

**TRADE MARKS ORDINANCE (CAP. 559)**

**APPLICATION FOR REVOCATION OF TRADE MARK NO. 200000548**

**MARK:**



**CLASS: 30**

**APPLICANT: Asahi Inryo Kabushiki Kaisha (Asahi Soft Drinks Co., Ltd.)**

**REGISTERED OWNER: Chuen Kee Company Limited**

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**STATEMENT OF REASONS FOR DECISION**

**Background**

1. On 15 July 2013 (“Revocation Application Date”), Asahi Inryo Kabushiki Kaisha (Asahi Soft Drinks Co., Ltd.) (“the Applicant”) filed an application under section 52(2)(a) of the Trade Marks Ordinance (Cap. 559) (“the Ordinance”)<sup>1</sup> to revoke the registration of the following mark on the ground of non-use, effective from 15 May 2013 (“the Revocation Application”) -



(“the Mark”).

2. The Revocation Application was filed with a statement of grounds and a statutory declaration of Leung Kam Yin (“Mr KY Leung”) made on 10 July 2013 (“LKY’s SD”), enclosing a search report.

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<sup>1</sup> Unless otherwise stated, “section/s” means those under the Ordinance.

3. The Mark is registered as of 27 March 1998,<sup>2</sup> the actual date of registration being 10 January 2000, in respect of “*coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-power; salt; mustard; vinegar; sauces (condiments); spices; ice.*” (“the subject goods”). As at the Revocation Application Date, the Mark remained registered in the name of Chuen Kee Company Limited (“the Registered Owner”).

4. On 20 January 2014 the Registered Owner filed a counter-statement together with a statutory declaration of Leung Wai Chung (“Mr WC Leung”) made on 17 January 2014 (“LWC’s SD”) together with Annexure 1(1), 1(2), 1(3) and 1(4).

5. The hearing on the Revocation Application (“the hearing”) was originally listed for 24 February 2016, a notice of which was issued to the parties on 24 December 2015.

6. By letter dated 25 December 2015, the Registered Owner’s agent Hong Kong UTC Intellectual Property (Holdings) Limited (“UTC”) requested a postponement of the hearing to 24 March 2016 for the reason that UTC was arranging to file further evidence.

7. By reply to UTC dated 4 January 2016, the Trade Marks Registry (“the registry”) put on the record that the parties herein were informed as early as on 3 February 2015 that no further evidence could be filed except with leave of the Registrar of Trade Marks (“the Registrar”). Furthermore, a party wishing to adduce further evidence should follow the relevant procedures set out in the Trade Marks Registry Manual in seeking leave from the Registrar by way of a draft statutory declaration containing the intended further evidence and should seek the other party’s consent. The registry also stated the general position that if a request to file further evidence was made after the hearing date has been advised (as in the

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<sup>2</sup> Registration of the Mark has been renewed for a period of 10 years from 27 March 2015.

present case), it was highly unlikely that the request would be entertained.

8. Meanwhile UTC filed a Form T12 to indicate its intention to appear at the hearing listed for 24 February 2016.

9. On 3 February 2016, in total disregard of the matters stated in the registry's letter of 4 January 2016, UTC submitted a statutory declaration of Leung Wai Chung with exhibits, sworn on 3 February 2016. By letter dated 17 February 2016, UTC averred that the new evidence was only found on 25 December 2015 hence the late inclusion. Under the same letter, UTC also filed a skeleton argument in respect of the then forthcoming hearing.

10. In its letter of 18 February 2016, the Registrar provisionally refused the Registered Owner's application for leave to file further evidence while according it one month to request for a hearing on the provisional determination. In view of the developments, the hearing listed for 24 February 2016 had to be adjourned, to a date to be fixed. In the absence of any request for a hearing on the provisional determination within the stipulated time, the Registrar formally refused the Registrar Owner's application to file further evidence. As such, the statutory declaration of Leung Wai Chung sworn on 3 February 2016 with exhibits formed no part of the Registered Owner's evidence in the present proceedings.

