

TRADE MARKS ORDINANCE (Cap. 559)

APPLICATION FOR REVOCATION OF TRADE MARK NO. 199203333AA



'HIS MASTER'S VOICE'

MARK:

CLASS: 9

APPLICANT: HMV BRAND PTE. LTD

REGISTERED OWNER: TALISMAN BRANDS, INC.

STATEMENT OF REASONS FOR DECISION

Background

1. On 27 July 2021 (“**Revocation Application Date**”), HMV BRAND PTE. LTD (“**Applicant**”) made an application (“**Revocation Application**”) under section 52(2)(a) of the Trade Marks Ordinance (Cap. 559) (“**Ordinance**”) to revoke the registration of the following mark registered under Trade Mark No. 199203333AA (“**Subject Mark**”) in class 9 on the ground of non-use, with effect from 22 August 1995, 27 July 2018 or 13 July 2020:



'HIS MASTER'S VOICE'

The Revocation Application was filed with a statutory declaration of MAN CHI HUNG EDWARD, an investigator of Focus IPC Limited, which was engaged by

the Applicant's agent to conduct investigation on the use of the Subject Mark in Hong Kong, declared on 21 July 2021 (“**Man's SD**”).

2. The Subject Mark is registered as of 1 September 1990 in respect of goods in Class 9, which covers the following goods:

Class 9

scientific, nautical, surveying and electrical apparatus and instruments (including wireless); photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; coin or counter-freed apparatus; talking machines; cash registers; calculating machines; fire-extinguishing apparatus, audio and video recordings. (“**Registered Goods**”).

3. The actual date of registration of the Subject Mark is 21 August 1992.
4. RCA TRADEMARK MANAGEMENT (“**RCA**”), the registered owner of the Subject Mark prior to 31 May 2022, filed a counter-statement on 26 January 2022 (“**Counter-statement**”) accompanied by (i) a statutory declaration of Claire Villeneuve, the President of RCA, declared on 19 January 2022 (“**Villeneuve's SD**”); and (ii) a statutory declaration of EDWIN, Chu Wing YEE, Senior Vice-President and Regional Counsel of Sony Music Entertainment Asia Inc., declared on 25 January 2022 (“**Yee's 1st SD**”).
5. The Applicant filed additional evidence in support of the Revocation Application on 25 May 2022, which consists of a statutory declaration made by LEE IN WAI VIVIEN, an associate of Messrs. ONC Lawyers, the Applicant's legal representative, dated 24 May 2022 (“**Lee's 1st SD**”).
6. In view of the assignment of the Subject Mark by RCA to TALISMAN BRANDS, INC., an application was made to the Registrar on 30 August 2022 for leave to substitute TALISMAN BRANDS, INC. (“**RO**”) as the trade mark owner of the Subject Mark in the subject proceedings. Leave for substitution was granted on 16 November 2022. The date of assignment of the Subject Mark from RCA to the RO was 31 May 2022.
7. Leave was further given to the RO to file further evidence under rule 38(4) of the Trade Mark Rules (Cap. 559A) (“**Rules**”), which consists of the 2nd statutory

declaration made by EDWIN, Chu Wing YEE dated 27 March 2023 (“Yee’s 2nd SD”) filed on 28 March 2023. Leave was further granted to the RO to file the 3rd statutory declaration made by EDWIN, Chu Wing YEE dated 30 June 2023 (“Yee’s 3rd SD”), which contains the same contents as Yee’s 2nd SD, with exhibits printed in enhanced quality for easier reading.

8. The Applicant was also granted leave to file further evidence in response to Yee’s 2nd SD, which consists of the 2nd statutory declaration made by LEE IN WAI VIVIEN dated 25 October 2023 (“Lee’s 2nd SD”) filed on 26 October 2023.
9. The hearing in respect of the Revocation Application took place before me on 20 February 2024. The Applicant has not filed any notice of attendance at the hearing (Form T12) within the prescribed period and is treated as not intending to appear at the hearing under rule 74(5) of the Rules. Ms. Phyllis Lee, Counsel, instructed by Messrs. Wilkinson & Grist, appeared on behalf of the RO. I reserved my decision at the end of the hearing.

Grounds of revocation

10. 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).”

