

**IN THE HEARINGS AND MEDIATION DIVISION OF
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE
REPUBLIC OF SINGAPORE**

Trade Mark Application No. T0801988J
14 and 15 December 2009

IN THE MATTER OF TRADE MARK APPLICATION NO. T0801988J BY

SOCKALINGAM KALIDHAS TRADING AS JAYACO

AND

OPPOSITION THERETO BY

SP MUTHIAH & SONS PTE LTD

Hearing Officer: Ms See Tho Sok Yee
Principal Assistant Registrar

Mr Arthur Loke (Arthur Loke & Sim LLP) for the Applicant

Mr G. Radakrishnan (Infinitus Law Corporation) for the Opponent

Cur Adv Vult

GROUND OF DECISION

1 The Applicant, Sockalingam Kalidhas trading as Jayaco, is a sole proprietor who applied to register the trade mark “BUTTERFLY BRAND APPALAM & Butterfly device” (“the Application Mark”) on 16 February 2008 under Trade Mark Application No. T08/01988J in Class 30 in respect of “Appalam (papads or poppadoms)”.

2 The Application Mark comprises the word “BUTTERFLY BRAND APPALAM” above a pictorial representation of a butterfly as shown below:



3 The application was accepted and published on 23 May 2008 for opposition purposes. The Opponent, SP Muthiah & Sons (later substituted by SP Muthiah & Sons Pte Ltd), is the sole proprietorship of Selvarathenam Muthiah. The Notice of Opposition was filed on 18 July 2008. The Applicant contested the opposition by filing its Counter-Statement on 17 September 2008. The Applicant made consequential amendments to its Counter-Statement on 4 December 2009. The Opponent filed evidence in support of the opposition on 20 March 2009. The Applicant filed evidence in support of the application on 18 May 2009. The Opponent filed evidence in reply on 17 July 2009. The Pre-Hearing Review was held on 30 July 2009, after which the Opponent amended its Notice of Opposition on 24 September 2009 to comply with Rule 30(3) of the Trade Marks Rules (Cap 332, 2008 Rev Ed) and the Applicant amended its Counter-Statement on 4 December 2009. The opposition was heard on 14 and 15 December 2009. The parties' written submissions arising from both witnesses' oral testimony were filed with the Registrar and exchanged with each other after the hearing on 18 and 19 January 2010. Written rebuttal submissions were filed and exchanged on 26 January 2010.

4 The Opponent has filed its own trade mark application on 7 May 2008 to register a “BUTTERFLY” trade mark in respect of “Pappadums; appalams (papads)” in Class 30. The application, under T0806501G, bears the mark as follows:



Grounds of Opposition

5 In his Notice of Opposition, the Opponent objected to the registration of the Application Mark under Sections 7(6), 8(1), 8(2)(b), 8(4), 8(7)(a) and 8(7)(b) of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) and went on to pursue all six grounds at the hearing on 14 and 15 December 2009.

Opponent's Evidence

6 The Opponent's evidence comprises two Statutory Declarations, being Selvarathenam Muthiah's Statutory Declaration dated 18 March 2009 ("Opponent's 1st SD") and a Statutory Declaration in Reply by the same deponent dated 15 July 2009 ("Opponent's 2nd SD"); additional exhibits admitted during the hearing on 14 and 15 December 2009, namely SM-15A and SM-16 (identified as exhibits in relation to the Opponent's opposition to T0801987B "MAHARAJAH'S" for ease of reference, but made clear at the hearing that they are equally applicable to the present opposition to T0801988J); and Selvarathenam Muthiah's oral evidence given under oath at the hearing.

Applicant's Evidence

7 The Applicant's Statutory Declaration ("Applicant's SD") was executed by Sockalingam Kalidhas on 14 May 2009. He also executed a Supplemental Statutory Declaration on 28 October 2009 exhibiting a certified translation of Exhibit SK-08 in his Statutory Declaration of 14 May 2009. Sockalingam Kalidhas gave oral evidence under oath at the hearing on 14 and 15 December 2009. Additional exhibits were admitted during the hearing, namely SK-4A, SK-4B and SK-4C.

Applicable Law and Burden of Proof

8 There is no overall onus on the Applicant either before the Registrar or in opposition proceedings. The undisputed burden of proof in an opposition under the 2005 Revised Edition of the Act falls on the Opponent.