11. The hearing of the Revocation Application subsequently took place before me on 24 August 2016. The Registered Owner filed a skeleton argument on 19 August 2016 and was represented by Mr Ho Ho Sum of UTC ("Mr Ho") at the hearing. The Applicant did not appear nor filed any written submissions.

### **Applicant's evidence**

12. LKY's SD together with the search report was evidence for the Applicant. Mr KY Leung was in the employ of Owen Meany Ltd, the Applicant's agent

(“Owen Meany”).<sup>3</sup> In March 2013, Owen Meany obtained from the Registered Owner information about the latter’s product portfolio. The information was said to have revealed no products bearing the Mark. It was the Applicant’s case that the Registered Owner had confirmed that no goods falling within the subject goods were being distributed under the Mark. Furthermore, Owen Meany’s site visits to four major supermarkets / retail chain stores made in July 2013 did not identify any goods bearing the Mark. Likewise none of the shop representatives interviewed during those site visits was aware of the Mark. Searches on the Internet at ten commonly accessed websites in Hong Kong and in the Mainland did not reveal any information about any goods bearing the Mark either. Owen Meany’s said findings led the Applicant to a belief that the Mark had not been used by the Registered Owner or with its consent in Hong Kong in relation to any of the subject goods for a continuous period of at least three years before 15 May 2013.

### **Registered Owner’s evidence**

13. In reply to LKY’s SD filed by the Applicant, the Registered Owner adduced LWC’s SD. The declarant Mr WC Leung was a director of the Registered Owner. Use of the Mark was purportedly shown in the materials adduced in Annexure 1(1), 1(2), 1(3) and 1(4), described by Mr WC Leung as follows -

Annexure	Mr WC Leung’s description
1(1)	Business invoices relate to other mark of our company
1(2)	Business invoices relating to the mark “WONDA”
1(3)	Trade information in the Hongkong Trade Development Council
1(4)	Pictures of products in the Mark

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<sup>3</sup> The Applicant has had a few agents since the commencement of the Revocation Application. Owen Meany Ltd was recorded as the Applicant’s agent as from 23 July 2014.

14. By way of initial observations –

(a) all documents adduced under Annexure 1 were printed/photocopied on UTC's letterhead and some with UTC's comments/explanations, instead of being produced in their original form as per the usual convention. The quality of some of those documents was so poor that parts of them were illegible. These observations were made known to Mr Ho for the Registered Owner at the hearing; and

(b) all of the invoices adduced in LWC's SD invariably had the Mark



and 美樂思<sup>4</sup> (“the 美樂思 mark”) printed at the top right hand corner. Wherever a brand name appeared in the product description column on the invoices, the brand name was “皇座” (i.e. part of the word element of the Mark), “美樂思” or “天之福”. This was suggestive of the possibility that the Registered Owner was trading in more than one brand name.

***Annexure 1(1) “Business invoices relate to other mark of our company”***

15. Contained in Annexure 1(1) were 24 copy invoices which the Registered Owner issued to various companies during the period between October 2006 and September 2013. As categorically stated in LWC's SD, those copy invoices were related to the supply of goods under *another* mark of the Registered Owner, namely “美樂思”.<sup>5</sup> Mr Ho submitted at the hearing that although goods sold as shown on those 24 copy invoices were only under the “美樂思” brand, the

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<sup>4</sup> Made up of the words “美樂思” and a device encircling a word “Milady”.

<sup>5</sup> Of the 24 copy invoices, one was exclusively related to products with the brand name “天之福” while one the brand name “KK”.

appearance of the Mark and the 美樂思 mark on each of the copy invoices (in a manner as described in the preceding paragraph) was sufficient evidence on the Mark having been used by the Registered Owner at the time. This point was echoed in paragraph 6 of the Registered Owner’s skeleton submission as follows -

“.....the Registered Owner’s evidence Annexure 1(1) shows [the Mark] continuously **used on its invoice** which the Buyers are supermarkets, stores and trading companies in Hong Kong. It **shall be deemed** as [the Mark] has been continuously used on aforesaid goods and preserving or creating market share for the gods protected by the mark.....” [**emphasis** added]