11. By the Revocation Application filed on 27 July 2021, the Applicant contends that the Subject Mark had not been genuinely used by RCA or with its consent in respect of the Registered Goods for a continuous period of more than 3 years since 21 August 1992, and immediately preceding the Revocation Application Date; and there are no valid reasons for non-use. The Applicant requests that the Subject Mark be revoked in respect of the Registered Goods from 22 August 1995, 27 July 2018, 13 July 2020 or any other date as the Registrar deems appropriate, with costs to the Applicant.
12. In view of the above, I should consider under section 52(2)(a) of the Ordinance whether the Subject Mark has been genuinely used in Hong Kong by RCA or with its consent in relation to the Registered Goods during the 3-year period beginning on 22 August 1992 (i.e. 22 August 1992 to 21 August 1995) (“**1st Relevant Period**”), or 27 July 2015 (i.e. 27 July 2015 to 26 July 2018) (“**2nd Relevant Period**”), or 13 July 2017 (i.e. 13 July 2017 to 12 July 2020) (“**3rd Relevant Period**”) (collectively as “**Relevant Periods**”).
13. According to section 52(4) of the Ordinance, genuine use of the Subject Mark after the expiry of the 3-year period ending on 21 August 1995 (i.e. the 1st Relevant Period), 26 July 2018 (i.e. the 2nd Relevant Period) or 12 July 2020 (i.e. the 3rd Relevant Period) but before the Revocation Application Date, i.e. during the period from 22 August 1995 to 26 July 2021 (“**1st Subsequent Period**”) or 27 July 2018 to 26 July 2021 (“**2nd Subsequent Period**”) or 13 July 2020 to 26 July 2021 (“**3rd Subsequent Period**”) (collectively as “**Subsequent Periods**”), may, subject to the provision of section 52(5), save the Subject Mark from being revoked. I should therefore also consider whether the Subject Mark has been genuinely used in respect of the Registered Goods in Hong Kong during any of the Subsequent Periods.

Burden of proving use

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

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

15. Accordingly, by virtue of section 82(1) of the Ordinance, the evidential burden of showing genuine use of the Subject Mark in Hong Kong in respect of the Registered Goods during the Relevant Periods lies upon the RO (*Pan World Brands Ltd v Tripp Ltd (Extreme Trade Mark)* [2008] RPC 2, paragraph 24).

Evidence of the Applicant


16. According to Man’s SD, investigations were conducted by Mr. Man on RCA’s use of the Subject Mark in respect of the Registered Goods upon receiving instructions from the Applicant’s lawyers on 7 June 2021. The investigations include searches on RCA at the Wikipedia.org database on 15 June 2021, in which one of the search results linked to a page on Wikipedia in relation to “His Master’s Voice” containing information which wrote “*In the original 1898 painting, the dog is listening to a cylinder phonograph. It was a famous trademark and logo of the RCA Victor record label*”, but no evidence of use was located.¹ Man conducted further internet searches on Google and Yahoo with the phrase “RCA HIS MASTER’S VOICE Nipper Dog” and found RCA’s website at <https://www.rca.com/us/en/nipper-chipper-1720-us-en/>.² Man also browsed the picture search result on Google and Yahoo based on the phrase “RCA HIS MASTER’S VOICE Nipper Dog” and noted that the top 10 search results were not related to the Subject Mark or any of the Registered Goods.³ Man visited the aforementioned website and noted the website included the trade mark history of

¹ Exhibits EM-1 and EM-2 to Man’s SD.

² Exhibits EM-3 and EM-5 to Man’s SD.

³ Exhibits EM-4 and EM-6 to Man’s SD.



the following mark “  ”.⁴ Man avers that no evidence of use of the Subject Mark in relation to the Registered Goods was located on the website, and there was no address for Hong Kong in the “SELECT YOUR COUNTRY” icon on the website.⁵

17. Man avers that he also conducted an internet search and located RCA’s contact details on the following website: www.dnb.com “Dun & Bradstreet”, which include an address and phone number in France.⁶ Man avers that he tried to call the phone number from 16 June 2021 to 22 June 2021 but no one answered his call.
18. Man concluded that in view of the searches conducted above, he is of the view that the Subject Mark has not been used by RCA or with its consent in respect of the Registered Goods in Hong Kong for a continuous period of at least three years since its actual date of registration on 21 August 1992.

Counter-statement and RO’s evidence of use

19. In the Counter-statement, RCA claims that the Subject Mark has been continuously and genuinely used in respect of the Registered Goods in Hong Kong with its consent since at least 21 August 1992, the actual date of registration of the Subject Mark, and in the 3 years preceding the Revocation Application Date.
20. According to Villeneuve’s SD, the Subject Mark was initially registered in the name of “GENERAL ELECTRIC COMPANY”, and subsequently assigned to “RCA TRADEMARK MANAGEMENT SA”, which later changed its name to “RCA TRADEMARK MANAGEMENT”.⁷ Villeneuve avers that a licence

⁴ Exhibit EM-7 to Man’s SD.

⁵ Man’s SD, para. 11 and Exhibit EM-8.

⁶ Man’s SD, para. 12 and Exhibit EM-9.

