

## **Invalidation of Trademark Registration in Bad Faith**

**Trademark squatting has been phenomenal in many countries and regions and Hong Kong is no exception.**

**Fortunately, there are provisions in the Trademark Laws in Hong Kong which stipulate the situations at which a declaration of invalidity can be sought to cancel a trademark registration made in bad faith.**

**In particular, section 11(5)(b) of the Trademarks Ordinance provides:-**

**"A trade mark shall not be registered if, or to the extent that -... the application for registration of the trade mark is made in bad faith."**

**However, the Ordinance has provided no definition as to the term "bad faith". Very often, this has created much difficulties for the authentic trademark owner to prove the "bad faith" on the part of the delinquent trademark squatters. As a matter of fact, the term "bad faith" suggests a mental state that being extremely abstract and subjective.**

**There are nevertheless useful circumstantial evidence that can assist in proving the "bad faith" on the part of the delinquent trademark squatters.**

### **Foreign registrations**

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### **Evidences of prior foreign trademark registrations of the authentic trademark**

**owner can induce the inference that the defendant has copied the foreign registered trademark of the authentic trademark owner.**

### **Prior use of authentic trademark owner**

**Evidences of prior use of trademark in Hong Kong of the authentic trademark owner can substantiate their prior rights over their trademarks in Hong Kong, and also assist in drawing the inference that the defendant has copied in bad faith the trademark of the authentic trademark owner.**

### **Identical industries**

**Very often, the delinquent trademark squatters and the authentic trademark owners are operating in the same industries. Evidences of co-existence in the identical industries would induce the inference that the defendant has been aware of the existence of the authentic trademark owners and their trademarks, as well as the copying of trademarks in bad faith.**

### **Failure to provide explanation**

**Whereas the authentic trademark owner has explicitly accused bad faith on the part of the Registered Owner in registering the subject marks in Hong Kong. In face of such serious allegations of bad faith, if the Registered Owner choose not to file any evidence or offer any explanation as to how it devised the subject marks, or did not even file a counter-statement and the invalidation application would be treated as unopposed. Such indifferent attitude of the Registered**

**Owner would assist in drawing the inference that the defendant has registered the trademark in bad faith.**