9 The crux of the present case centres on the issue of bad faith under Section 7(6) of the Act. The Singapore Court of Appeal in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] SGCA 14 ("*Valentino*") at [21] stated that:

In our view, whether it is a case of opposition to registration under s 7(6) or a case of invalidation under s 23 on the ground of bad faith, it seems to us that there should not be any difference as regards the burden of proof on bad faith in both scenarios. It is in line with common sense and logic that *he who asserts must prove although, depending on the evidence tendered, the evidential burden could shift to the other side*. The legal burden of proof required to substantiate a ground to oppose the registration of a trade mark remains throughout on the party making the application, and this would be the Appellant in the present case. (emphasis added)

10 The above should be borne in mind as new evidence arising from oral examination (both cross-examination and re-examination in this case) could shift the evidential burden from time to time. This is well articulated in *Evidence, Advocacy and the Litigation Process* (LexisNexis, 2nd Ed, 2003) by Jeffrey Pinsler at pages 239 and 250:

The legal burden (the burden of proving a fact to the requisite standard of proof) always remains on the party who seeks to prove the fact. The evidential burden (the

burden of adducing evidence to meet the standard of proof or to prevent the opposite party from meeting the standard of proof) may be on either party depending on the circumstances of the case... So, if the issue is whether there has been a breach, the plaintiff would have the legal burden to establish breach. The evidential burden would fall on him initially to adduce evidence of breach on a balance of probabilities. If he achieves this ... the burden shifts to the defendant to try at least to equalise the probabilities.

Background

11 Selvarathenam Muthiah (“Selva”), the sole director of the Opponent and Sockalingam Kalidhas (“Kalidhas”), the sole proprietor of the Applicant have a longstanding relationship of around 20 years. Their relationship started from the friendship between Selva himself and Kalidhas’ father, who introduced his son, Kalidhas, to the former in the mid to late 1980’s.

12 Selva is a Singapore-based trader who imports foodstuff (such as pickles, pappadums and beans) from India to sell in Singapore. From 1968, Selva has been involved in the business of SP Muthiah & Sons (in whose name the opposition was instituted) started by his father, and, since 13 October 2008, he became the sole shareholder and director of SP Muthiah & Sons Pte Ltd (in whose name the opposition now continues).

13 The Applicant is an India-based trader who started business in 1986 as a merchant-exporter. He has sourced, packed and supplied the Opponent with various ethnic Indian foodstuff since the late 1980’s. These foodstuff include such branded under the Opponent’s trade mark “GEMINI”, or branded under other manufacturers’ trade marks. This arrangement carried on until their relationship soured and business between them ceased in 2008.

14 The relationship between the parties is, at first glance, not easily classified under traditional categories such as principal-agent; proprietor-distributor; trader-supplier etc. because they dealt in different types of goods under their own brands and those of third parties. Neither does it readily lend itself to categorisation as either a wholly personal or a purely business relationship. In the course of testimony, Selva describes the relationship as “friendship business”. This difficulty in pigeon-holing the relationship is not helped by the fact that much of their business was transacted orally by telephone and written documentation was not as comprehensive as it may have been in another commercial setting. In any event, it is more important in this case to apprehend the substance of the relationship, nebulous nomenclature notwithstanding.

MAIN DECISION

Ground of opposition under Section 7(6)

15 Section 7(6) of the Act reads:

A trade mark shall not be registered if or to the extent that the application is made in bad faith.

16 The parties take the common position that the entire case really turns on the finding under this ground of opposition, in particular the ownership of the Application Mark. The respective counsel have therefore focused very much on the factual background to the dispute between the parties in this case in their cross-examination, re-examination and submissions to this tribunal. In this regard, both counsel have been helpful in drawing out the salient points and relevant issues.

Opponent's submissions

17 The Opponent claims to be the first user in Singapore. Therefore, at common law it is the proprietor of the mark in Singapore. In addition, the Opponent claims to have instructed the Applicant to procure sample designs for the "BUTTERFLY" mark for him in India, as the design costs are lower there. The Opponent alleges that the Applicant has misappropriated or usurped the Opponent's mark and has filed to register it in Singapore on 16 February 2008 following a falling out with the Opponent. The application to register the Application Mark is therefore made in bad faith.

18 The Opponent submits that there was clearly misappropriation on the facts of this case. There is no need to make any inference of bad faith here because the marks are identical and the parties are known to each other and had a trading relationship for many years. One must have copied from the other and it is the Opponent's case that the Applicant copied the mark from the Opponent.

