

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION FOR DECLARATION OF INVALIDITY OF TRADE MARK
REGISTRATION NO. 304221747

MARK : 永良

CLASSES : 11, 17

APPLICANT : Goodever Enterprise

REGISTERED OWNER : 永良(香港)有限公司 (Goodever (Hong Kong) Ltd.)

STATEMENT OF REASONS FOR DECISION

Background

1. On 25 October 2018, Goodever Enterprise (“**Applicant**”) filed with the Registrar of Trade Marks an application (“**Invalidation Application**”) with a statement of grounds under the Trade Marks Ordinance (Cap. 559) (“**Ordinance**”) for a declaration of invalidity of the registration of Trade Mark No. 304221747 (“**subject mark**”). A representation of the subject mark is set out below:

永良

2. Registration of the subject mark was granted on application for registration made on 27 July 2017 (“**Filing Date**”). The subject mark is registered as of that date in the name of 永良(香港)有限公司 (i.e. Goodever (Hong Kong) Ltd.) (“**Registered Owner**”) in respect of the following goods in Classes 11 and 17 (“**subject goods**”):

Class 11

照明、加熱、蒸汽發生、烹飪、冷藏、乾燥、通風、供水以及衛生用裝置。

(Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purpose).

Class 17

未加工和半加工的橡膠、古塔膠、樹膠、石棉、雲母及這些材料的代用品；生產用成型塑料和樹脂製品；包裝、填充和絕緣用材料；非金屬軟管和非金屬柔性管。

(Unprocessed and semi-processed rubber, gutta, gum, asbestos, mica and substitutes for these materials; molded plastics and resin products for use in manufacturing; materials for packaging, filling and insulation; non-metallic hoses and non-metallic flexible pipes.)

3. In response to the Invalidation Application, the Registered Owner filed a counter-statement on 24 January 2019.

4. With leave from the Registrar, the Applicant filed an amended statement of grounds on 12 September 2019 (“**Amended Statement of Grounds**”). The Registered Owner filed an amended counter-statement on 29 November 2019 (“**Amended Counter-statement**”).

5. The Applicant’s evidence consists of a statutory declaration dated 18 July 2019 (“**Yew’s Declaration**”) made by Yew Wong (“**Mr. Yew**”), sole proprietor of the Applicant.

6. The Registered Owner’s evidence consists of:

- (a) an affirmation dated 21 May 2020 (“**Lam’s Affirmation**”) made by Lam Yiu Cheong of LAM, LEE & LAI, agent for the Registered Owner;
- (b) a statutory declaration dated 16 October 2020 (“**Yen’s 1st Declaration**”) made by Yen Heng Onn (“**Mr. Yen**”) for the Registered Owner, with English translation;
- (c) a statutory declaration dated 20 October 2020 (“**Yen’s 2nd Declaration**”) made by Mr. Yen for the Registered Owner, with English translation; and
- (d) a statutory declaration dated 20 October 2020 (“**YHL Declaration**”) made by Yen Heng Lai, sole director of the Registered Owner.

7. Lam’s Affirmation included as an exhibit a copy of the English translation of the contents of Yen’s 1st Declaration before that declaration was made. Yen’s 2nd Declaration and

the YHL Declaration essentially clarified that Mr. Yen was a former director of the Registered Owner, and was authorized by the Registered Owner to make Yen's 1st Declaration and Yen's 2nd Declaration and to handle all matters relating to the Invalidation Application on behalf of the Registered Owner. The main evidence of the Registered Owner is, therefore, Yen's 1st Declaration.

8. The hearing in respect of the Invalidation Application took place before me on 6 October 2021. The hearing in respect of the application for declaration of invalidity of the registration of Trade Mark No. 302102408 (“GOODEVER PF[®]” in Classes 11 and 17) (the “**English Mark**”) took place on the same day. The Applicant was represented by Mr. William Tse, Counsel, instructed by ELLALAN. The Registered Owner was represented by Mr. Philips B.F. Wong, Counsel, instructed by LAM, LEE & LAI. I reserved my decision at the conclusion of the hearing.

Ground of invalidation

9. In the Amended Statement of Grounds, the Applicant claims, *inter alia*, that:

- (a) the Applicant is a sole proprietorship owned by Mr. Yew;
- (b) the Applicant began trading in Singapore in 1981 and has used its trading names “永良企業” and “Goodever Enterprise” since then;
- (c) the Applicant has since its incorporation used and promoted its marks “永良”, , “GOODEVER” and “GOODEVER PF” (together, the “**Applicant's Marks**”);
- (d) since 1996, the Applicant has expanded its operations outside Singapore;
- (e) Mr. Yen is the nephew of Mr. Yew. The mother of Mr. Yen is an elder sister of Mr. Yew;
- (f) in 1996, the Applicant incorporated the company 北京永良新兴建材有限公司 (“**Beijing Goodever**”) in Beijing. At the time of incorporation of Beijing Goodever, Mr. Yew was the legal representative thereof;

- (g) as Mr. Yew was unable to be in China at all times, Mr. Yew employed his nephew Mr. Yen to supervise the day-to-day operations of the Applicant in China and Beijing Goodever;
- (h) the Registered Owner was incorporated in Hong Kong on 29 October 2010 with the English name “GOODEVER (HONG KONG) LIMITED” and the Chinese name “永良（香港）有限公司”;
- (i) Mr. Yen was the sole director of the Registered Owner since its incorporation until 14 March 2018; at all material times, Mr. Yen has been the sole or majority shareholder of the Registered Owner;
- (j) the Registered Owner was incorporated without the consent, instruction or authority of the Applicant or Mr. Yew; and
- (k) the Registered Owner applied for and secured registration of the subject mark without consent, knowledge or authorization from the Applicant or Mr. Yew.

10. The Applicant requests that the registration of the subject mark be declared invalid pursuant to section 53(3) of the Ordinance on the ground that the Registered Owner has applied for and secured registration of the subject mark in bad faith contrary to section 11(5)(b) of the Ordinance. The Applicant has also sought costs.