⁷ Exhibit CV-1 to Villeneuve’s SD.

agreement was entered into between RCA Corporation (a company which merged into General Electric Company in 1987) and Bertelsmann AG (“**BAG**”) on 15 December 1986. Under the licence agreement, BAG is licensed by RCA Corporation to use trade marks depicting “rep of dog & gramophone and words ‘HIS MASTER’S VOICE’” in Hong Kong, which according to Villeneuve, includes the Subject Mark which was actually registered in Hong Kong on 21 August 1992.⁸ In 2004, BAG entered into a joint venture with Sony Corporation of America (together with Sony Group Corporation, collectively referred to as “**Sony**”), pursuant to which BAG’s music division was merged with Sony’s music division to form Sony BMG Music Entertainment (“**JV**”). In 2008, Sony acquired BAG’s shares in the JV, which was thereafter renamed as Sony Music Entertainment (“**SME**”), and succeeded BAG’s licensed rights to use the Subject Mark in Hong Kong. Under an intra-group agreement, Sony Music Entertainment Hong Kong Ltd (“**SME HK**”) has licences/sub-licences from SME and its affiliated companies to use in Hong Kong trade marks owned or controlled by them from time to time. Hence, SME and SME HK are the ultimate successor licensees to use the Subject Mark in relation to the Registered Goods in Hong Kong.⁹

21. Yee claims that SME and SME HK and their predecessor licensees, published and marketed for sale audio recordings in the forms of vinyl records, CD albums, and digital downloadable sound tracks at various outlets in Hong Kong.¹⁰

A. *Vinyl Records*

- Exhibit EY-1 to Yee’s 1st SD is a print-out from vinylhk.com displaying the vinyl record of Elvis Presley, in which the Subject Mark with a line of words underneath (which Yee avers as a minor variant of the Subject Mark), was shown at the corner of the cover and the back of the record. It is noted that the record version is year 1976 and the copyright notice of the website is year 2020.

B. *CD albums*

- Exhibit EY-2 to Yee’s 1st SD is a print-out from the website of Sui Seng Trading Co., Ltd (CD Warehouse) (“**Sui Seng**”) listing the CD album



⁸ Villeneuve’s SD, paras. 6 and 7, and Exhibits CV-2 and CV-3.

⁹ Yee’s 1st SD, paras. 4 and 5.

¹⁰ Yee’s 1st SD, para. 7.

“Chopin Nocturnes” by Arthur Rubinstein (“**Chopin Album**”) sold at HK\$128, and “Scheherazade” by Reiner, Chicago Symphony (“**Scheherazade Album**”) sold at HK\$99. The Subject Mark appears at the corner of the front cover of the Chopin Album, and the copyright notice on the back cover of the album shows the year 2010. The Subject Mark appears on the front cover of the Scheherazade Album.

- Exhibit EY-3 to Yee’s 1st SD is a print-out of SME HK’s inventory record on the stock of the Chopin Album corresponding to its sales to Sui Seng from December 2010 to January 2021. Exhibit EY-14 to Yee’s 3rd SD is a print-out of SME HK’s inventory record on the stock of the Scheherazade Album corresponding to its sales to Sui Seng and other wholesalers/distributors from December 2010 to May 2020. The sales volume of these two albums are as follows:

Album bearing the Subject Mark	Period of sales to distributors	Total sales
<p>Chopin Album</p> 	December 2010 to January 2021.	548
<p>Scheherazade Album</p> 	December 2010 to May 2020	397



C. *Digital downloadable sound tracks*

- Exhibit EY-4 to Yee’s 1st SD is a self-compiled table on the digital audio recordings marketed for sale by SME and SME HK on several online music platforms from 2018 to 2021. Only 8 albums in the table have album covers attached, which includes the Chopin Album, the Scheherazade Album, the “*Tchaikovsky: 1812 Overture*” album by Reiner, Chicago Symphony Orchestra (“**Tchaikovsky Album**”) and the “*Chopin: 8 Polonaises - 4 Impromptus*” album by Arthur Rubinstein (“**8 Polonaises Album**”).
- Exhibit EY-5 to Yee’s 1st SD is a print-out of undated screenshots of Apple iTunes US website of 4 albums with the Subject Mark at the corner of their covers. Exhibit EY-6 is a print-out from Internet Archive Wayback Machine of the Chopin Album’s availability on Apple iTunes US website on 11 November 2020 and 24 February 2021.
- Exhibit EY-15 to Yee’s 3rd SD contains print-outs from screenshots of the Apple iTunes Connect system and Sony Music AOMA system, showing the Chopin Album was first released on iTunes on 28 January 2013 and available on 113 iTunes stores including the one in Hong Kong.
- Exhibit EY-16 to EY-19 to Yee’s 3rd SD contain screenshots from Apple iTunes Connect showing the sales and streaming trends of the Chopin Album, the Scheherazade Album, the Tchaikovsky Album and the 8 Polonaises Album in Hong Kong in 2021. The number of streams of tracks from these albums at Apple iTunes are as follows:

Album bearing the Subject Mark	Number of streams in 2020 (round off to 2 significant figures)	Number of streams in 2021
Chopin Album	190,000 ¹¹	218,000
Scheherazade Album	68 ¹²	396

¹¹ According to para. 11 and Exhibit EY-16 to Yee’s 3rd SD, the total number of streams of the various tracks in the Chopin Album by consumers in Hong Kong in 2021 was 218,000, which saw a 13% increase from the previous year. The figure for 2020 is estimated by dividing 218,000 by (1+0.13), and rounded off to 2 significant figures.

