case does not rely on any valid reason for non-use. The relevant enquiry in this case is therefore whether the subject marks have been genuinely used in Hong Kong by the Registered Owner or with its consent in relation to the subject goods during the 3-year period beginning on 1 September 2003 (“relevant period”)².

Burden of proving use

14. Section 82(1) of the Ordinance provides that:

“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.”

15. Accordingly, the burden of proving that the subject marks have been put to genuine use in Hong Kong in relation to the subject goods during the relevant period lies with the Registered Owner.

Genuine use

16. What constitutes genuine use has been considered in a number of cases including *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40, *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38 and *Laboratoire de*

² Although the Registered Owner claims in its counter-statement that it has genuinely used the subject marks on the subject goods in Hong Kong, *inter alia*, during the 3-year period prior to the filing of the revocation action, section 52(4) of the Ordinance is not pleaded. In Section A of the Registered Owner’s skeleton submissions for the hearing, the Registered Owner confirms that the relevant period for the enquiry concerning use is the 3-year period immediately prior to 1 September 2006. No evidence of use during the period from 1 September 2006 to the Revocation Application Date has been adduced. I shall therefore only consider the relevant period, namely, the 3-year period beginning on 1 September 2003.

la Mer Trade Mark [2006] FSR 5. The relevant principles are not in dispute. They include :

- Genuine use denotes use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.
- Genuine use of a 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. The use must have as its essential aim the preservation or creation of market share for the goods or services which it protects.
- The use 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.
- When assessing whether there has been genuine use of the trade mark, 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.

Fang's Declaration

17. Fang's Declaration was made by Mr. Fang Kang Vincent JP, a Director of the Registered Owner. He was duly authorized by the Registered Owner to make that declaration, and had free access to the records of the Registered Owner relating to its trade marks and the use made of them. Mr. Fang stated that the matters referred to in Fang's Declaration came from the Registered Owner's records or his own personal knowledge.

18. In paragraph 2 of Fang’s Declaration, Mr. Fang claims that the Registered Owner has used the subject marks on the subject goods in Hong Kong since the grant of the registration on 1 September 2003 and within the 3 years prior to the Revocation Application Date. According to Mr. Fang, the Registered Owner has, through its related company Fantastic Garments Limited, placed orders with the factory Zhong Shan Huatai Textiles Co., Ltd. in Mainland China to manufacture clothing products under the subject marks for sale in Hong Kong and in China. At “Exhibit-1” to Fang’s Declaration are extracts of the 2006 annual returns of the Registered Owner and Fantastic Garments Limited. This exhibit does not include any evidence of use of any trade mark.
19. Mr. Fang claims that there have been sales of clothing products under the subject marks in Hong Kong since 1 September 2003, and that different styles of clothing products bearing the subject marks have been manufactured and sold in Hong Kong and China, as shown in the photographs of samples attached to Fang’s Declaration³. “Exhibit-2” is stated to be photographs of samples of clothing bearing the “Trade Mark” (which is defined as the subject marks in paragraph 2 of Fang’s Declaration) as sold in Hong Kong. “Exhibit-2” consists of photographs of two different samples of pants. I shall call them Item A and Item B. On each of those items are (i) a sewn-in label and (ii) a hangtag, each bearing the following mark :



(hereinafter referred to as the “dot com mark”).

20. The following is printed at the back of the hangtag for Item A :

“D32120
COL 016
LT GREY
SIZE S
RMB 130.00”

Handwritten in the space below those printed words is the code “W32425”.

³ Fang’s Declaration, para. 4.

21. The following is printed at the back of the hangtag for Item B :

“D32124
COL 016
LT GREY
SIZE M
RMB 130.00”

Handwritten in the space below those printed words is the code “W32427”.