Relevant date

11. The relevant date for considering this Invalidation Application is the Filing Date, i.e. 27 July 2017.

The parties and their dealings

12. According to the Business Profile of the Applicant kept at Singapore’s Accounting and Corporate Regulatory Authority, the Applicant is a sole-proprietorship, and was established in July 1981. The sole-proprietor of the Applicant is Mr. Yew.¹ According to the Applicant, it has since its establishment used the name “Goodever Enterprise”, and has since that time used

¹ Yew’s Declaration, Exhibit YW-1.

“永良” as its Chinese brand and “永良公司” and/or “永良企业” as its Chinese name.² It has also since its incorporation used and promoted the Applicant’s Marks.³

13. Exhibit YW-4 to Yew’s Declaration includes copies of two undated “sample catalogs” of the Applicant.

14. The title of the first catalogue appearing on the front cover reads:



15. At the back cover of this catalogue, there appears the mark “”, and the contact details in Shenzhen of “深圳永良新兴建材有限公司” appear below that of the Applicant as follows:

总公司：新加坡永良企业 (Goodever Enterprise)
BIK. 1014, Geylang East Ave. 3# 25-244, Spore 389729
电话：0065-67478158 传真：0065-67457692

深圳永良新兴建材有限公司
中国深圳龙岗区坪山镇田头工业区马鞍岭路 54 号
电话：0755-84631025 13728976227 传真：0755-84631025
<http://www.goodeverpf.com> E-mail: goodeveryen@163.com

16. The following appears on the front cover of the second catalogue:



² Yew’s Declaration, para. 4.

³ Yew’s Declaration, para. 7.

17. The following contact details of Beijing Goodever and the Applicant appear at the back of this catalogue:

北京永良新兴建材有限公司
中国北京朝阳区安翔北里 11 号院创业大厦 504 室
电话：010-64873571 64873520
传真：010-64873520
E-mail: goodever@sohu.com
新加坡永良公司 (Goodever Enterprise)
BIK. 1014, Geylaug East Ave. 3# 05-244, Spore 389729
电话：0065-7478158. 7438353
传真：0065-7457692

18. Mr. Yen had been working for the Applicant for several years before 1995.⁴

19. In or about 1995, Mr. Yen and Mr. Yew discussed a plan to set up a business in Mainland China in the manufacture and supply of insulation and construction materials.⁵

20. In 1996, the company 北京永良新兴建材有限公司 Beijing Goodever Xinxing Building Material Co., Ltd. (i.e. Beijing Goodever) was incorporated.⁶ According to the business licence of Beijing Goodever dated 17 September 1996 at Exhibit YW-6 to Yew's Declaration, Beijing Goodever is a wholly foreign-owned enterprise (外商独资经营) with a registered capital of USD 200,000; the Chairman of the Board (董事长) is stated to be Mr. Yew, whilst the General Manager (总经理) is stated to be Mr. Yen.

21. According to the first page of the articles of association (章程) of Beijing Goodever at Exhibit YW-6 to Yew's Declaration, the name of Beijing Goodever's only investor (投资者名称) is “永良企业” (English name (英文名称): GOODEVER ENTERPRISE) (i.e. the Applicant) having its registered address in Singapore. Mr. Yew is stated to be the legal representative (法定代表) and Chairman of the Board (董事长) of Beijing Goodever.

22. According to Mr. Yew, the Applicant had provided the capital, in the form of cash and equipment, for the set-up of Beijing Goodever.⁷ Exhibit YW-7 includes bank remittance advices of money sent by the Applicant to Beijing Goodever between 1996 and 1998, and delivery note of machinery and equipment.

⁴ Yen's 1st Declaration, para. 7.

⁵ Amended Counter-statement, para. 8(a); Yew's Declaration, para. 30.

⁶ Yew's Declaration, para. 9.

⁷ Yew's Declaration, para. 10.

23. According to Mr. Yew, as he was unable to be in China at all times, he employed his nephew Mr. Yen to supervise the day-to-day operations of the Applicant in China and Beijing Goodever. Mr. Yew stated that in these roles, Mr. Yen was also entrusted with the business goal of expanding the Applicant's business and operation in Greater China, including in Hong Kong.⁸

24. Copies of Beijing Goodever's income statements for January to April 1998 are included in Exhibit YW-8 to Yew's Declaration to show that Mr. Yen had been on the payroll of Beijing Goodever.

25. Copies of Mr. Yen's two business cards appear at Exhibit YW-9 to Yew's Declaration.

26. One of the business cards is headed "北京永良新兴建材有限公司 GOODEVER ENTERPRISE" (i.e. the names of Beijing Goodever and the Applicant). Mr. Yen's title is stated to be "总经理 General Manager". Contact details of an office in Beijing, a factory in Beijing and a factory in Shenzhen as well as an address and contact details in Singapore are given on this business card. The address, telephone number and fax number in Shenzhen appearing on this business card are the same as those of 深圳永良新兴建材有限公司 appearing on the Applicant's catalogue referred to in paragraph 15 above. Mr. Yen's mobile telephone number in Shenzhen appearing on this business card also appears on that catalogue. The Applicant's telephone number and fax number in Singapore appearing on that catalogue also appear on this business card. The reverse side of this business card of Mr. Yen includes the following text:

“业务范围” (Scope of business)

“1. SUPPLY **GOODEVER** PHENOLIC FOAM ...

...

A. 本公司提供永良酚醛树脂发泡保温系列管材 ...” (*emphasis added*)

27. The other business card is headed “永良企業 GOODEVER ENTERPRISE” (i.e. the Applicant). Mr. Yen's title is stated to be “經理 Manager”. An address and contact details in Beijing appear on this business card.

