

TRADE MARKS ORDINANCE (CAP. 559)

OPPOSITION TO TRADE MARK APPLICATION NO. 303651363

MARK :



CLASS : 30

APPLICANT : CHEUNG CHUN HUNG (張浚鴻)

OPPONENT : LAM LAI PING (林麗萍)

STATEMENT OF REASONS FOR DECISION

Background

1. On 7 January 2016 (“**Application Date**”), Cheung Chun Hung (張浚鴻) (“**Applicant**”) filed an application (“**subject application**”) under the Trade Marks Ordinance (Cap. 559) (“**Ordinance**”) for registration of the following mark (“**subject mark**”):



Registration is sought in respect of the following goods (“**subject goods**”):

Class 30

Coffee, tea, cocoa, sugar, rice, flour and preparations made from cereals, bread, pastry and confectionery.

2. Particulars of the subject application were published on 26 February 2016. Lam Lai Ping (林麗萍) (“**Opponent**”) filed in respect of the subject application a Chinese version of a notice of opposition (on Form T6 together with a statement of grounds) on 23 May 2016, an English translation of the Form T6 on 3 June 2016 and

an English translation of the statement of grounds on 14 June 2016 (collectively, the “**Notice of Opposition**”).

3. On 15 August 2016, the Applicant filed a counter-statement (“**Counter-statement**”) in response to the Notice of Opposition.

4. The Opponent’s evidence consists of a statutory declaration of the Opponent made on 31 October 2016 (“**Opponent’s Declaration**”).

5. The Applicant did not file any evidence in these proceedings.

6. The opposition was fixed to be heard on 21 August 2018. Neither the Opponent nor the Applicant filed any notice of intention to appear at the hearing (Form T12). Pursuant to rule 74(5) of the Trade Marks Rules (Cap. 559A), both parties are treated as not intending to appear at the hearing. I therefore proceed to decide the matter without a hearing pursuant to rule 75(b) of the Trade Marks Rules.

Grounds of opposition

7. The grounds of opposition are stated to be as follows:

“I am Lam Lai Ping is now making against the No: 303651363 cheung chun Hung trademark registration. the reason is that I am the company holders and operations.”¹

8. Making the best I could of the above grounds of opposition, I gather that the Opponent’s claim is that it is the Opponent (rather than the Applicant) who is the proprietor of the subject mark, since the Opponent is the “holder” of the relevant company and is responsible for its operations.

9. Section 11(5)(b) of the Ordinance provides that:

*“(5) A trade mark shall not be registered if, or to the extent that –
... (b) the application for registration of the trade mark is made in bad faith.”*

¹ Chinese original: “本人林麗萍現作出反對 no. 303651363 張浚鴻商標註冊，理由是本人乃該公司持有人及經營者”

10. It is stated in *Kerly's Law of Trade Marks and Trade Names* (16th Edn.) at para. 10-259 as follows:

“If the whole of an application is made in bad faith, it indicates (though not exclusively) that the applicant has no entitlement to the mark, i.e. the applicant is not the true proprietor of the mark. It is worth noting that this is the only ground of refusal under which issues of proprietorship can be raised.

11. In the grounds of opposition referred to in paragraph 7 above, the Opponent is essentially claiming that the Applicant is not the true proprietor of the subject mark because the Opponent owns the relevant business and is responsible for its operations. Accordingly the only relevant ground of refusal is that under section 11(5)(b) of the Ordinance, i.e. that the subject application for registration of the subject mark is made in bad faith.

12. The following documents are attached to the Notice of Opposition:

(a) a copy of a Business Registration Certificate No. 65116224-000-08-15-4 for the period from 10/08/2015 to 09/08/2016 with the following particulars:

Name of Business/Corporation	金栢旺有限公司 KING PAK WEALTH LIMITED
Business/Branch Name	居廬 TAKE A BREAK CAFE
Address	SHOP 5 G/F SANFORD MANSION NOS. 143, 145, 149, 151, 153 AND 155 PAK TAI STREET KL
Nature of Business	CAFE
Status	BODY CORPORATE

- (b) a photograph of a Business Registration Certificate No. 54555198-000-01-16-4 for the period from 01/01/2016 to 31/12/2016 with the following particulars (“Pertinent Particulars”):

Name of Business/Corporation	居廬 TAKE A BREAK CAFE
Business/Branch Name
Address	九龍界限街 12 號 A 地下 ²
Nature of Business	CAFE
Status	個人 ³

13. Below, I will refer to the cafe at Pak Tai Street mentioned in paragraph 12(a) above as the “**Pak Tai Street Cafe**”, and the cafe at Boundary Street mentioned in paragraph 12(b) above as the “**Boundary Street Cafe**”.