***Annexure 1(2) “Business invoices relating to the mark “WONDA”***

16. Pertinent particulars of the 5 copy invoices in Annexure 1(2) where the brand name “皇座” was depicted in the product description column (some alongside products in the “美樂思” brand name) were as follows -

Invoice dated	Product description	Quantity	Total price (HK\$) <sup>6</sup>	Customer <sup>7</sup>
16.10.2009	皇座牛油 曲奇 120g (皇座 butter cookies 120g) <sup>8</sup>	15 箱 (cartons)	1,368	駿斯國際有限公司 (Junsi International Co. Ltd)
16.12.2009		3 cartons 18 盒 (boxes)	315	
12.1.2010		27 cartons 12 boxes	1,980	藍夢有限公司 (Lanmeng Co., Ltd.)
4.2.2010		70 cartons	4,704	日友集團有限公司 (Riyu Croup [Group] Co., Ltd.)
6.2.2010		5 cartons	336	

17. The invoices showed that in four months from October 2009 to February

<sup>6</sup> In respect of “皇座” brand products only.  
<sup>7</sup> Names in English given by the Registered Owner.  
<sup>8</sup> Translation by the Hearing Officer.

2010, the Registered Owner supplied 皇座 butter cookies 120g to three companies on five occasions. The price per transaction ranged from \$315 to \$4,704.

***Annexure 1(3) “Trade information in the Hongkong Trade Development Council”***

18. Adduced in Annexure 1(3) was a 5-page copy letter from the Hong Kong Trade Development Council (“the HKTDC”) to the Registered Owner dated 1 March 2011, seeking an update on the Registered Owner’s trade particulars kept in the HKTDC’s databank. As shown on the 5<sup>th</sup> page, the letter was signed on 3 March 2011.

19. At the hearing Mr Ho directed my attention to a part highlighted in a red rectangle on the 4<sup>th</sup> page of the copy letter which read -

“Brand Name 品牌: Wonda (Brand Owner/Chinese mainland)  
皇座 (品牌擁有商/中國內地)  
P270701 - Biscuit  
Cookies  
餅乾”

Mr Ho said that given the Registered Owner’s provision of information to the HKTDC as above, it was clear that the Mark was used by the Registered Owner on biscuits, cookies and 餅乾<sup>9</sup>.

20. I noted that, firstly, the Mark was not seen in the highlighted part on the 4<sup>th</sup> page nor any remaining part of the said copy letter. Secondly, apart from the brand name “Wonda 皇座”, the copy letter also contained information about the brand names “Milady 美樂思” and “天子福” (the latter being different from “天之福”, footnote 5 above).

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<sup>9</sup> Biscuits.

***Annexure 1(4) “Pictures of products in the Mark”***

21. Shown in Annexure 1(4) were 5 copy *undated* photographs of cookies packed in various forms and sizes, with the Mark appearing on each of the different packaging. LWC’s SD was completely silent on the *where and when* of taking those photographs. Mr Ho said his instructions were that the packed goods depicted in Annexure 1(4) were in fact delivered to 日友集團有限公司 (table in paragraph 16 above). He nonetheless accepted that there was no evidence in LWC’s SD to that effect. Besides reiterating the general submission that the Mark was obviously used by the Registered Owner on cookies, Mr Ho was unable to draw anything further from those copy photographs.

22. The Applicant’s evidence LKY’s SD revealed, inter alia, that no goods bearing the Mark were found in a product portfolio supplied by the Registered Owner and that the Registered Owner had in turn confirmed that none of the subject goods were distributed under the Mark (paragraph 12 above). LWC’s SD for the Registered Owner was filed in response to LKY’s SD. Mr WC Leung nonetheless never dealt with any of those alleged facts which were tantamount to a lack of use of the Mark in respect of the subject goods.

23. I would return to the Registered Owner’s evidence, where necessary. Suffice it to note that given my initial observations above, the Registered Owner’s evidence of purported use of the Mark was far from overwhelming.