28. According to Mr. Yen, however, it was expressly agreed at the time between himself and Mr. Yew that the new company (i.e. Beijing Goodever) would be a joint enterprise jointly

⁸ Yew's 1st Declaration, para. 11.

owned by Mr. Yew and Mr. Yen; that each of them would contribute capital to the company, and Mr. Yen would, in addition, station in Beijing to look after its operation.⁹

29. According to Mr. Yen, as the regulations in Mainland China at the time required the existence of a foreign company in order to set up a wholly foreign-owned enterprise, he and Mr. Yew decided to make use of the Applicant to register the new company in Beijing (i.e. Beijing Goodever).¹⁰ Mr. Yen was assisted by one Mr. Ng in setting up Beijing Goodever. According to Mr. Yen, he was told by Mr. Ng at the time that pursuant to the legal requirements in Mainland China, the new company had to have someone as its legal representative (法定代表人), and out of respect to Mr. Yew, it was agreed that Mr. Yew be given the title “legal representative” as well as the title “董事长” (Chairman of the Board).¹¹

30. Regarding the Applicant’s capital contribution to Beijing Goodever referred to in paragraph 22 above, according to Mr. Yen, whenever the Applicant transferred money to Beijing Goodever, the latter would subsequently paid back a substantial part of the amount to the Applicant. Exhibit YHO-1 to Yen’s 1st Declaration is said to include copies of some extracts of bank account records of Beijing Goodever relating to the relevant transactions in 1996.¹² Mr. Yen does not deny that the Applicant had in fact contributed capital to Beijing Goodever, but the amount injected by the Applicant was, according to Mr. Yen, far less than US\$100,000.¹³ Mr. Yen stated that his contribution was by way of purchasing machinery and equipment through the Applicant, and that his monetary contribution to the setting up of Beijing Goodever was also less than US\$100,000. Apart from monetary contribution, Mr. Yen had also contributed substantial time and effort in running Beijing Goodever in Beijing.¹⁴

31. Mr. Yen stated that contrary to Mr. Yew’s claim, Mr. Yen was not a mere employee of Beijing Goodever, and that:

- (a) the documents at Exhibit YW-8 to Yew’s Declaration (paragraph 24 above) were prepared by Mr. Ng for taxation purpose, and that contrary to what was stated in those documents, Mr. Yen was never paid RMB3,500 as monthly salary;
- (b) Mr. Yen did however withdraw money from Beijing Goodever to cover some of his basic living expenses from time to time, which, according to Mr. Yen, was

⁹ Yen’s 1st Declaration, para. 9.

¹⁰ Yen’s 1st Declaration, para. 10.

¹¹ Yen’s 1st Declaration, paras 11-12.

¹² Yen’s 1st Declaration, paras 16-18.

¹³ Yen’s 1st Declaration, para. 19.

¹⁴ Yen’s 1st Declaration, paras 21, 22, 24.

agreed by both Mr. Yew and Mr. Yen as a condition for Mr. Yen to station in Beijing;

- (c) the alleged monthly salary of RMB 3,500 to Mr. Yen made no sense at all, as he was earning substantially much more in Singapore; it would be crazy for him to leave his hometown to work as an employee of a new company in Beijing earning substantially less;
- (d) two of the four sheets at Exhibit YW-8 to Yew's Declaration show that no payment was made to Mr. Yen in March and April 1998; Mr. Yew had not explained why no salary was paid to Mr. Yen in those two months (if indeed Mr. Yen were a mere employee);
- (e) Mr. Yen had contributed further money for the operation of Beijing Goodever in the first few years because the business was not good, and had made payments on behalf of Beijing Goodever in advance when the company was having cashflow problem; and
- (f) although it was agreed between Mr. Yew and Mr. Yen that the latter would be described as "an employee" of Beijing Goodever for the purpose of applying for a working visa in Mainland China, Mr. Yen had in substance never been an employee of the company, and was the sole boss stationed in Beijing to operate and control the company.¹⁵

32. The Applicant's case, however, is that the Applicant was intended to be and has, at all material times, been the sole investor and shareholder of Beijing Goodever, whilst Mr. Yen had always been a salaried employee of Beijing Goodever until 16 June 2017, and that the Applicant and Mr. Yew had no intention of allowing Mr. Yen to share in the profits.¹⁶

33. Mr. Yen further stated that in or about 1999 or 2000, the business of Beijing Goodever was very bad that it required further capital contribution in order to maintain its operation. According to Mr. Yen, he discussed with Mr. Yew on this, but Mr. Yew was adamant that he would not contribute anything further to the business, that he no longer wanted the company and that Mr. Yen could do whatever he wanted with the company. From then on, Mr. Yen continued to run and operate Beijing Goodever himself, but he no longer discussed and updated

¹⁵ Yen's 1st Declaration, paras 25-27.

¹⁶ Yew's Declaration, para. 31.

Mr. Yew of anything relating to the company. According to Mr. Yen, since 2000 up till 2017, Mr. Yew was never involved in or informed of the business of Beijing Goodever.¹⁷

34. According to Mr. Yew, however, Mr. Yen had orally indicated to Mr. Yew up until 2010 that Beijing Goodever had little to no profits or money. It is Mr. Yew's case that up until 2017, he had never indicated to Mr. Yen that he did not wish to keep Beijing Goodever. Mr. Yew stated that he considered Mr. Yen as family and had entrusted the Applicant's and Beijing Goodever's business in China to Mr. Yen and did not want to micro-manage his work.¹⁸

35. From as early as 4 July 2001, documents relating to Beijing Goodever were signed by Mr. Yen (instead of Mr. Yew) as the legal representative of Beijing Goodever. Mr. Yew stated that he was not aware of such change until 2017, and that he did not agree, authorize, consent or otherwise acquiesced to such change in legal representative from himself to Mr. Yen at the time. Exhibit YW-10 to Yew's Declaration is a copy of an application made to the Beijing Administration for Industry and Commerce on 4 July 2001 to update the records of Beijing Goodever. Mr. Yew stated that the document was not signed by him, and Mr. Yen's signature can be seen next to the Chinese characters “法定代表人签字” (Signature by Legal Representative) on the document.¹⁹

36. On 6 December 2001, Beijing Goodever allegedly held a board meeting in Beijing, and a board resolution dated 6 December 2001 (“**2001 Resolution**”)²⁰ was allegedly passed at the meeting whereby, *inter alia*:

- (a) Mr. Yen was appointed Chairman (董事长) in place of Mr. Yew, whilst Mr. Yew was appointed General Manager (总经理) and remained a director (董事) of Beijing Goodever; and
- (b) Mr. Yen's brother 严兴国 was appointed a director of Beijing Goodever.