Counter-statement

14. In the Counter-statement, the Applicant states that:

“I, Cheung Chun Hung, the founder and sole owner of “居廬 Take a Break Café” which is currently located at G/F, 12A Boundary Street, Prince Edward, Kowloon, Hong Kong (BR no. 54555198-000-01-16-4). This Café is established since year 2013 with annual turnover of HK\$2,000,000. For running this business, I have hired four staff.

In view of “居廬 Take a Break Café” has been operated by me with lots of effort during these years, I desire to apply for the Trade Mark of “居廬 Take a Break Café”.

I enclose copies of tenancy agreement and BR certificate for your reference. Thank you.”

15. The following documents are attached to the Counter-statement:

² i.e. G/F, 12A Boundary Street.

- (a) copies of the following Business Registration Certificates:

<u>Certificate No.</u>	<u>Period covered</u>
54555198-000-01-16-4 ⁴	01/01/2016 to 31/12/2016
54555198-000-01-15-A	01/01/2015 to 31/12/2015
54555198-000-01-14-5	01/01/2014 to 31/12/2014
54555198-000-01-13-0	01/01/2013 to 31/12/2013

The same Pertinent Particulars as those set out in paragraph 12(b) above appear on each of these four certificates;

- (b) a copy of a lease agreement dated 26 February 2013 (registered in the Land Registry by Memorial No. 13030802250016) made between (I) two individuals as the lessor, and (II) the Applicant as the lessee, in respect of Shop No. 5 on the Ground Floor of No. 12A Boundary Street, Kowloon, Hong Kong. The term of the lease is stated to be from 20 December 2012 to 20 January 2016; and
- (c) copies of undated photographs of the front of a shop, showing (i) a signage at the Centre with the words “居廬 Take a Break”, and (ii) a signage to the side with the subject mark.

Relevant date

16. The relevant date for considering this opposition is the Application Date, i.e. 7 January 2016.

Evidence of the Opponent

17. In the Opponent’s Declaration, the Opponent declared as follows:

“I am the Owner of Take a break Cafe from March of 2013 until now. I am the solo-employer. I made the decision of the Shop name was: “Take a break Cafe “居廬”. My responsibility of the Shop was cafe management, accounting, human resource. 3 of the cafe employees approved that I am the only one owner, operator and management of this shop enclosed the declaration letter and MPF statement of three employees for your reference.

³ i.e. individual.

⁴ Same number as the certificate referred to in paragraph 12(b) above.

And I set up the Facebook Page of “Take a break cafe 居廬” on 6th March, 2013. I am the webmaster, and I upload the updated news and promotion of the cafe to Facebook Page. Enclosed please find the attachment for your reference. I declared my facebook personal account is PoPoA, and I am the webmaster of Facebook page for “Take a break Cafe 居廬”. See the attachment exhibit marked A.”

18. Exhibit A to the Opponent’s Declaration consists of the following:
- (a) the following three declarations (“**Three Declarations**”) made by three different employees of “居廬 Take a Break Cafe” (collectively, the “**Three Employees**”):
 - (i) a statutory declaration of Fung Tsz Sin made on 23 August 2016 (“**Fung’s Declaration**”);
 - (ii) a statutory declaration of Lam Kai Shing made on 1 September 2016 (“**Lam’s Declaration**”); and
 - (iii) a statutory declaration of Yu Ming Fung made on 23 August 2016 (“**Yu’s Declaration**”);
 - (b) copies of two pages printed from Facebook (“**Facebook Printouts**”); and
 - (c) copies of mandatory provident fund contributions records (“**MPF Records**”) issued by Bank Consortium Trust Company Limited (“**BCT**”).

I will consider each of these items in turn.

The Three Declarations

19. The substantive contents of each of the Three Declarations are set out below:
- (a) Fung’s Declaration:

‘I were employed by “居廬” Take a Break Cafe” from 5-2-2014 to 10-2-2016 as full time and part time barista. AND I declare that the shop owner and employer of “居廬” Take a break Cafe” is Ms. Lam Lai Ping. She paid the salary to me during my working period. And I clarify that she is the only one management and operator of this cafe.’

(b) Lam’s Declaration:

‘I were employed by “居廬” Take a Break Cafe” from 20-7-2015 to 15-3-2016 as full time in kitchen “HEAD CHEF” AND I declare that the shop owner and employer of “居廬” Take a break Cafe” is Ms. LAM Lai Ping. She paid the Salary to me during my working period. And I clarify that she is the only one management and operator of this cafe.’