**Grounds of revocation**

24. The pertinent parts of section 52 are 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);*

...

(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.*

(5) *Any commencement or resumption of the use described in subsection (2)(a) after the expiry of the 3-year period but within the period of 3 months before the making of the application for revocation shall be disregarded unless preparations for the commencement or resumption began before the owner of the registered trade mark became aware that the application might be made.*

...

(8) *For the purposes of subsection (2)(a), the 3-year period may begin at any time on or after the actual date on which particulars of the trade mark were entered in the register under section 47(1) (registration)."*

25. The Applicant contended that the Mark has not been genuinely used in Hong Kong by the Registered Owner or with its consent, in relation to the subject goods, during a continuous period of no less than 3 years before 15 May 2013 and there are no valid reasons for such non-use. The Applicant sought revocation of the Mark on ground of non-use effective from 15 May 2013. It is therefore necessary to consider whether the Mark has 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 15 May 2010 ("the Relevant Period A").

26. According to section 52(4), genuine use of the Mark after the expiry of the 3-year period ending on 15 May 2013 but before the Revocation Application Date, i.e. between 15 May 2013 and 15 July 2013 (“the Relevant Period B”), may, subject to section 52(5), save the Mark from being revoked. I would thus also consider whether the Mark has been genuinely used in respect of the subject goods in Hong Kong during the Relevant Period B.

### **Burden of proving use**

27. Section 82(1) 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.”*

Hence the burden of proving genuine use of the Mark in Hong Kong in respect of the subject goods in the Relevant Period A and the Relevant Period B or advancing valid reasons for non-use lies with the Registered Owner.

### **Genuine use**

28. The policy behind the requirement that a trade mark, once registered, should be used in order to justify its continued registration is stated in *Ansul BV v Ajax Brandbeveiliging BV* [2005] Ch 97, paragraph 37. It is that the purpose of a trade mark is to enable its owner to create or preserve a market for goods or services produced or supplied by him. It does so by granting to the owner the exclusive right to use the mark in that market, and the ability to stop others from using the mark in relation to their own goods or services. However, where the mark is not in fact used for this purpose, it ceases to achieve this purpose. There

is then no longer any justification for preventing others from using it: *Brands Inc Ltd v Kabushiki Kaisha Regal Corp* [2006] HKEC 2313 (HCMP 754/2006), paragraph 14. Further, as a trade mark and the rights that are conferred by it are essentially territorial in nature, what is relevant for the purpose of deciding whether or not the owner should be entitled to retain the mark and its associated rights is use as a trade mark in the territory in respect of which it is registered: *Brands*, paragraph 15.

29. What constitutes genuine use has been considered in a number of cases including *Ansul*, *La Mer Technology Inc v Laboratoires Goemar SA* [2004] F.S.R. 38, *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5 and *Brands*, where the following guiding principles were deduced -

- (a) There is genuine use of a trade mark where it is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services (*La Mer*, paragraph 27).
- (b) Genuine use does not include token use for the sole purpose of preserving the rights conferred by that mark (*La Mer*, paragraph 27).
- (c) It 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 (*Ansul*, paragraph 37).
- (d) Use of the mark must relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37).

- (e) When assessing whether use of a trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial use of the mark is real in the course of trade, particularly 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, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (*La Mer*, paragraph 27).
- (f) Even if use of a mark is not quantitatively significant, it may be sufficient to qualify as genuine use if it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark (*La Mer*, paragraph 21).
- (g) What matters are the objective circumstances of each case, and not the owner's commercial intention, purpose or motivation (*Laboratoire*, paragraph 34).
- (h) There is no requirement that the mark must have come to the attention of the end user or consumer. The retail or end user market is not the only relevant market on which a mark is used for the purpose of determining whether use of the mark is genuine (*Laboratoire*, paragraph 32).
- (i) What is essential (other than where section 52(3)(b) is applicable) is that the mark should have been used by being exposed to third parties (other than the owner or his licensees or agents) on a market in Hong Kong for goods or services of a type in respect of which the mark was registered. The need for exposure on such a market follows from the fact that to be used as a trade mark, the mark must

be used in such a way as to act as a badge of origin, or a guarantee of the source or origin of the relevant goods or services (*Brands*, paragraph 18).

