

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION FOR REVOCATION OF TRADE MARK NO. 1998B04204

MARK : **WAVERLEY**

CLASS : **24**

APPLICANT : **ICONIX CHINA LIMITED**

REGISTERED OWNER : **BLOCKMACK PTY. LTD.**

STATEMENT OF REASONS FOR DECISION

Background

1. Iconix China Limited (“the Applicant”) filed an application on 19 February 2009 (“Application Date”) for the revocation of the following mark (“the subject mark”) under section 52(2)(a) of the Trade Marks Ordinance (Cap. 559) (“Ordinance”), with effect from 19 February 2009:

WAVERLEY

2. The subject mark is registered as of 25 May 1995 in respect of “blanket, rugs, travelling rugs, baby blankets, throws, woollen underlays, pillow covers, woollen filled quilts, bedspreads, textiles and textile goods; all included in Class 24” (“the relevant goods”). The actual date of registration of the subject mark is 5 May 1998.

3. The Registered Owner filed its counter-statement on 19 August 2009 together with a statutory declaration of Leah Paff (“Paff Declaration”), the Creative Director of Waverley Woolen Mills Pty. Ltd. (“Waverley Woollen”). In the counter-statement, the Registered Owner vehemently denied that the subject mark had not been put to use in respect of the relevant goods. It was averred that due to the tremendous reputation of the Registered Owner in Australia and New Zealand, the close connection between Hong Kong and the global markets and the promotion of the products of the Registered Owner via the Internet, consumers would likely be familiar with the subject mark and

they could also purchase products of the Registered Owner via its websites and email services.

4. The hearing of this application for revocation was scheduled to be held before me on 5 June 2012. After the hearing notice was issued, the previous agent on record of the Registered Owner notified the Trade Marks Registry that it no longer had instructions to act on behalf of the Registered Owner. A notice was then sent to the Registered Owner under Rule 107(1) of the Trade Marks Rules (Cap. 559, sub. leg.) (“Rules”) requesting it to file an address for service in Hong Kong within two months. The hearing was also adjourned to 22 June 2012. The Registered Owner did not respond within the specified two months and pursuant to Rule 107(3) of the Rules, it is deemed to have withdrawn from the revocation proceedings.

5. The Applicant had indicated that it would not attend the hearing. Hence, pursuant to Rule 75 of the Rules, I now proceed to decide on the application for revocation without a hearing.

Grounds of revocation

6. The relevant parts of section 52 of the Ordinance are set out below:

“(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)."*

7. The Applicant has not specified during which 3-year period the subject mark had not been used by the Registered Owner or with its consent. Nonetheless, as the Applicant seeks revocation of the subject mark with effect from 19 February 2009, the application for revocation will succeed if it is not shown that the subject mark had been genuinely used in Hong Kong by the Registered Owner or with its consent in relation to the relevant goods during the three-year period beginning on 19 February 2006 ("relevant period"). Further, if that is the case, with the date of application being the effective date of the revocation sought for, the provisions of section 52(4) and (5) do not apply.

8. On the burden of proof, section 82(1) of the Ordinance provides that:

"If, in any civil proceedings under this Ordinance in which the owner of a registered trade mark is a party, a question arises as to the use to which the trade mark has been put, the burden of proving that use shall lie with the owner."

The Registered Owner therefore has to prove that there has been genuine use of the subject mark in Hong Kong in respect of the relevant goods during the relevant period.

Evidence of the Registered Owner

9. The Paff Declaration was submitted to show use of the subject mark. There are seven exhibits in total, numbered as Exhibits LP-1 to LP-7. A brief description of what these exhibits are is set out below:-

Exhibit LP-1 copy deed of assignment made between the Registered Owner and Waverley Woollen

- Exhibit LP-2 copy photograph of the woolen mill in Australia which was established by the predecessors of the Registered Owner
- Exhibit LP-3 copy of packaging of a blanket showing the subject mark together with its invoice
- Exhibit LP-4 copy status reports of the registration of the subject mark in Australia and New Zealand
- Exhibit LP-5 copy of status reports of the registration of another mark that incorporates the word “WAVERLEY” in Australia
- Exhibit LP-6 copy printout from alibaba.com
- Exhibit LP-7 copy printout of a page from the Waverley Group’s website

10. According to the Paff Declaration, the subject mark had been assigned to Waverley Woollen by the Registered Owner in 2007, and the Registered Owner, Waverley Woollen and Waverley Australia Pty. Ltd together form the Waverley Group. Ms. Paff deposed to the long history of the setting up of the business of the Registered Owner and its group, and the first use of the subject mark in Australia, commencing as far back as 1874. The subject mark was said to have been used on blankets, rugs, travelling rugs, baby blankets, throws, woollen underlays, pillow covers, woollen filled quilts, bedspreads, textiles and textile goods in Australia since then. Details of the registration of the subject mark and another mark incorporating the word “WAVERLEY” in Australia and New Zealand were also given in the Paff Declaration.