37. Mr. Yen's signature and what is purported to be Mr. Yew's signature appear on the 2001 Resolution. Mr. Yew, however, stated that he neither signed nor approved of the 2001 Resolution.²¹

¹⁷ Yen's 1st Declaration, paras 28-29.

¹⁸ Yew's Declaration, paras 32-33.

¹⁹ Yew's Declaration, para. 12.

²⁰ Yew's Declaration, Exhibit YW-11.

²¹ Yew's Declaration, para. 13.

38. The copy of the business licence of Beijing Goodever issued in January 2007 appearing in Exhibit YW-6 to Yew's Declaration shows Mr. Yen as the legal representative of Beijing Goodever. The shareholder (股東) is stated to be “永良企业”, i.e. the Applicant.²²

39. In or about 2002, Mr. Yen decided to set up a branch office in Shenzhen as he was of the view that there would be a better opportunity for the business to succeed in Shenzhen rather than in Beijing. According to Mr. Yen, after a few years' time and the substantive effort and resources expended by Mr. Yen, the Shenzhen business became successful and prospered.²³

40. Exhibit YW-12 to Yew's Declaration includes copies of board resolutions of Beijing Goodever dated 4 May 2008 and 30 July 2015 which are stated to have been passed at board meetings held in Beijing. These resolutions respectively updated the address of Beijing Goodever and extended its operation period. Both of these resolutions state that they were passed at board meetings held in Beijing and that all three directors (namely Mr. Yew, Mr. Yen and 严兴国) were present at those meetings. On each of these resolutions, three signatures appear at the space marked “全体董事签字” / “全体董事成员签名” (Signatures of all directors). Mr. Yew, however, stated that he was not aware of such board meetings at the time and never signed nor approved of those resolutions.²⁴

41. Exhibit YW-13 to Yew's Declaration is a copy of a resolution dated 1 June 2012 of Beijing Goodever (“**2012 Resolution**”) for amending its Articles of Association. Mr. Yen's signature and the stamp of Beijing Goodever appear on this document. At the space under “股东盖章、签字” (Stamp and signature of shareholder) appear the typed name “永良企业” (i.e. the Applicant), with what purports to be the signature of Mr. Yew and the stamp of the Applicant.²⁵ Mr. Yew stated that he was not aware of this 2012 Resolution at the time and never signed nor applied or authorized others to apply the Applicant's company stamp to approve this resolution.²⁶

42. According to Mr. Yen, as Mr. Yew had indicated unequivocally that he no longer wanted Beijing Goodever in or about 2000,²⁷ Mr. Yen was advised by the secretary of Beijing Goodever at the time, one Ms Liu (“**Ms Liu**”), that it was necessary to change the necessary

²² c.f. para. 21 above.

²³ Amended Counter-statement, paras 8(k) & 8(m); Yen's 1st Declaration, paras 32 & 34.

²⁴ Yew's Declaration, para. 14.

²⁵ The stamp shows the name of the Applicant “GOODEVER ENTERPRISES” and an address in Singapore.

²⁶ Yew's Declaration, para. 15.

²⁷ This is disputed by Mr. Yew. See paragraph 34 above.

registration records filed with the relevant authority to make Mr. Yen the legal representative of Beijing Goodever.²⁸ According to Mr. Yen:²⁹

- (a) he did not undertake the task himself as he had never been familiar with the procedures in Mainland China;
- (b) he recalled that he had asked Ms Liu to make the necessary arrangement;
- (c) Ms Liu had engaged an agent (which was very common in Mainland China at the time to handle such matters) for the arrangement; Ms Liu and/or the agent was/were responsible for preparing all the necessary documents and Mr. Yen was not involved in that;
- (d) Mr. Yen remembered that he signed several documents at the time to effect the change;
- (e) Mr. Yen expected Ms Liu and/or the agent to have liaised with Mr. Yew, as Ms Liu was the secretary of Beijing Goodever and she joined the company when Mr. Yew was still the joint owner; Ms Liu had the necessary contact information of Mr. Yew and could have and should have contacted him; Mr. Yen did not know whether this had in fact happened at the time;
- (f) he was not aware of any problems regarding the documents for 15 odd years until 2017 when Mr. Yew accused Mr. Yen of forging his signature in the 2001 Resolution;
- (g) he never forged Mr. Yew's signature, and Mr. Yew's signature on the 2001 Resolution was not signed by him; and
- (h) as Mr. Yew only raised this issue after 15 years, and by that time Ms Liu had already left the employment of Beijing Goodever for many years, Mr. Yen was no longer able to ascertain what had indeed happened back in 2001.

43. Regarding the 2001 Resolution and the change of legal representative of Beijing Goodever, Mr. Yew stated that he had never been contacted by any agent, and he found it odd

²⁸ Yen's 1st Declaration, paras 30 & 41.