¹² According to para. 12 and Exhibit EY-17 to Yee’s 3rd SD, the total number of streams of the various tracks in the Scheherazade Album by consumers in Hong Kong in 2021 was 396, which saw a 482% increase from the previous year. The figure for 2020 is estimated by dividing 396 by (1+4.82), and

<p>Tchaikovsky Album</p> 	<p>320¹³</p>	<p>163</p>
<p>8 Polonaises Album</p> 	<p>560¹⁴</p>	<p>655</p>

- Exhibit EY-20 to Yee's 3rd SD contains screenshots from KKBOX showing the weekly digital sales records of and streaming trends of the Chopin Album, the Tchaikovsky Album and the 8 Polonaises Album in 2021 in Hong Kong. The number of streams of tracks from these 3 albums at KKBOX for the period starting from 1 January 2021 to 31 March 2021 were 8, 2 and 7 respectively.

22. Yee avers that in view of the aforementioned sales of albums and streams of digital sound tracks, there is genuine and continuous use of the Subject Mark in respect of the Registered Goods in Hong Kong with the consent of the RO since at least 2010 and in the 3 years preceding the Revocation Application Date. Yee avers that since genuine use of the Subject Mark commenced/resumed after the

rounded off to 2 significant figures.

¹³ According to para. 13 and Exhibit EY-18 to Yee's 3rd SD, the total number of streams of the various tracks in the Tchaikovsky Album by consumers in Hong Kong in 2021 was 163, which saw a 49% decrease from the previous year. The figure for 2020 is estimated by dividing 163 by (1-0.49), and rounded off to 2 significant figures.

¹⁴ According to para. 14 and Exhibit EY-19 to Yee's 3rd SD, the total number of streams of the various tracks in the 8 Polonaises Album by consumers in Hong Kong in 2021 was 655, which saw a 17% increase from the previous year. The figure for 2020 is estimated by dividing 655 by (1+0.17), and rounded off to 2 significant figures.

expiry of any of the Relevant Period but before the Revocation Application Date may rescue the Subject Mark from being revoked, it is not necessary to address all other periods of non-use alleged by the Applicant.¹⁵

Additional Evidence of the Applicant

23. The additional evidence filed by the Applicant consists of Lee's 1st SD and Lee's 2nd SD, which are mainly comments made by Ms. Vivien Lee on the RO's evidence. The comments are mainly observations or submissions, which I do not propose to summarize but will refer to the relevant parts of them if and when appropriate for the discussions in the latter part of this decision.

Relevant Legal Principles

24. The policy of providing for the revocation of a registered trade mark on ground of non-use has been discussed in the case of *Brands Inc Ltd. Kabushiki Kaisha Regal Corp* [2006] HKEC 2313 ("**Brands**"). 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*¹⁶, 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.”

25. Further, as a trade mark and the rights that are conferred by it are essentially

¹⁵ Yee's 3rd SD, para. 17.

¹⁶ *Ansul BV v Ajax Brandbeveiliging BV* [2005] Ch 97.

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).

26. What constitutes genuine use has been considered in a number of cases including *Ansul*, *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38 (“*La Mer*”), *Laboratoire de la Mer Trade Mark* [2006] FSR 5 (“*Laboratoire*”) and *Brands*. The relevant principles are:

- (i) 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).
- (ii) Genuine use does not include token use for the sole purpose of preserving the rights conferred by that mark (*La Mer*, paragraph 27).
- (iii) 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).
- (iv) 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).
- (v) Where use of the mark does not have as its essential aim the preservation or creation of market share for the goods or services which it protects, such use must be considered in fact to be intended to defeat any request for revocation (*La Mer*, paragraph 26)
- (vi) 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).

- (vii) 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).
- (viii) The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account (*La Mer*, paragraph 22)
- (ix) What matters are the objective circumstances of each case, and not the owner's commercial intention, purpose or motivation (*Laboratoire*, paragraph 34).
- (x) 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).
- (xi) What is essential (other than where section 52(3)(b) of the Ordinance 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).

27. As stated in *Kabushiki Kaisha Fernandes v OHIM* (Case T-39/01) [2003] ETMR 98 (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 present case