22. Mr. Fang explains that the style numbers “D32120” and “D32124” appearing on the hangtags for Item A and Item B respectively are style numbers used in China, and that the same goods are sold in Hong Kong under internal style numbers “W32425” and “W32427” respectively. Mr. Fang further explains by reference to the copies of production notes at “Exhibit-3” to Fang’s Declaration that according to those production notes, style “D32120” and style “W32425” have the same factory style number (i.e. “L-613882”) whereas style “D32124” and style “W32427” have the same factory style number (i.e. “L-613891”). According to Mr. Fang, those production notes confirm that style numbers “D32120” and “W32425” refer to the same goods (i.e. Item A), and that style numbers “D32124” and “W32427” refer to the same goods (i.e. Item B).
23. “Exhibit-4” to Fang’s Declaration includes copies of the Registered Owner’s Stock Movement Reports and Daily Sales Reports referring to goods under styles “W32425” and “W32427”. The relevant transaction dates fall within the year 2004. The reports relate to the Registered Owner’s shops in Plaza Hollywood, Harbour City, Times Square, Metro Plaza, New Town Plaza and New World Centre in Hong Kong. According to paragraph 6 of Fang’s Declaration, those Stock Movement Reports and Daily Sales Reports show that goods corresponding to Item A and Item B under style numbers “W32425” and “W32427” were sold in the Registered Owner’s above-mentioned shops in the year 2004.
24. Mr. Wong for the Applicant submitted that “Exhibit-4” only contains internal records of the Registered Owner, and that no invoices have been produced to support those alleged sales. On the other hand, Mr. Evans referred to the case of *Pan World Brands Ltd v Tripp Ltd* [2008] RPC 2, and submitted that the production notes at “Exhibit-3” and the stock movement and daily sales reports at “Exhibit-4”, although they are internally-generated documents, are

nonetheless evidence of external use of the relevant mark, and corroborate Mr. Fang's account that there has been use of the relevant mark through the Registered Owner's shops in Hong Kong in 2004. Mr. Evans submitted that Mr. Fang's evidence was unchallenged and should be taken at face value.

25. It was noted at the hearing that in the copies of production notes for style "D32120" and style "W32425" at "Exhibit-3", the style description for the relevant product was "LADIES' 96% COTTON 4% SPANDEX 5 PKTS PANTS. (NO BELT) (WOVEN)" (*emphasis added*), whereas the actual sample at "Exhibit-2" with a hangtag bearing style number "D32120" (i.e. Item A) actually bears a belt. Mr. Wong submitted that this adds to the uncertainty as to whether style no. "D32120" actually refers to two different products : one in "Exhibit-2" and one described in "Exhibit-3". If "D32120" actually refers to two different products, the fact that the one in "Exhibit-2" bears a certain mark does not mean that the one described in "Exhibit-3" (and therefore the alleged same product under style no. "W32425") bears the same mark. Putting these uncertainties aside for the moment, I note that the mark appearing on the two samples in "Exhibit-2" is the dot com mark and not Mark A or Mark B. I will return to this point below.
26. At paragraph 7 of Fang's Declaration, Mr. Fang stated that at "Exhibit-5" are photographs of three further samples of the Registered Owner's clothing bearing the "Trade Mark" that have been sold in Hong Kong; however, sales documents and records relating to these clothing products cannot be located. It is noted that Mr. Fang did not state *when* these clothing products were sold in Hong Kong. It does not constitute evidence of use of the subject marks in Hong Kong *during the relevant period*.
27. At paragraph 8 of Fang's Declaration, Mr. Fang stated that at "Exhibit-6" are photographs of side labels bearing the "Trade Mark" that the Registered Owner has been using in its clothing products sold in Hong Kong. There is no information as to *when* they have been so used. It does not constitute evidence of use of the subject marks in Hong Kong *during the relevant period*.
28. Attached at "Exhibit-7" to Fang's Declaration is a copy of a sales memo and a sales report referring to a transaction in August 2004 at a shop in Harbour City concerning a product with style no. "W32400". Mr. Fang stated that

there is currently no remaining stock of the product and thus a photograph thereof is not available. Nevertheless, he confirms at paragraph 9 of Fang's Declaration that the product under style no. "W32400" does bear the "Trade Mark".

29. Although "Trade Mark" is defined in paragraph 2 of Fang's Declaration as the subject marks, paragraph 4 of Fang's Declaration also refers to samples of clothing bearing the "Trade Mark" at "Exhibit-2" when in fact what appears on those samples is the dot com mark and not Mark A or Mark B. In other words, where Mr. Fang refers to the "Trade Mark" in Fang's Declaration, he may be referring to the subject marks or the dot com mark. Accordingly, it is not clear whether the product "bearing the Trade Mark" referred to in paragraph 9 of Fang's Declaration actually bears any of the subject marks.

30. As stated in *Kabushiki Kaisha Fernandes v OHIM* (Case T-39/01) [2003] E.T.M.R. 98 (at para. 47):

"Genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned".