²⁹ Yen's 1st Declaration, paras 30 & 42.

that Mr. Yen would not contact him directly for something as important as a change of legal representative.³⁰



44. Beijing Goodever was the owner of Trade Mark No. 1425980 (“**GOODEVER**” in Class 17) registered in Mainland China (“**Beijing Goodever’s Registered Mark**”). The registration was valid from 28 July 2000, but expired on 27 July 2010 and was not renewed.³¹ At the time when that mark expired, Mr. Yen was the legal representative of Beijing Goodever. Mr. Yen stated that by that time Beijing Goodever had already become his “sole company”, and he did not cause to renew the registration at the time simply because the business was not good.³²

45. On the other hand, just a few months later, the Registered Owner was incorporated in Hong Kong on 29 October 2010 with the English name “GOODEVER (HONG KONG) LIMITED” and the Chinese name “永良（香港）有限公司”. Mr. Yen was the sole director of the Registered Owner from its incorporation until 14 March 2018. Mr. Yen was either a majority shareholder or the sole shareholder of the Registered Owner during the time from its incorporation until 15 February 2018. JN CONSULTANTS LIMITED (卓越（中港）顧問有限公司) (“**JN Consultants**”) was the company secretary of the Registered Owner since its incorporation until 12 March 2019.³³

46. On 2 December 2011, the Registered Owner applied for registration of the English Mark in Hong Kong in respect of goods in Classes 11 and 17. At that time, Mr. Yen was the sole director and the majority shareholder of the Registered Owner. The mark proceeded to registration on 12 September 2012.³⁴

47. Mr. Yew for the Applicant stated that Registered Owner was incorporated without the consent, instruction or authority of the Applicant or Mr. Yew. Neither the Applicant nor Mr. Yew ever instructed or authorized the Registered Owner to apply to register the English Mark or the subject mark.³⁵

48. In 2017, Mr. Yew discovered the change of legal representative and change in board

³⁰ Yew’s Declaration, para. 35.

³¹ Yew’s Declaration, para. 23 & Exhibit YW-19.

³² Yen’s 1st Declaration, para. 56.

³³ Yew’s Declaration, para. 20 & Exhibit YW-17.

³⁴ Yew’s Declaration, paras 19 & 24 & Exhibit YW-16.

³⁵ Yew’s Declaration, para. 21.

composition of Beijing Goodever. The Applicant then lodged a complaint with the Beijing Administration for Industry and Commerce (“**Beijing AIC**”) on these matters in May 2017.³⁶

49. On 12 June 2017, Mr. Yew received text messages from Mr. Yen.³⁷ Amongst other things, Mr. Yen:

- (a) asked if Mr. Yew could sell Beijing Goodever to him;
- (b) stated that he had labored for over 20 years in the business;
- (c) asked for Mr. Yew’s forgiveness; and
- (d) indicated he was given to understand that the Business Licence [of Beijing Goodever] would be revoked in face of complaint lodged by the shareholder (i.e. the Applicant) with the Administration for Industry and Commerce.

50. On 16 June 2017, a board meeting of Beijing Goodever was held and a board resolution (“**2017 Resolution**”) was passed at the meeting resolving, amongst other things, to:³⁸

- (a) appoint Mr. Yew as the Chairman (董事长) and legal representative of Beijing Goodever;
- (b) remove Mr. Yen and 严兴国 as directors of Beijing Goodever; and
- (c) release Mr. Yen as general manager of Beijing Goodever’s Shenzhen branch.

51. The background section of the 2017 Resolution referred to the fact that Mr. Yew recently discovered that his signature had been forged in the 2001 Resolution, that under the 2001 Resolution the legal representative of Beijing Goodever was changed from Mr. Yew to Mr. Yen, and that this was seriously detrimental to the interests of the Applicant as shareholder (股东) of Beijing Goodever. All the then directors of Beijing Goodever, namely Mr. Yew, Mr. Yen and 严兴国 signed on the 2017 Resolution.

52. According to Mr. Yen, he had been advised by the Registered Owner’s legal advisors and verily believed that Mr. Yew’s accusation of Mr. Yen replacing Mr. Yew as the legal

³⁶ Yew’s Declaration, para. 16.

³⁷ Yew’s Declaration, para. 17 & Exhibit YW-14.

³⁸ Yew’s Declaration, para. 18 & Exhibit YW-15.

representative of Beijing Goodever and forging documents to effect such change in 2001 were wholly irrelevant to the validity of the subject mark in Hong Kong, and should be ignored.³⁹

53. Regarding the complaint lodged by the Applicant with the Beijing AIC in May 2017 (paragraph 48 above), Mr. Yen stated that Beijing AIC contacted him repeatedly in or about May or June 2017 and told him about the complaint. Mr. Yen stated that as he had never been involved in any investigation before, he was literally very scared; Mr. Yew had also engaged lawyer and Mr. Yen was contacted by Mr. Yew's lawyer several times around that period; Mr. Yew also threatened to report the matter to the Mainland police. Mr. Yen tried to find out what had happened in 2001 regarding the alleged forged document, but given the incident happened more than 15 years ago and Ms Liu had already left the employment of Beijing Goodever many years ago, he was not able to ascertain what had in fact happened regarding the document in 2001. Mr. Yen stated in Yen's 1st Declaration that he certainly did not "forge" the signature of Mr. Yew on the document. He also stated that he contacted Mr. Yew on several occasions hoping to settle the dispute amicably, but Mr. Yew would not give up until Mr. Yen gave up Beijing Goodever and the Shenzhen business. Mr. Yen stated that the message records referred to in paragraph 49 above must be read in that context.⁴⁰

54. Mr. Yen stated that in the end, he felt he had no alternative but to accede to Mr. Yew's request; he eventually gave up Beijing Goodever and the Shenzhen business in exchange for Mr. Yew not pursuing the matter and complaint any further. Mr. Yen stated that the 2017 Resolution was passed under the circumstances described above; that document was prepared by Mr. Yew's lawyers; Mr. Yen did not feel he had much bargaining power at the time and so he "*did not bother too much on the wordings stated on the document*".⁴¹

55. On 27 July 2017, which was less than two months after the passing of the 2017 Resolution, the Registered Owner applied for registration of the subject mark in Hong Kong in respect of the subject goods in Classes 11 and 17.

56. On 18 September 2017, JN Consultants applied for registration of the marks "GOODEVER PF" (Application no. 26456052) and "永良" (Application no. 26476782) in Mainland China in respect of goods in Class 17.⁴²

³⁹ Yen's 1st Declaration, para. 40.