(c) Yu’s Declaration:

‘I were employed by 居廬 Take a break cafe from 5/2/2014 to 31/12/2015 as a full time barista. And I declare that the shop owner and employer of 居廬 Take a break cafe is Ms Lam Lai Ping. She paid the salary to me during my working period. And I clarify that she is the only one management and operator of this cafe.’

20. It is notable that the wording of the Three Declarations are almost identical, with the only differences being the positions and the employment periods of the employees. The Three Employees were employed with “居廬 Take a Break Cafe” during different periods commencing no earlier than 5 February 2014 and ending no later than 15 March 2016. None of their periods of employment include any period in 2013.

The Facebook Printouts

21. The Facebook Printouts consist of two pages.

22. On the first page, the subject mark appears next to the words “居廬 Take A Break Cafe”. The page is undated.

23. The second page is headed “居廬 Take A Break Cafe 設定” which seems to indicate that it is the settings page of the “居廬 Take A Break Cafe” Facebook page. The webmaster (版主) of this page is stated to be “PoPoA”. The Opponent states in the Opponent’s Declaration that ‘*I declared my facebook personal account is PoPoA and I am the webmaster of Facebook page for “Take a Break Cafe 居廬”*’. A copyright notice “Facebook © 2016” appears on this page.

The MPF Records

24. These consist of:

- (a) a copy of a Contribution Receipt dated 30 Aug 2016 issued by BCT to “Take A Break Cafe” at the address referred to in paragraph 12(b) above in respect of contribution payments that have been settled by BCT from 01-Jan-2000 to 30-Aug-2016. It shows that the Boundary Street Cafe has made contributions during the period from “06/11/2013” to “05/05/2016”. The relevant plan is stated to be “BCT (MPF) Pro Choice”, and the Plan number is BCM00039060907;
- (b) copies of monthly Contribution Settlement Reports issued by BCT in respect of the same Plan number BCM00039060907 covering contribution periods from August 2013 to April 2016.

25. In each of the monthly reports referred to in paragraph 24(b) above, the “Name of Employer” is stated to be “Take A Break Cafe 居廬”. Each monthly report lists the names of each employee member under the Plan, their relevant income, and both the employer contribution and employee contribution amounts.

26. It is noted that the name of the member “Lam Lai Ping” (i.e. the Opponent) appeared along with other employees in each of the monthly reports from February 2014 to April 2016, although for the periods from May 2014 onwards, the relevant income is stated to be “0.00”. In other words, whereas the Opponent was named as an employee member and received income from the Boundary Street Cafe from February 2014 to April 2014, it appears that she did not receive any income from that Cafe during the period from May 2014 to April 2016.

27. Apart from the Three Employees and the Opponent, the names of six individuals, whom I will refer to as “**Employee A**” to “**Employee F**” below, appear in the list of employee members in the monthly reports for the periods listed below:

Employee member	Period
Employee A	Aug 2013 – Mar 2014
Employee B	Mar 2014 – Oct 2014
Employee C	Oct 2014 – Mar 2015
Employee D	Oct 2014 – May 2015
Employee E	Feb 2015 – Sep 2015
Employee F	May 2015 – Mar 2016

28. It would appear from the above that the Boundary Street Cafe had been having employees at least since August 2013, i.e. before any of the Three Employees and the Opponent were first employed at that Cafe. Moreover, during the period from 5 February 2014 to 15 March 2016 referred to in paragraph 20 above, there were employed at the Boundary Street Cafe employees other than the Three Employees and the Opponent.

Opposition under section 11(5)(b) of the Ordinance

29. Section 11(5)(b) of the Ordinance provides that:

*“(5) A trade mark shall not be registered if, or to the extent that –
... (b) the application for registration of the trade mark is made in bad faith.”*

30. The term “bad faith” is not defined in the Ordinance. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379, Lindsay J. said in relation to section 3(6) of the UK Trade Marks Act 1994 (equivalent to section 11(5)(b) of the Ordinance):

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

31. In *Harrison v Teton Valley Trading Co (CHINAWHITE)* [2005] FSR 10, the English Court of Appeal (at paragraph 26) held that:

“The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

32. Further, in *Ajit Weekly Trade Mark* [2006] RPC 25, the Appointed Person stated as follows:

“The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”

33. It appears from the business registration certificates referred to in paragraph 12 above that the Pak Tai Street Cafe is run by a body corporate whereas the Boundary Street Cafe is run by an individual. In other words, the two cafes appear to be run by different legal entities/persons. Moreover, there is no evidence that the Pak Tai Street Cafe has been in business before 10 August 2015, i.e. the beginning of the one year period covered by the business registration certificate referred to in paragraph 12(a) above.