Jacob J (as he then was) also remarked in *Laboratoire de la Mer Trade Marks* [2002] F.S.R. 51 (at para. 9) to the effect that:

"Those concerned with proof of use should read their proposed evidence with a critical eye – to ensure that use is actually proved – and for the goods or services of the mark in question. All the "t"s should be crossed and all the "i"s dotted".

31. Taking the Registered Owner's evidence at its highest and putting aside for the moment the uncertainties referred to in paragraph 25 above, the evidence at most shows that pants were sold under the dot com mark in the Registered Owner's shops in Hong Kong in 2004.

32. The Registered Owner's case is that :

(a) use of the dot com mark constitutes use of Mark A exactly as registered, since the only distinctive, striking and memorable part of

the dot com mark is the ladybird device constituting Mark A;

- (b) alternatively, the dot com mark is a variant of Mark A, and that use of the dot com mark is use of Mark A with added material that does not alter the essential distinctive character of Mark A as registered.

33. The argument in paragraph 32(b) is based on section 52(3)(a) of the Ordinance (set out in paragraph 12 above). I will consider this argument first before turning to the argument at paragraph 32(a) above.

Whether use in a form which differs in elements which do not alter the distinctive character of the trade mark in the form in which it was registered

34. The relevant enquiry is set out by Lord Walker in *BUD AND BUDWEISER BUDBRÄU TRADE MARKS* [2003] RPC 25 as follows :

“43. ... The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. ...

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of “whose eyes? – registrar or ordinary consumer?” is a direct conflict. It is for the registrar, through the hearing officer’s specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who :

“normally perceives a mark as a whole and does not proceed to analyse its various details.”

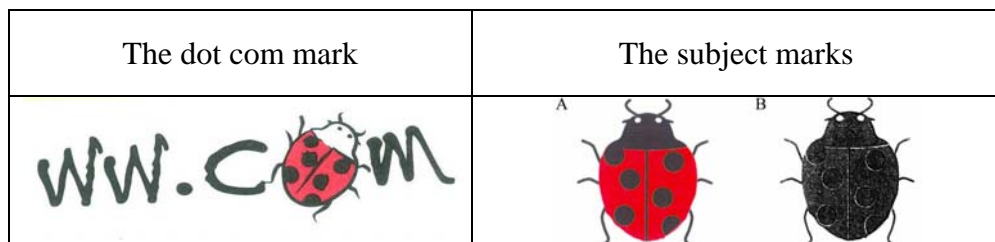
The quotations are from para.[26] of the judgment of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

35. The relevant enquiry has also been described by Richard Arnold QC, sitting as the Appointed Person for the UK Trade Mark Registry in *NIRVANA Trade Mark* (BL O/262/06) (and reiterated in *REMUS Trade Mark* (BL O/061/08)) as follows :

“33. ... The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all...”

36. Taking the Registered Owner’s evidence at its highest, it at most shows that pants were sold under the dot com mark in the Registered Owner’s shops in Hong Kong in 2004. The dot com mark and the subject marks are set out below :



37. Each of the subject marks consists of a ladybird device. Mark A is in the colours red, black and white, whereas Mark B is in black and white. On the body of the ladybird device in each of the subject marks are six dots. Mark

A differs from Mark B in that the body of the ladybird device in Mark A is in red and black whereas the body of the ladybird device in Mark B is in black and white. Mark A and Mark B are registered as a series of Trade Marks. They resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark.⁴ The ladybird device is the only and distinctive element in each of the subject marks.

38. The dot com mark consists of the letters “ww”, a full stop, the letter “c”, a ladybird device placed at an angle, and a letter “m”. The average consumer would view the ladybird device in the dot com mark as being used in place of a letter “o”, and would pronounce the dot com mark as “ww-dot-com”. Whereas a website address usually starts with “www” and sometimes ends with “.com”, there are only two (instead of three) letter “w” in the dot com mark, and the letter “o” in “.com” is replaced by a ladybird device placed at an angle. The distinctiveness of the dot com mark lies in the clever use of the ladybird device in place of the letter “o”, and in the overall presentation of the elements “ww.c” the ladybird device and the letter “m” in the mark, which together brings to the mind of the average consumer the elements “www” and “.com” often appearing in website addresses without reproducing exactly those elements. This contrasts with the subject marks, where the only and distinctive element is the ladybird device.
39. For the dot com mark, the average consumer would not isolate the ladybird device from the other elements “ww.c” and “m”, but would instead view the dot com mark as a unitary whole. Although there is a ladybird device in each of the dot com mark and the subject marks, the overall visual impression given by the dot com mark is very different from that given by each of the subject marks.
40. The dot com mark would be referred to aurally as “ww-dot-com”. The subject marks would either not be pronounced or be referred to aurally as the ladybird mark.
41. Conceptually, whereas the subject mark only conveys the idea of a ladybird, the dot com mark also conveys the idea of a website address, although the