28. The Applicant has, through Man’s SD, provided evidence that internet searches and investigations mentioned in paragraphs 16 and 17 above did not identify any use of the Subject Mark in Hong Kong in respect of the Registered Goods during the Relevant Periods. I am satisfied that the absence of any use evidence of the Subject Mark from the internet searches and investigations is sufficient to establish a prima facie case that the Subject Mark was not used during the Relevant Periods. The legal burden of proving the requirements for revocation under section 52(2)(a) of the Ordinance, which lies on the Applicant, has been met. By virtue of section 82(1) of the Ordinance, the evidential burden of showing what use has been made of the Subject Mark would then lie upon the RO.
29. In light of the relevant principles mentioned in paragraphs above, I have to consider whether the RO can demonstrate by objective and solid evidence that the Subject Mark has been genuinely used in Hong Kong in relation to the Registered Goods during the Relevant Periods.
30. First of all, the RO did not file any evidence showing use of the Subject Mark in the 1st Relevant Period. In addition, as noted in Yee’s 1st SD and Yee’s 3rd SD,¹⁷ the RO’s evidence concentrates on use of the Subject Mark from 2010 onwards only. I can thus conclude that there is no use of the Subject Mark in the 1st Relevant Period. The next question is whether the RO can successfully defend the Revocation Application by invoking section 52(4). At the hearing, Ms. Phyllis Lee submitted that in view of section 52(4), if the Registrar is satisfied that there was genuine use of the Subject Mark during the 1st Subsequent Period, it is not necessary to consider use of the Subject Mark in the other Relevant Periods.
31. As illustrated in paragraphs 12 and 13 above, the 1st Subsequent Period which is

¹⁷ See paragraph 22 above.

to be considered for the purpose of section 52(4) in fact covers the 2nd and 3rd Relevant Periods, as well as the 2nd and 3rd Subsequent Periods. If the RO can discharge the burden of proving genuine use of the Subject Mark in respect of the Registered Goods in Hong Kong in the 1st Subsequent Period, subject to section 52(5), the RO would be able to resist the Revocation Application.

32. The RO's evidence has been summarized in paragraphs 20 to 22 above. Ms. Phyllis Lee acknowledged at the hearing that there is no evidence to show use of the Subject Mark on the following goods: "scientific, nautical, surveying and electrical apparatus and instruments (including wireless); photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; coin or counter-freed apparatus; talking machines; cash registers; calculating machines; fire-extinguishing apparatus, video recordings"; and confirmed that the Registered Goods bearing the Subject Mark, which are primarily classical music, have been mainly marketed in the forms of vinyl records, CD albums and digital downloadable sound tracks. I consider that the evidence contains nothing which can show that the Subject Mark had, since the date of registration, ever been used by the RO on or in relation to "scientific, nautical, surveying and electrical apparatus and instruments (including wireless); photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; coin or counter-freed apparatus; talking machines; cash registers; calculating machines; fire-extinguishing apparatus, video recordings" in the Registered Goods.
33. I will move on to consider the claimed uses in paragraphs 21 and 22 above to see whether the evidence adduced could demonstrate the Subject Mark has been genuinely used in Hong Kong by the RO and/or its licensees SME and SMEHK in relation to "audio recordings" during the 1st Subsequent Period.
34. RO claims that in Exhibit EY-1 to Yee's 1st SD, the displaying of a vinyl record bearing the Subject Mark on a website with copyright notice showing 2020 demonstrates that the album was available in 2020. On the other hand, Ms. Vivien Lee commented in Lee's 1st SD that the exhibit was undated and the record version was stated as "1976" with quantity indicated as "1"; the sleeve and media condition were referred to as "VG+", which she assumed to mean "Very Good" condition. Ms. Lee was of the view that the album offered for sale on the website is in fact a second-hand vintage vinyl record and not a

newly-released or continuously published or released version of it. She also commented that the exhibit could not demonstrate whether the record was put on sale by the RO directly or by other unrelated third parties. She was of the view that the second-hand trading of goods does not amount to genuine use of a trade mark and hence the exhibit does not support RO's assertion on continuous use of the Subject Mark in respect of vinyl records. Ms. Lee's comments to Exhibit EY-1 above was not addressed in Yee's 3rd SD. Also, Ms. Phyllis Lee did not make any submission on use of the Subject Mark with reference to this exhibit.

35. Considering the arguments above, I agree with the observation in Lee's 1st SD that the vinyl record in this exhibit appears to be a version released in 1976. There is also no evidence to show that the vinyl record was put on sale on the website by the RO or with its consent. I am of the view that this exhibit cannot show genuine use of the Subject Mark in Hong Kong in relation to the Registered Goods during the Relevant Periods and Subsequent Periods.¹⁸
36. The RO claims that Exhibits EY-2 and EY-3 to Yee's 1st SD, and Exhibit EY-14 to Yee's 3rd SD demonstrated the sales of the Chopin Album and the Scheherazade Album to local distributors in Hong Kong from 2010 to 2021. At the hearing, Ms. Phyllis Lee submitted that evidence in relation to actual sales by distributors such as CD Warehouse to the public could not be provided as the sales data belonged to other third parties. However, the exhibits do show there is a restock of the two albums by distributors; the changes in inventory and sales to distributors could show that sales must have been made by the distributors to consumers and end users. Ms. Phyllis Lee further submitted that the relevant genre of the albums is classical music which are not too popular. Hence, even though the volume of sales of the albums is modest, which may be due to the current trend where physical sales of CD albums are becoming obsolete, it still shows that there were actual sales (which is not token and not internal) of the albums to the public, and could demonstrate continuous use of the Subject Mark on the Registered Goods from 2010 to 2021.
37. In Lee's 1st SD and Lee's 2nd SD, Ms. Vivien Lee commented that the RO's evidence does not indicate sales of the Chopin Album and the Scheherazade Album by distributors to the public, and there is also no evidence of turnover of such albums. Lee also observed that the sales of the two albums are extremely low throughout the respective period of sales, and casted doubt as to whether the