11. The Registered Owner might have claimed tremendous reputation, it did not however provide any sales figures or advertising expenditure in support of such claims, whether in relation to the sales it made in Australia, New Zealand, Hong Kong or elsewhere. There is one single invoice among the exhibits of the Paff Declaration, but that relates to the sale of a blanket in Australian dollars in 2009.

12. On the use of the subject mark in Hong Kong, Ms. Paff averred that the Waverley Group had been promoting the subject mark and its products to the international market via its own website and the Internet such as alibaba.com. The printouts in Exhibits LP-6 and LP-7 were filed to illustrate the conduct of such promotion.

13. The above sums up the evidence contained in the Paff Declaration. I would also mention that in the Paff Declaration, Ms. Paff actually made the same submissions as are contained in the counter-statement (see paragraph 3 above) on why the Registered Owner should be considered as having used the subject mark in respect of the relevant goods in Hong Kong.

Decision

14. A statement about the policy of providing for the revocation of a registered trade mark on ground of non-use can be found in the case of **Brands Inc Ltd. Kabushiki Kaisha Regal Corp** [2006] HKEC 2313. After considering various decisions of the European Court of Justice and the UK courts, Barma J stated (at paragraph 14):

*“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**¹, at paragraph 37 of the judgment. It is that the purpose of 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 respect of 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.”*

15. In the Paff Declaration, barring the one single copy invoice found in Exhibit LP-3, there are no sales figures, advertising expenditure, or any sample invoices or other documents that relate specifically to the Hong Kong market, or any other market to speak of. The copy invoice in Exhibit LP-3 shows the sale of a blanket for AU\$102 in 2009. The Applicant did not suggest that the sale was made anywhere other than in Australia and I do not see fit to infer otherwise.

16. In the case of **Laboratoire De La Mer Trade Marks** [2002] FSR 51, it was said in paragraph 12 of the judgment that “No inference as to sales to the public should be drawn, if the trade mark owner has not discharged its onus of proof.” Similarly, in the case of **Kabushiki Kaisha Fernandes v OHIM** [2003] ETMR 98, it was said that (at paragraph 47) “...genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned”. The state of

¹ The case of **Ansul BV v Ajax Bradbeveiliging BV** [2005] Ch 97.

the evidence being as it is, the Applicant has failed to show that there had been any sale of the products by itself or with its consent in Hong Kong under the subject mark during the relevant period.

17. What remains is the argument about the promotion of the products of the Registered Owner on the Internet. For the sake of completeness, I will consider whether, as suggested by the Registered Owner, the promotion of products on the website of the Waverley Group and other independent websites at which the subject mark appears qualifies as genuine use within the meaning of section 52(2)(a) of the Ordinance.

18. There are only four pages of printout found in Exhibit LP-6 and they are all dated after the Application Date. As for the one-page printout from the website of the Waverley Group in Exhibit LP-7, it is not dated. The Registered Owner has not provided any reason for me to regard them as use during the relevant period, nor do I see any basis to do so. As the Registered Owner has failed to discharge its onus of proof that the website promotion it seeks to rely on was conducted during the relevant period, those materials are of no assistance to its case.

19. I would add that even if I were to look over the concern of the promotion not being carried out within the three years prior to the Application Date, I have difficulty in coming to a conclusion that the internet promotion referred to amounted to use of the subject mark in Hong Kong. In paragraph 10-067 of *Kerly's Law of Trade Marks and Trade Names*, 15th Ed., it is suggested that use of a mark on a website will only constitute use in a particular territory if the website is specifically aimed at and used by consumers in that territory. Support for this view can be found in the judgment of Jacob J in *Euromarket Designs Inc. v Peters and Crate & Barrel Ltd* [2001] FSR 20, where he said (at paragraph 12):

“For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd. So I think that the mere fact that websites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law should regard them as being used everywhere in the world. It all depends upon the circumstances, particularly the intention of the website owner and what the reader will understand if he accesses the site.”

20. The Registered Owner has not provided the number of hits of the webpages in question, whether from users in Hong Kong or from anywhere around the world. The few pages in the two exhibits have no information on how a purchase can be effected, let alone answers to questions like how a potential buyer in Hong Kong can make payment for products he may be interested in and how delivery of the products to such a buyer can be arranged. There is no mention at all of a Hong Kong agent or distributor. Whether from the perspective of the website owner or of that of the reader who accesses the site, a conclusion that the websites referred to are specifically aimed at and used by consumers in Hong Kong can simply not be drawn on the basis of the information in the few pages of the websites shown in Exhibits LP-6 and LP-7.

21. For the reasons above, I find that the Registered Owner has not shown that there had been genuine use of the subject mark in respect of the relevant goods during the relevant period. Under section 52(2)(a) of the Ordinance, non-use is not fatal if the owner of the trade mark has valid reasons for not putting it to use. Having claimed that it had put the subject mark to use in Hong Kong during the relevant period, naturally the Registered Owner did not proffer any reason for non-use. That being the state of affairs, the application for revocation is successful.

Costs

22. As the application for revocation is successful, I award costs to the Applicant. 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.

(Caroline Chow)
for Registrar of Trade Marks
27 June 2012