⁴ Section 51(3) of the Ordinance.

elements “www” and “.com” are not reproduced exactly as they would normally appear in website addresses.

42. Taking each of the dot com mark and the subject marks as a whole, I consider that the differences between the dot com mark and each of the subject marks alter the distinctive character of the subject marks. Use of the dot com mark is not use in a form which differs in elements which do not alter the distinctive character of the subject marks in the form in which they are registered.
43. Mr. Wong for the Applicant submitted that the dot com mark plays with the concept of “www.com” (albeit with “slight changes”), and is very distinctive when used in relation to the subject goods. He submitted that it is unlikely that anyone will view and regard use of the dot com mark as equivalent to use of the subject marks. He further pointed out that the Registered Owner has registered the dot com mark as a separate mark which shows that the Registered Owner considers the dot com mark as a totally different mark. Mr. Wong submitted that if the two marks are the same, the Registered Owner would not need to register the dot com mark at all.
44. In response, Mr. Evans for the Registered Owner pointed out that registration of the dot com mark is subject to the following disclaimer⁵ :

“Registration of this Trade Mark shall give no right to the exclusive use of the letters “WW” and the top level domain name “.com”.”

Mr. Evans submitted that the disclaimer is conclusive evidence that “ww” and “.com” are indistinctive. This, Mr. Evans says, supports his submission that,

⁵ The subject marks were registered under the repealed Ordinance. Section 16(1) of the repealed Ordinance provides, *inter alia*, that:

“(1) If a trade mark contains any part not separately registered by the proprietor as a trade mark or if-

- (a) in the case of a trade mark relating to goods it contains matter common to the trade or otherwise of a non-distinctive character; ...

the Registrar or the Court, in deciding whether such trade mark shall be entered or shall remain on the register, may require, as a condition of its being on the register-

- (i) that the proprietor shall disclaim any right to the exclusive use of any part of the trade mark, or of all or any portion of any such matter, to the exclusive use of which the tribunal holds him not to be entitled; ...”

the only striking, distinctive and memorable part of the dot com mark is the ladybird device.

45. Although the elements “ww” and “.com” are by themselves indistinctive, the distinctiveness of the dot com mark lies in the clever use of the ladybird device to replace the letter “o” in “.com”, and the overall presentation of the elements “ww.c”, the ladybird device and the letter “m” in the dot com mark. The dot com mark would be viewed and remembered as a unitary whole. I do not agree that the only striking, distinctive and memorable part of the dot com mark is the ladybird device. The overall impression given by the dot com mark is very different from that created by each of the subject marks. The dot com mark differs in elements that alter the distinctive character of the subject marks in the form they are registered.
46. Having regard to all the foregoing considerations, I do not accept that use of the dot com mark constitutes use of any of the subject marks as registered (contrary to the Registered Owner’s submission referred to in paragraph 32(a) above). I also find that use of the dot com mark is not use of Mark A with added material that does not alter the distinctive character of Mark A (contrary to the Registered Owner’s submission referred to in paragraph 32(b) above).
47. It follows that the Registered Owner cannot rely on use of the dot come mark for the purpose of section 52(3)(a) of the Ordinance. There is no evidence of use of any of the subject marks in Hong Kong in respect of the subject goods during the relevant period.

Revocation

48. The Registered Owner has failed to discharge the burden of showing genuine use of the subject marks in Hong Kong in relation to any of the subject goods during the relevant period, and the Registered Owner does not rely on any valid reason for non-use. The result is that the registration of the subject marks is revoked from 1 September 2006.

Costs

49. As the Revocation Application has succeeded, I award the Applicant costs. 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.

(Finnie Quek)
for Registrar of Trade Marks
27 April 2011