¹⁸ *Kerly's Law of Trade Marks and Trade Names* 17th Ed., paras. 12-086 and 12-087.

alleged sales over the period sufficiently demonstrated a level and nature of activity that amounted to (1) real commercial exploitation of the Subject Mark on market, (2) enabled the maintaining of a market share for goods bearing the Subject Mark, or (3) created or preserved an outlet for the goods that bore the Subject Mark in the ordinary course of trade at all. In response to the RO's comment that physical CD albums are becoming obsolete, she avers that studies have shown that CDs remain the most popular format, specifically in relation to classical music.¹⁹ Lee further commented that since the Subject Mark shown on the cover of the Scheherazade Album is in a relatively small size, and not placed in a conspicuous or eye-catching manner, she was of the view that consumers would be unlikely to pay attention to it, and would more likely focus on the name of the album only.

38. In my view, although Exhibit EY-3 to Yee's 1st SD and Exhibit EY-14 to Yee's 3rd SD could not show the actual sales figures of the albums from local distributors to the public, however, coupled with the print-out from the website of Sui Seng at Exhibit EY-2 to Yee's 1st SD, they constitute contemporaneous documentary support for the RO's evidence²⁰ that there were more than 900 copies of the Chopin Album and the Scheherazade Album sent to shops, including CD Warehouse, from 2010 to 2021 (such period falls within the 1st Subsequent Period) for retail sales. These two exhibits are thus not merely evidence of use internal to the RO, but also corroborates evidence of use external to the RO.
39. As for digital downloadable sound tracks, Exhibit EY-5 to Yee's 1st SD contains undated print-outs of screenshots from Apple iTunes US website. I cannot conclude from this exhibit any use of the Subject Mark in the Relevant Periods and the Subsequent Periods since the screenshots are undated.
40. Exhibit EY-6 to Yee's 1st SD contains print-outs of historic screenshots from Apple iTunes US website (<https://music.apple.com/us/>) in relation to the Chopin Album on 11 November 2020 and 24 February 2021 respectively, which appeared to be captured from the **United States page** of Apple iTunes.
41. Regarding use on the internet, the mere fact that websites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law

¹⁹ Lee's 2nd SD, para. 7 and Exhibit VL-1.

²⁰ Yee's 3rd SD, para.8.

should regard them as being used everywhere in the world.²¹

42. In *1-800 Flowers Inc v Phonenames Ltd* [2002] FSR 12, Buxton L.J. stated that:

“137. ... There is something inherently unrealistic in saying that A ‘uses’ his mark in the United Kingdom when all that he does is to place the mark on the Internet, from a location outside the United Kingdom, and simply wait in the hope that someone from the United Kingdom will download it and thereby create use on the part of A....

138. ... the very idea of ‘uses’ within a certain area would seem to require some **active step** in that area on the part of the user that goes beyond providing facilities that enable others to bring the mark into the area. Of course, if persons in the United Kingdom seek the mark on the Internet in response to direct encouragement or advertisement by the owner of the mark, the position may be different; but in such a case the advertisement or encouragement in itself is likely to suffice to establish the necessary use.” (*emphasis* added)

43. In *Dearlove v Combs* [2007] EWHC 375 (Ch), it was held that:

“25. I believe it is clear from these authorities that placing a mark on the internet from a location outside the United Kingdom can constitute use of that mark in the United Kingdom. The internet is now a powerful means of advertising and promoting goods and services within the United Kingdom even though the provider himself is based abroad. The fundamental question is whether or not the **average consumer** of the goods or services in issue within the United Kingdom would regard the advertisement and site as being **aimed** and **directed** at him. **All material circumstances** must be considered and these will include the nature of the goods or services, the appearance of the website, whether it is possible to buy goods or services from the website, whether or not the advertiser has in fact sold goods or services in the United Kingdom through the website or otherwise, and any other evidence of the advertiser's intention.” (*emphasis* added)

44. In *China National Gold Group Corporation v. HK China Gold Co Ltd* (HCA 88/2013), a case on trade mark infringement and passing-off, Hon Chung J stated as follows:

²¹ *1-800 Flowers Inc v Phonenames Ltd* [2000] FSR 697.