### **Registered Owner's alleged use of the Mark**

30. I have closely examined the Registered Owner's evidence on alleged use of the Mark in paragraphs 13 to 22 above. For the reason that the 24 copy invoices in **Annexure 1(1)** concerned the supply of goods almost exclusively under *another brand* “美樂思”, they obviously did not constitute evidence of genuine use of *the Mark* on the subject goods and should therefore be wholly disregarded. While the Mark was printed (alongside the “Milady 美樂思” mark), but as mere decoration, on each and every invoice in Annexure 1(1), I am unable to accept Mr Ho's submission that genuine use of the Mark on the subject goods could be deemed therefrom<sup>10</sup> since genuine use 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 Mark in the relevant market/s (*Kabushiki Kaisha Fernandes v OHIM* (Case T-39/01) [2003] E.T.M.R. 98, at paragraph 47).

31. The 5 copy invoices adduced in **Annexure 1(2)** showed that the Registered Owner supplied “皇座 butter cookies 120g” to three companies within four months between October 2009 and February 2010. The said four months' period, however, fell entirely outside of both the Relevant Period A (paragraph 25 above) and the Relevant Period B (paragraph 26 above). Annexure 1(2) thus offered little help to the Registered Owner in showing genuine use of the Mark for the purpose of the Revocation Application.

32. The brand name “Wonda 皇座” was mentioned in the 5-page copy letter in HKTDC's letter of 1 March 2011 in **Annexure 1(3)** where other brand names “Milady 美樂思” and “天子福” were also found. Such mere citing of the

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<sup>10</sup> Paragraph 15 hereof.

“Wonda 皇座” brand name (not the Mark itself anyhow) *in a letter* was no cogent nor objective evidence to support genuine use of the Mark on the subject goods.

33. Despite depicting the Mark, the 5 copy photographs of cookies in **Annexure 1(4)** were undated and their place of shooting unknown. Furthermore, on the strength of the 5 copy invoices in Annexure 1(2), cookies sold under the Mark were “皇座牛油曲奇 120g” (皇座 butter cookies 120g) only (paragraphs 16 and 17 above). There were no invoices pertaining to the sale of “DELUXE Cookies 知味曲奇(餅乾)” of 800g or “精選紅屋頂曲奇 Redrooftop Cookies” of 208g, both shown in Annexure 1(4). In sum, either on its own or otherwise, Annexure 1(4) did not assist the Registered Owner in proving genuine use of the Mark.

34. As regards the Relevant Period B, there was no evidence before me to suggest use of the Mark in any manner at all. Furthermore, the complete lack of evidence on the Registered Owner’s efforts in promoting the Mark was also most telling on the non-use of the same.

35. Having assessed the Registered Owner’s evidence in the round, I am not satisfied that during either the Relevant Period A or the Relevant Period B, there has been real commercial use of the Mark in respect of the subject goods in accordance with the essential function of a trade mark in order to create or preserve an outlet for the subject goods. I find that the Registered Owner has failed to discharge the burden of showing genuine use of the Mark in Hong Kong by itself or with its consent in relation to any of the subject goods during the two said periods.

36. Throughout the proceedings the Registered Owner maintained a positive case of use of the Mark and mentioned no reasons for non-use. It therefore has no reasons to rely on in order to save the Mark from being revoked.

## **Conclusion**

37. As the Registered Owner has failed to discharge the burden of showing genuine use of the Mark in Hong Kong by itself or with its consent in relation to any of the subject goods during the Relevant Period A and the Relevant Period B and there is no valid reason for non-use, the inevitable result is that the registration of the Mark is revoked effective from 15 May 2013.

## **Costs**

38. 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.

( Elsie Tse )  
*for* Registrar of Trade Marks  
25 January 2017