34. There seems to be no dispute between the parties that the name “居廬 TAKE A BREAK CAFE” has been used in relation to the Boundary Street Cafe since some time in 2013.⁵ This means that the name “居廬 TAKE A BREAK CAFE” could not have been used in relation to the Pak Tai Street Cafe earlier than when it was used in relation to the Boundary Street Cafe.

35. Whereas the Applicant states that he is the founder and sole owner of the Boundary Street Cafe in respect of which the subject mark has been used,⁶ the Opponent claims that she is the owner of the Boundary Street Cafe ever since March

⁵ Paras 14 & 17 above.

⁶ Para. 14 above.

2013.⁷ The Opponent is essentially claiming that the Applicant is not the true proprietor of the subject mark because it is the Opponent and not the Applicant who owns the relevant business and is responsible for its operations.⁸ The Opponent's claim amount to an allegation that the Applicant has applied for registration of a mark that belongs to the Opponent. In other words, the Opponent claims that the Applicant has applied for registration of the subject mark in bad faith.

36. An allegation that a trade mark has been applied for in bad faith is a serious allegation. It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved (*ROYAL ENFIELD Trade Marks* [2002] RPC 24 at para. 31). The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith (*Brutt Trade Marks* [2007] RPC 19 at para.29).

37. I turn to consider whether the Opponent has established that the Opponent (rather than the Applicant) is the owner of the Boundary Street Cafe in respect of which the subject mark has been used.

38. It appears from the MPF Records that the Boundary Street Cafe has started to have employees since August 2013. The Opponent was an employee during the period from February 2014 to April 2014. There is no independent evidence showing that the Opponent has been involved in the operation of the Boundary Street Cafe before February 2014. Besides, the Opponent was an employee, not the employer, of the Boundary Street Cafe during the period from February 2014 to April 2014. Her name remained on the list of members in the monthly Contribution Settlement Reports from May 2014 to April 2016, although it appears that she did not receive any income from the Boundary Street Cafe during that period.

39. Whilst the Three Employees "declare" that "*the shop owner and employer of "居廬" Take a Break Cafe" is Ms. Lam Lai Ping*", the MPF Records show that their employer was "Take A Break Cafe 居廬"⁹ (not "Lam Lai Ping", i.e. the Opponent). Moreover, one wonders how the Three Employees could be in a position to "declare" who is the owner of the Boundary Street Cafe. I have already noted that the wordings of the Three Declarations are almost identical save as to positions and employment periods of the Three Employees. The three were not the only employees at the

⁷ Para. 17 above.

⁸ Para. 7 above.

⁹ Para. 25 above.

Boundary Street Cafe when they were employed there. The Boundary Street Cafe seems to have started operation before they started to be employed there. Given their positions and involvement in the Boundary Street Cafe, they could not be expected to have sufficient knowledge of all the relevant facts to be in a position to testify as to the ownership of the Boundary Street Cafe.

40. Anyone can set up a Facebook page. I have considered the Facebook Printouts included in the Opponent's evidence.¹⁰ The first page of the printouts is undated, whilst the second page bears the copyright notice "Facebook © 2016". The Facebook Printouts do not support the Opponent's claim that she '*set up the Facebook Page of "Take a break cafe 居廬" on 6th March, 2013*' [*emphasis added*]. There is no independent evidence which shows that this Facebook page has existed before the relevant date (7 January 2016). In other words, there is no evidence that the subject mark has been used on this Facebook page before the relevant date. The Facebook Printouts do not assist the Opponent's case.

41. The Opponent has produced no relevant business registration certificates and other documents that could prove that the Opponent is the proprietor of the Boundary Street Cafe. There is no evidence that the Opponent is the owner or tenant of the premises occupied by the Boundary Street Cafe at the material times. There is no evidence that the Opponent is the holder of any restaurant licence for the Boundary Street Cafe.

42. Taking the Opponent's evidence as a whole, I find that the Opponent has failed to establish that it is the Opponent (rather than the Applicant) who is entitled to the subject mark.

43. Taking into account all the relevant circumstances of this case, I do not find that there is any basis for concluding that the Applicant's decision to apply for registration of the subject mark in respect of the subject goods would be regarded as in bad faith by persons adopting proper standards. The ground of opposition under section 11(5)(b) of the Ordinance is not made out.

Conclusion and Costs

44. I find that the only ground of opposition relied on by the Opponent is not made out. The opposition against the subject application therefore fails.

¹⁰ Paragraphs 21 to 23 above.

45. The Applicant has not in the Counter-statement claimed costs. Neither party has attended the hearing fixed for 21 August 2018. I do not propose to make any order as to costs.

(Finnie Quek)
for Registrar of Trade Marks
31 October 2018