

## **Bills Committee on Trade Marks Bill**

### **Clause 50(2) – “Genuine Use”**

#### **Introduction**

As requested by the Bills Committee at its meeting on 16 March 2000, this note explains the use of the term “genuine use” in the context of “non-use” as a ground for revocation under Clause 50(2) of the Trade Marks Bill.

#### **Background**

2. “Non-use” as a ground for revocation of a mark is available under Section 37 of the existing Trade Marks Ordinance. This provision is similar to Section 26 of the UK Trade Marks Act 1938 which refers to “bona fide use”. The term “genuine use” under Clause 50(2) of the Trade Marks Bill is adapted from Section 46 of the UK Trade Marks Act 1994.

#### **“Genuine use” under UK Trade Marks 1994 Act**

3. In *ZIPPO Trade Mark* [1999] RPC 173, the judge referred to *Bon Matin Trade Mark* [1989] RPC 537, a case on Section 26 of the UK 1938 Act, and remarked that -

“This is of course a case that was decided under the old law where the requirement was for bona fide use. Nevertheless I think it is accepted that the word “genuine” as used in section 46 of the Trade Marks Act 1994 is not intended to have a material effect on practice in this area, other than to clarify the position by reflecting in the statute what the previous language had come to mean after decades of decided cases under the old law.”

4. In that case, the registered proprietor accepted that the use as established in evidence was not substantial. The applicant for removal

accepted that there had been some use, and that such use as there had been was “not fake”, which the judge interpreted as having substantially the same meaning as “genuine”. The judge concluded that there had been genuine use of the mark.

5. In view of the observations in *ZIPPO Trade Mark* above, cases on “bona fide use” under the UK 1938 Act would continue to be relevant for cases on “genuine use” under the existing UK Trade Marks Act 1994.

### **“Bona fide use”**

6. In *Electrolux Ltd v Electrix Ltd* (1954) 71 RPC 23, the UK Court of Appeal held that “bona fide” in Section 26 of the 1938 Act meant genuine, judged by commercial standards.

7. In that case, the Plaintiff was the registered proprietor of the marks “Electrolux” and “Electrux”. The plaintiff did not use the mark “Electrux” until nearly 20 years after its registration when it became clear that the defendants were using the mark “Electrix”, and that the plaintiff would be more likely to succeed against the defendants in pleading infringement of its mark “Electrux” than its mark “Electrolux”. When the plaintiff sued the defendants for infringement of its mark “Electrux”, the defendants moved to expunge that mark from the Register on the ground of no bona fide use. On the evidence, the court held that commercially speaking, the plaintiff’s use of “Electrux” was an ordinary and genuine use, and that the use was substantial. The defendants had failed to disprove the plaintiff’s claim of bona fide use.

8. In *Imperial Group Ltd. v Philip Morris & Co. Ltd.* [1982] FSR 72, the plaintiff, wishing to protect the unregistrable mark “Merit”, registered instead the “ghost mark” “Nerit”. When he was threatened with revocation proceedings to expunge “Nerit” for non-use, the plaintiff made token use of it (he had never intended to do more). The court held that this was not bona fide use within Section 26 of the UK 1938 Act, and that the mark could be struck off under that section.

9. In *Bon Matin Trade Mark* [1989] RPC 357, the registered proprietor, who used the mark in France, had made intermittent and unsuccessful attempts to find a distributor for the trade marked goods in the UK. The only use of the mark in the UK prior to the application for removal was on two occasions in price lists and promotional literature.

The judge considered that substantiality of use was undoubtedly a relevant factor, but the circumstances as a whole should be considered before coming to a conclusion as to whether there had been bona fide use of the trade mark. It was concluded in this case that the registered proprietor's use, though slight, showed a genuine intention to establish a market in goods under the mark, and was therefore bona fide use.

## **Conclusion**

10. The term "genuine use" in Clause 50 of the Bill clarifies the law in this area of revocation for non-use and is therefore appropriate.

Trade and Industry Bureau  
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