“16. The plaintiff fairly accepts that the use of its trade mark on the internet does not invariably amount to its use within the jurisdiction. Reference has been made to Kerly’s Law of Trade Marks and Trade Names (2011) 15th Ed. The state of the law seems to be this:

(1) the use of a mark on a website which can be accessed from anywhere in the world does not necessarily constitute use of the mark throughout the world (para 27-059 thereof, p 872);

(2) the other extreme, that is, such a use only takes place in the country where the web server is situated is also incorrect (para 27-059 thereof, p 873);

(3) the dividing line is indicated by normal principles. It is ultimately a question of fact to be decided in the circumstances. An important matter is **whether the website is “aimed and directed” at customers within the jurisdiction and seeks order for delivery to the jurisdiction** (going beyond merely waiting in the hope of custom from within the jurisdiction). The inquiry is an objective one, to be judged **from the reasonable user’s understanding** when looking at the website (para 27-062 and 27-064 thereof);

(4) what is required is not an established trade within the jurisdiction (although this will be an important factor) but for use of the mark in the course of trade (para 27-062 thereof);

(5) the quality of the internet users is that they are reasonably robust: they expect an internet search to produce a lot of irrelevant sites, and expects many to be foreign (para 27-063 thereof).²²

(1-800 Flowers Inc v Phonenames Ltd [2000] FSR 697 and Euromarket Designs Inc v Peters [2001] FSR 20 were cited in support) The above summary has in effect been referred to in the decision of Kabushiki Kaisha Yakult Honsha and Others v Yakudo Group Holdings Ltd and Another (No 4) [2004] 2 HKLRD 587, para 98 to 101.” (emphasis added)

45. With reference to Exhibit EY-6 to Yee’s 1st SD, although it shows the Chopin

²² Kerly’s Law of Trade Marks and Trade Names 17th Ed., paras 28-066, 28-069 to 28-071.

Album appearing on Apple iTunes US website, there is no actual evidence that any internet users in Hong Kong has visited the website or that any of the digital sound tracks have been downloaded or streamed by internet users in Hong Kong through this website during the 1st Subsequent Period. There is no evidence of any direct encouragement or advertisement in Hong Kong which would direct the attention of customers in Hong Kong to seek the Chopin Album from this US website. There is no evidence to show that an internet user can actually download or stream the tracks from this US website.

46. Taking into account the principles referred to in paragraphs 42 to 44 above, I do not consider there is sufficient evidence to show that the Apple iTunes US website was aimed and directed at average consumers of the Subject Goods in Hong Kong such that use of a trade mark on that website as evidenced by Exhibit EY-6 to Yee's 1st SD can be regarded as use of that trade mark *in Hong Kong*.
47. Whilst the RO claims that the screenshots in Exhibit EY-15 to Yee's 3rd SD shows that the Chopin Album was provided for streaming on Apple iTunes Hong Kong store since January 2013, I agree with Ms. Vivien Lee's views that the exhibit only shows that the "original release date" of the Chopin Album on iTunes was in January 2013; it does not indicate when the album was available on Apple iTunes Hong Kong store as the screenshot was undated.²³ At the hearing, Ms. Phyllis Lee also acknowledged that the exhibit could not clearly indicate the date of the availability of the Chopin Album on Apple iTunes Hong Kong store. In view of the above, I cannot conclude from this exhibit that the Chopin Album was available for streaming on Apple iTunes Hong Kong store since January 2013.
48. Although it is claimed that the self-compiled table at Exhibit EY-4 to Yee's 1st SD shows albums with covers bearing the Subject Mark (or a minor variant thereof) marketed for sale digitally in Hong Kong in the form of online downloadable sound tracks on Apple iTunes, Presto Classical and MOOV,²⁴ I agree with Ms. Vivien Lee's observation that there is no evidence that such downloadable sound tracks have been offered on MOOV and Presto Classical platforms. Of the 26 albums listed in the table, there is evidence in respect of only four of them (by way of Exhibits EY-16 to EY-20 to Yee's 3rd SD) that tracks in those albums have been made available on online music platforms in

²³ Lee's 2nd SD, para. 8.

²⁴ Yee's 1st SD, para. 10.

Hong Kong.