⁴⁰ Yen's 1st Declaration, paras 44-49.

⁴¹ Yen's 1st Declaration, para. 50.

⁴² Yew's Declaration, para. 22 & Exhibit YW-18.

57. Exhibit YW-14 to Yew's Declaration includes screenshots of a series of text messages between Mr. Yew and Mr. Yen during the period from 7 June 2017 to 27 January 2018.⁴³ Amongst those messages are the messages of 12 June 2017 referred to in paragraph 49 above. In other words, that series of text messages started before the signing of the 2017 Resolution and continued thereafter until 27 January 2018. Towards the end of that series of messages, it appears that Mr. Yew was chasing Mr. Yen in vain for the handing over of certain items such as certain "Test Report" and some catalogue in respect of "Goodever PF".

58. On 15 February 2018, Mr. Yen transferred his shares in the Registered Owner to Yen Heng Lai. On 14 March 2018, Mr. Yen ceased to be, and Yen Heng Lai became, the sole director of the Registered Owner.⁴⁴

59. In June 2018, the Applicant became aware of the existence of the Registered Owner and the registrations of the subject mark and the English Mark in Hong Kong in the name of the Registered Owner.⁴⁵ Soon thereafter, the Applicant was also made aware of JN Consultants' two trade marks referred to in paragraph 56 above. At the time of Yew's Declaration, the Applicant was opposing both of those trade mark applications in Mainland China.

60. In Yen's 1st Declaration, after referring to the expiry of Beijing Goodever's Registered Mark in 2010, Mr. Yen states that:

"57. I understand JN Consultants subsequently made an application to register the Subject Mark in mainland China in 2017. The opposition proceedings are pending in mainland China. I have been advised and verily believe that the said application and the on-going opposition proceedings in mainland China are irrelevant to the validity of the Subject Mark in Hong Kong...."

61. The Invalidation Application was filed on 25 October 2018. The Registered Owner filed a counter-statement on 24 January 2019. On 12 March 2019, JN Consultants resigned from being company secretary of the Registered Owner.⁴⁶

⁴³ The mobile telephone number of Mr. Yen appearing on the screenshots is the same as the Shenzhen mobile telephone number of Mr. Yen appearing on the business card referred to in paragraph 26 above, which mobile telephone number also appears on the Applicant's catalogue referred to in paragraph 15 above.

⁴⁴ Yew's Declaration, Exhibit YW-17.

⁴⁵ Yew's Declaration, para. 19.

⁴⁶ Yew's Declaration, Exhibit YW-17.

The ground under sections 53(3) and 11(5)(b) of the Ordinance

62. In the Amended Statement of Grounds, the Applicant states, *inter alia*, that:

‘17. The [subject mark] is identical to the Applicant’s Mark “永良”.

18. The [subject goods] are identical and/or highly similar to the Applicant’s Goods.

19. The [Registered Owner] applied for and secured registration of the [subject mark] without consent, knowledge or authorization from the Applicant or Mr. Yew. At the time of filing the application for the [subject mark], [Mr. Yen] was (i) the sole director and majority shareholder of the [Registered Owner] and (ii) an employee of the Applicant’s subsidiary (i.e. Beijing Goodever). The Applicant at no time authorized or consented to the [Registered Owner] to apply to register any of the Applicant’s Marks and/or any marks containing or similar to the Applicant’s Marks. The application for the [subject mark] was filed and the registration of the [subject mark] was obtained in bad faith.’

63. Section 53(3) of the Ordinance provides that:

“The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in contravention of section 11 (absolute grounds for refusal of registration).”

64. Section 11(5)(b) of the Ordinance provides as follows:

*“(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.”*

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

“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.”

66. In *Harrison’s Trade Mark Application (CHINAWHITE)* [2005] F.S.R. 10, the English Court of Appeal held that (at para. 26):

“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.”

67. Further, in *Ajit Weekly Trade Mark* [2006] R.P.C. 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.**” (emphasis added)*

68. The above principles have been applied in *深圳市德力康電子科技有限公司 v Joo-Sik-Hoi-Sa LG (LG Corporation)* (unrep.) HCMP 881/2013, 26 Mar 2014 (“**De Li Kang case**”) at paras 25-27.

69. In order to permit the conclusion that the applicant is acting in bad faith within the meaning of section 11(5)(b) of the Ordinance, it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. The fact that the applicant knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the applicant is acting in bad faith within the meaning of that provision (*Malaysia Dairy v Ankenævnet for Patenter og Varemærker* [2013] E.T.M.R. 36; *DRYSHOD Trade Mark* BL O/243/19 (UK Trade Marks Registry), 9 May 2019).

70. The fact that an applicant knows that a third party has long been using an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith. Consideration must also be given to the applicant's intention at the time when he files the application for registration, which is a subjective factor to be determined by reference to the objective circumstances of the particular case. The intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant. The fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection, is one of the factors relevant to the determination of whether the applicant was acting in bad faith (*Chocoladefabriken Lindt v Franz Hauswirth GmbH* [2009] E.T.M.R. 56, at paras 40-46).

71. The Court in *Lindt* stopped short of defining bad faith. Rather it preferred to give guidance on the factors which might contribute to such a finding in particular factual scenarios close to those in issue in the main proceedings in that case. One theme which emerges is that the facts must justify a conclusion that the applicant's intentions were solely ones which were inconsistent with the essential functions of a trade mark or designed to promote unfair competition. If the facts show that the applicant is justified in applying for the mark, for example because he seeks to prevent third parties taking advantage of his sign, or if he has a reputation which deserves broader protection, this is capable of defeating an allegation of bad faith (*Sky v Skykick* [2021] EWCA Civ 1121, at para. 52).

