

**In Trade Mark Application No. 1146/97  
By MGE Ups Systems**

**And**

**Opposition  
By United Parcel Service Of America, Inc.**

*Before Principal Assistant Registrar P Arul Selvamalar  
21 October 2003*

**Interlocutory hearing - application for security for costs - objection by opponents -whether trade mark applicants entitled to security for costs - Trade Marks Act Section 70**

The Applicants, MGE UPS Systems had applied for a mark which comprised the letters "MGE" in large font with the letters "UPS SYSTEMS" in smaller font below it for goods in class 9. The mark was accepted for registration and advertised. The Opponents filed an opposition to the application and the proceedings were at a stage where the first Statutory Declaration from the opponents was due. In the meantime the Applicants applied for security for costs of \$10,000 on the basis that the opponents were not resident in Singapore. The Opponents objected to the grant of security and stated that they had an office in Singapore. The Applicants responded that the Opponents' office in Singapore was a private limited company and that they would not be able to enforce any judgement made against the Opponents against the private limited company in Singapore as they were a separate legal entity. The Applicants also submitted that the registrar should not take into account the merits of the case, neither should the Registrar consider whether the Opponents are able to pay in considering whether to award security for costs. The Opponent submitted that section 70 was different from the Rules of Court in that it states that security may be ordered if the Opponent neither resides nor carries on business in Singapore whereas the Rules of Court provide that if the plaintiff is not ordinarily resident in Singapore then security for costs may be ordered.

**Held :**

- Section 70 of the TM Act allows an Applicant whose trade mark application is being opposed to apply for security for costs from the Opponents if the Opponent neither resides nor carries on a business in Singapore. There is a difference between section 70 of the Trade Marks Act and Order 23 Rule 1 of the Rules of Court in that, Order 23 Rule 1 states that the Court may order a plaintiff to give security, if he is ordinarily resident out of the jurisdiction. However the purpose of the provision of security for costs is to ensure that the party defending himself in any action has some security that, in the event that he wins, the party taking out the action will pay his costs. Therefore the factors that should be taken into consideration in deciding whether to grant security for costs in a civil suit are similar to the factors that should be taken into consideration in deciding whether to grant security for costs in a trade mark opposition. Therefore the Registrar may turn to the Rules of Court for guidance on the principles to be applied in deciding whether to grant security for costs.
- The applicants submitted that as the Opponents, UPS Inc, are resident outside Singapore, security should be granted as a matter of course and that neither the ability of the Opponents to pay nor the merits of the case were factors that could be taken into consideration. However the White Book states clearly that Order 23 Rule 1 is a discretionary power and that the court must take into account all the circumstances of the case. The rule states "if having regard to all the circumstances of the case, the Court thinks it is just to do so, it may order the plaintiff to give such security for the defendant's costs.". This makes it clear that security cannot be ordered as matter of course, but only if the court thinks it is just to order security in the circumstances of the case. Section 70 also states that the Registrar may order security for costs. It is also a discretionary power which must be exercised judiciously. In considering whether to exercise the discretion the Registrar must consider all the circumstances of the case.
- The White Book also states that a major matter for consideration is the likelihood of the plaintiff succeeding. If there is a strong prima facie presumption that the defendant will fail in his defence to the action, security may not be ordered. Therefore the merits of the case can be considered. However this is not the type of case where it is clear from the beginning whether the Opponent will succeed in their opposition or the Applicants will succeed in defending their trade mark application. Therefore although the merits of the case may be considered, it does not assist in the decision in this case.

- The White Book also states that where the plaintiff is a limited company, the application for security must be accompanied by some evidence that shows the inability of the plaintiff to pay the costs. There was no evidence in this case that the Opponents UPS Inc, would not be able to pay the costs of the Applicants. Therefore the application for security is denied.

**Provisions of legislation discussed:**

- Trade Marks Act 1998, section 70
- Rules of Court, Order 23 Rule 1

**Representation:**

- Mr Lim Teng Leong (Donaldson & Burkinshaw) for the Applicants
- Mr Ian Oei (Drew & Napier) for the Opponents