49. In Lee's 2nd SD,²⁵ Ms. Lee commented that the Exhibits EY-16 to EY-19 to Yee's 3rd SD refer to streaming records on Apple iTunes Hong Kong store in 2021 as a whole, and it is impossible to ascertain the number of streams each month, in particular whether the streams in 2021 were made prior to the 3-month period before the Revocation Application Date. She further commented that deducing from the exhibits, the majority of the play counts for 2020 are in single digits or in the low range with an average of less than 5 plays per month, and such numbers cannot reasonably be considered sufficient to maintain a market share for the Registered Goods bearing the Subject Mark.
50. At the hearing, Ms. Phyllis Lee submitted that the number of streams for the Chopin Album in 2020 and 2021 were not an insignificant number. Although there is no breakdown on the number of streams in each month in 2021 in the exhibits, they do indicate that the albums referred to in paragraph 21 above were available for streaming on Apple iTunes Hong Kong store and KKBOX Hong Kong platforms in 2020 and 2021. She further submitted that although the number of streams for some of the albums may be modest given their genre are primarily classical music, it is trite law that genuine use of a mark does not have to be quantitatively significant. She submitted that the physical sales volume and the number of online streams of the CD albums should be considered as whole and there is continual marketing and sales of the Registered Goods in Hong Kong in the forms of CD albums and/or digital downloadable tracks from 2010 to 2021 in various outlets in Hong Kong and online platforms targeting Hong Kong consumers, which demonstrated that the use of the Subject Mark was not token or internal. Such use would qualify as genuine use of the Subject Mark in the Hong Kong market in the 1st Subsequent Period.
51. I note from the exhibits that the Subject Mark appears on the upper right-hand corner of the front covers of the Chopin Album, the Tchaikovsky Album and the 8 Polonaises Album. The rest of the cover of these 3 albums are dominated by images/portraits and the title of the respective albums. As for the Scheherazade Album, the Subject Mark appears in the middle part of the front cover in a relatively small size, and the cover of this album is dominated by its title and a coloured image of a woman. I am of the view that despite its rather small size, given the position of the Subject Mark on these album covers and the manner in

²⁵ Lee's 2nd SD, paras. 9 to 13.

which it is presented thereon, the average consumer would perceive it as a badge of origin rather than simply for decorative purposes.

52. I agree with Ms. Phyllis Lee that the RO's evidence of use should be considered in a holistic manner. I remind myself that when determining whether there has been genuine use of a mark, 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.
53. The evidence of use of the Subject Mark concerns physical CD albums and digital sound tracks from 2010 to 2021. Whilst the sales figures of the CD albums and the number of streams were not high, the changes in inventory records and the streaming figures as shown in the exhibits referred to in paragraph 21 above do show that there has been regular and continuous sales and streams of the albums and sound tracks throughout the respective periods as referred to in those exhibits. Taking into account the market for classical music is comparatively small and less popular than other genre of music in general, and bearing in mind that it is not essential to show that use of a mark has been quantitatively significant, I am of the view that the RO's aforementioned use of the Subject Mark on physical CD albums and digital sound tracks was not *de minimis* or token.
54. After considering the characteristics of the market concerned, and all the relevant facts and circumstances of the present case, I find that the evidence as a whole, which shows (i) the physical sales of copies of two CD albums bearing the Subject Mark on its cover from 2010 to early 2021, and (ii) the making available to the public for streaming of four albums bearing the Subject Mark on Apple iTunes Hong Kong store and KKBOX Hong Kong in 2020 and the first three months in 2021, shows use of the Subject Mark which is warranted in the economic sector concerned to maintain or create a share in the market, and that there has been genuine use of the Subject Mark in Hong Kong in respect of "audio recordings" during the 1st Subsequent Period. I am satisfied that the RO has demonstrated by objective and solid evidence that the Subject Mark has been put into genuine use by the RO or with its consent in relation to "audio recordings" during the 1st Subsequent Period which, under section 52(4) of the

Ordinance, is sufficient to avoid revocation of the registration of the Subject Mark in relation to those goods.

55. On the other hand, as mentioned in paragraph 32 above, the evidence contains nothing which can show that the Subject Mark had, since the date of registration, been used by the RO in respect of the any of the Registered Goods other than “audio recordings” (“**Other Goods**”). Throughout the proceedings, the RO maintained a positive case of use of the Subject Mark and mentioned no reasons for non-use of the Subject Mark on Other Goods. The RO therefore has no reasons for non-use to rely on in order to save the registration of the Subject Mark from being revoked in respect of Other Goods.

Partial Revocation

56. Section 52(6) of the Ordinance provides as follows:

“Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.”

57. In paragraph 12-128 of *Kerly’s Law of Trade Marks and Trade Names* (17th ed.), the learned author referred to the UK approach to partial revocation which was summarized by the Appointed Person (Richard Arnold QC) in *Nirvana Trade Mark* (UK Trade Marks Registry case: BL O-262-06) as follows:

“(1) The tribunal’s first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

To which he added a further point:

(9) It is for the Tribunal to frame a fair specification and not the parties.”

58. Based on the RO’s evidence, I find that there has been genuine use of the Subject Mark in goods in the form of physical CD albums and digital sound tracks during the 1st Subsequent Period, and the average consumer would fairly describe such goods as “audio recordings”. There has not been any use of the Subject Mark in relation to the Other Goods. Bearing the foregoing principles in mind, I consider that “audio recordings” is a fair description of the goods for which the Subject Mark had been used.
59. The result is that the registration of the Subject Mark is to be revoked in respect of Other Goods with effect from 22 August 1995. The specification, after the partial revocation as ordered, is to read “audio recordings”.

Costs

60. Both the Applicant and the RO have sought costs. As each side has achieved a measure of success the present proceedings, each should bear its own costs. I therefore make no order as to costs.

(Emily Wong)

for Registrar of Trade Marks

1 August 2024