72. The expression 'bad faith' has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 11(5)(b) of the Ordinance by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant (*DEMON ALE Trade Mark* [2000] R.P.C. 345, at 356; *Wong To Yick Wood Lock Ointment Ltd v Nippon Taisun (HK) Ltd* [2019] HKCFI 1298 at para.18). A finding of bad faith may be fully justified even in a case where the applicant saw nothing wrong with his own behavior (*DEMON ALE Trade Mark*, supra).

73. An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts. Precisely the same considerations apply to an allegation of lack of bad faith. 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] R.P.C. 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] R.P.C. 19, at para. 29).

74. A case of bad faith is not always established by way of direct evidence. Where circumstances are such that a conclusion that there has been copying is warranted, a bad faith claim may well succeed (*De Li Kang case*, para. 31).

75. Except when the case is too plain for words, it cannot be right for any tribunal to decide questions of honesty and dishonesty on affidavit evidence, untested by cross-examination. If cross-examination is not sought, inferences of a deponent's dishonesty ought not to be drawn, unless irresistible (*Re Borsalini Trade Mark* [1993] 1 HKC 587 at 592; *Mila Schön Group SpA v Lam Fai Yuen* (t/a Tung Kwong Co) [1998] 1 HKLRD 682).

76. In *Pan World Brands Ltd v Tripp Ltd (Extreme Trade Mark)* [2008] R.P.C. 2, the Appointed Person referred to the following passage in *Phipson on Evidence* (16th ed) at paragraph 12-12:

“In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rule *[sic]* serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one ...”

77. The Appointed Person then noted that the authority cited in support of the above statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The Appointed Person then went on to state that:

“35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that ... it may not be necessary to cross-examine on a point if the witness has been given full notice

of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] R.P.C. 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence."

78. It is essential in cases of fraud, when considering the credibility of witnesses, always to test their veracity by reference to the objective facts proved independently of their testimony, in particular by reference to the documents in the case, and also to pay particular regard to their motives and to the overall probabilities. It is frequently very difficult to tell whether a witness is telling the truth or not; and where there is a conflict of evidence, reference to the objective facts and documents, to the witnesses' motives, and to the overall probabilities, can be of very great assistance in ascertaining the truth (*The "Ocean Frost"* [1985] 1 Lloyd's Rep. 1, at 57).

79. Where the Court is invited to reach a conclusion of forgery as an inference to be drawn on the basis of circumstantial evidence, any such inference must be properly grounded in the primary facts found. The Court guards against indulging in conjecture under the guise of drawing an inference where the primary evidence does not logically and reasonably justify the particular inference in question. A court is not entitled to choose between guesses, where the possibilities are not unlimited, on the ground that one guess seems more likely than another or the others. The facts proved must form a reasonable basis for a definite conclusion affirmatively drawn of the truth of which the tribunal of fact may reasonably be satisfied (*Ming Shiu Chung & Others v Ming Shiu Sum & Others* (2006) 9 HKCFAR 334, at 360).

80. The subject mark consists of the Chinese characters “永良”. Those two Chinese characters are in the Chinese names of the Applicant and Beijing Goodever, and constitute the only Chinese text element in (i) the Applicant's mark appearing in paragraphs 15 and 16 above and (ii) Beijing Goodever's Registered Mark.

81. At the time the Registered Owner filed the application for registration of the subject mark in Hong Kong, Mr. Yen was the sole director and majority shareholder of the Registered Owner.⁴⁷

82. Mr. Yen had been working for the Applicant for several years before 1995. In or about 1995, Mr. Yen and Mr. Yew discussed a plan to set up a business in Mainland China in the manufacture and supply of insulation and construction materials.⁴⁸

83. Eventually, Beijing Goodever was set up as a wholly foreign-owned enterprise in 1996, with Mr. Yew as the legal representative and Chairman of the Board. According to the articles of association of Beijing Goodever, its sole investor was the Applicant.⁴⁹ It is not in dispute that the Applicant has in fact contributed capital to Beijing Goodever, although there is dispute as to the actual amount of such contribution.⁵⁰

84. Exhibit YW-9 to Yew's Declaration includes two business cards of Mr. Yen, details as follows:

(a) business card of Mr. Yen as Manager of the Applicant, with address and contact details in Beijing (paragraph 27 above); and

(b) business card of Mr. Yen as General Manager of Beijing Goodever, with the name of the Applicant and contact details of the Applicant in Singapore printed on it. Contact details in Beijing and Shenzhen also appear on this business card (paragraph 26 above).

85. In other words, the Applicant's name appears on both of these business cards of Mr. Yen. The second business card also includes the Applicant's contact details in Singapore. The fact that this business card also includes contact details in Shenzhen would seem to suggest that it might have been created after the setting up of the Shenzhen branch of Beijing Goodever in or about 2002,⁵¹ although this is not entirely clear.

86. The two business cards of Mr. Yen above are consistent with Mr. Yew's claim that Mr. Yen had been entrusted with the Applicant's and Beijing Goodever's business in China.⁵²

⁴⁷ Amended Counter-statement, para. 24(b).

⁴⁸ Paras 18-19 above.

⁴⁹ Paras 20-21 above.

⁵⁰ Para. 30 above.

⁵¹ Para. 39 above.

⁵² Paras 23 & 34 above.

87. According to Mr. Yen, in or about 1999 or 2000, the business of Beijing Goodever was very bad that it required further capital contribution in order to maintain its operation. According to Mr. Yen, he discussed with Mr. Yew on this, but Mr. Yew was adamant that he would not contribute anything further to the business, that he no longer wanted the company and that Mr. Yen could do whatever he wanted with the company. From then on, Mr. Yen continued to run and operate Beijing Goodever himself, but he no longer discussed and updated Mr. Yew of anything relating to the company. According to Mr. Yen, since 2000 up till 2017, Mr. Yew was never involved in or informed of the business of Beijing Goodever. According to Mr. Yew, however, up until 2017, he had never indicated to Mr. Yen that he did not wish to keep Beijing Goodever.⁵³

88. The Registered Owner admits that it applied for and secured registration of the subject mark without the consent or authorization from the Applicant or Mr. Yew, but avers that such consent or authorization was not necessary. The Registered Owner's case is that:⁵⁴

- (a) trade mark rights are territorial in nature;
- (b) Mr. Yew had abandoned Beijing Goodever in 2000; accordingly since 2000, Beijing Goodever had become Mr. Yen's own company;
- (c) the Registered Owner was set up by Mr. Yen on 29 October 2010 when he was running Beijing Goodever and Shenzhen Goodever on his own; there was nothing improper in the setting up of the Registered Owner, and there was nothing improper for the Registered Owner to subsequently apply to register the subject mark.

89. The expression 'bad faith' has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 11(5)(b) of the Ordinance by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant (paragraph 72 above).

90. When considering the question of whether an application to register is made in bad faith, it is necessary to take into account all material surrounding circumstances (paragraphs 65-66 above). It is necessary to ascertain what the relevant applicant for registration knew about

⁵³ Paras 33-34 above.

⁵⁴ Amended Counter-statement, paras 8 & 24; Registered Owner's Skeleton Submissions, paras 6, 45 & 46.

the matters in question, and then decide whether in the light of that knowledge, his conduct is dishonest judged by ordinary standards of honest people, his own standards of honesty being irrelevant. A finding of bad faith may be fully justified even in a case where the applicant saw nothing wrong with his own behavior (paragraphs 67 & 72 above).

91. When considering the credibility of witnesses, it is important to test their veracity by reference to the objective facts proved independently of their testimony, in particular by reference to the documents in the case, and also to pay particular regard to their motives and to the overall probabilities (paragraph 78 above).

92. At the time Beijing Goodever's Registered Mark expired in July 2010, Mr. Yen was, pursuant to the 2001 Resolution, the legal representative of Beijing Goodever. Mr. Yen stated that by that time Beijing Goodever had already become his "sole company", and he did not cause to renew the registration at the time simply because the business was not good (paragraph 44 above).

93. On the other hand whilst the reason Mr. Yen gave for not renewing Beijing Goodever's Registered Mark was that "the business was not good", by July 2010 when that mark expired, the Shenzhen branch office of Beijing Goodever had been established for around 8 years. According to Mr. Yen, after a few years' time since the setting up of the Shenzhen branch in or about 2002, the Shenzhen business prospered.⁵⁵

94. Moreover, whereas Mr. Yen considered that by July 2010, Beijing Goodever had become his "sole company", under the 2001 Resolution, Mr. Yew remained a director of Beijing Goodever (paragraph 36(a) above). The board resolutions dated 4 May 2008 and 30 July 2015 referred to in paragraph 40 above as well as the 2017 Resolution⁵⁶ refer to Mr. Yew as one of the three directors of Beijing Goodever. Furthermore, according to the Business Licence of Beijing Goodever issued in January 2007,⁵⁷ the 2012 Resolution⁵⁸ and the 2017 Resolution, the Applicant was still shareholder of Beijing Goodever even after the 2001 Resolution. In other words, although Mr. Yen considered that by July 2010 Beijing Goodever had become his "sole company", Mr. Yew was still a director, and the Applicant was still shareholder, of Beijing Goodever. Mr. Yen had signed on all of the 2001 Resolution, the board resolutions dated 4 May 2008 and 30 July 2015, the 2012 Resolution and the 2017 Resolution.

⁵⁵ Para. 39 above.

⁵⁶ Paras 50-51 above.

⁵⁷ Para. 38 above.

⁵⁸ Para. 41 above.

95. Just a few months after the expiry of Beijing Goodever's Registered Mark in July 2010, the Registered Owner was incorporated in Hong Kong in October 2010. Since its incorporation and at all material times, Mr. Yen has been the sole director and majority shareholder of the Registered Owner. Registration of the English Mark was applied for in Hong Kong in December 2011 after incorporation of the Registered Owner.

96. According to the 2017 Resolution,⁵⁹ Mr. Yew's signature had been forged in the 2001 Resolution, and the change of the legal representative of Beijing Goodever from Mr. Yew to Mr. Yen under the 2001 Resolution was seriously detrimental to the interests of the Applicant as shareholder of Beijing Goodever. Pursuant to the 2017 Resolution, Mr. Yen ceased to be the legal representative and director of Beijing Goodever, and ceased to be general manager of Beijing Goodever's Shenzhen branch. In other words, pursuant to the 2017 Resolution, Mr. Yen ceased to have any role in Beijing Goodever and its Shenzhen branch. Mr. Yen signed on the 2017 Resolution.

97. On 27 July 2017, which was less than two months after the passing of the 2017 Resolution, the Registered Owner applied for registration of the subject mark in Hong Kong. At all material times, Mr. Yen has been the sole director and majority shareholder of the Registered Owner.

98. Mr. Yen had been entrusted with the Applicant's and Beijing Goodever's business in China. The Applicant's name appears on both of Mr. Yen's business cards appearing at Exhibit YW-9 to Yew's Declaration.⁶⁰

99. Taking into account the relationship between Mr. Yen and the Applicant and that between Mr. Yen and the Registered Owner, the dealings between Mr. Yew and Mr. Yen and all the material circumstances of the present case, although Mr. Yen and the Registered Owner considered there was nothing wrong with it, the Registered Owner's decision to apply for registration of the subject mark shortly after the passing of the 2017 Resolution and without the consent, knowledge or authorization from the Applicant or Mr. Yew would be regarded as in bad faith by reasonable and experienced men in the relevant field. I find that the application for registration of the subject mark was made in bad faith, and that the subject mark was registered in contravention of section 11(5)(b) of the Ordinance.

⁵⁹ Paras 50-51 above.

⁶⁰ Paras 23, 34, 84-86 above.

100. For the above reasons, the registration of the subject mark is hereby declared invalid under section 53(3) of the Ordinance.

Costs

101. As the Invalidation 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 may make 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.

(Finnie Quek)
for Registrar of Trade Marks
21 February 2022