Applicant's submissions

19 The Applicant claims to have conceived and designed the Application Mark. In his business, the Applicant claims to be a merchant exporter who sources for foodstuff from manufacturers. He would then engage in his own branding exercise for the marketing and export of these foodstuff under the Application Mark.

20 As such, it is not out of the ordinary for the Applicant to file an application in Singapore to register the Application Mark.

Decision on Section 7(6)

21 The Singapore Court of Appeal has authoritatively concurred with and applied the test for determining bad faith as enunciated by the English Court of Appeal. The recent

decision in *Valentino*, at [29], refers to *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”) as follows:

In *Wing Joo Loong*, this court observed at [105] that “[t]he test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal” [emphasis in original]. It would be useful to set out in full the observations of this court at [105]–[106] which are as follows:

105 The test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in *Harrison v Teton Valley Trading Co Ltd* [2004] 1WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):

The words ‘bad faith’ suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (*id* at [25]) as the “combined” test of bad faith, contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think).

106 Recently, this combined test of bad faith was succinctly explained in *Ajit Weekly Trade Mark* [2006] RPC 25 as follows (at [35] and [41]):

35 ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plasticulture* [(103) *supra*] ... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.

...

41 ... [T]he upshot of the Privy [Council’s] decision in [*Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476] is: (a) to confirm the House of Lords’ test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the

defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standards of honest people, the defendant's own standards of honesty being irrelevant to the objective element...

This court in *Wing Joo Loong* then applied at [107]–[117] the combined test of bad faith which, to reiterate, contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). It is therefore apparent to us that bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case.

22 Further, the Court of Appeal in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR 1073 (“*Weir Warman*”) summarises at [48] as follows:

It would be fair to say that the term ‘bad faith’ embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve ‘no breach of any duty, obligation, prohibition or requirement that is legally binding’ upon the registrant of the trade mark.

23 In the above, the court made a reference to *Demon Ale Trade Mark* [2000] RPC 345, 356 (“*Demon Ale*”) where Hobbs QC stated:

[T]he expression ‘bad faith’ has *moral overtones* which appear to make it possible for an application for registration to be rendered invalid under section 3(6) by behaviour which *otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding* upon the applicant. (emphasis added)

24 The logical framework at [49] of *Weir Warman* is relevant here because of similar issues in question. There, the Court of Appeal opined that:

In the present case, it is common ground that the key issue in the determination of bad faith pivots around the fulcrum of proprietorship of the ‘Warman’ mark in Singapore. It appears to me to be an incontrovertible proposition that if a registrant of a trade mark has proprietorship of that trade mark, or at the very least, the *right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade. Conversely, where it can be shown that the applicant knew of an *exclusive* proprietary right of *another* in relation to the trade mark it seeks to furtively register, then any such registration would, almost invariably, quite clearly fall short of the relevant standards. As such, it is important to first examine and determine the issue of proprietorship. (emphasis original)

25 There are various relevant issues leading up to a proper understanding of the parties' positions and the issue of proprietorship of the Application Mark. Broadly speaking, these include the derivation of the Application Mark; the nature of the relationship between the parties; the cause of the fall out between the parties; the conduct of the Applicant after receiving the Opponent's letter of demand; and the conduct of the Applicant after the dispute.

Derivation of Application Mark

26 We begin with an examination of the genesis of the Application Mark. Not unexpectedly, both parties claim to have conceived of the "BUTTERFLY" mark. We will consider the respective accounts in turn.

27 Selva's version of events is that until his "BUTTERFLY" pappadums (the English term of reference for "appalams" as claimed in the specification of the opposed application) were launched, he has traditionally sold two types of goods in Singapore. He would sell his own "GEMINI" branded foodstuff (e.g. pappadums, beans); and he would sell other manufacturers' goods (e.g. pickles) under those manufacturers' brands. Khalidas supplied both types of goods to Selva.

28 However, according to Selva, the "GEMINI" branded goods, especially pappadums, did not sell well enough. Hence, around 1995 or earlier, he decided to come up with a new brand of pappadums. Selva also wanted to sell pickles under his own trade mark. In this business strategy to develop new trade marks that would be more successful than "GEMINI", Selva claims to have chosen "BUTTERFLY" for pappadums and "MAHARAJAH'S" for pickles.

29 Selva got the inspiration for "BUTTERFLY" from the "DEER" brand of pappadums which was selling well in the market. He wanted to choose another animal and decided on "BUTTERFLY", upon which he contacted Kalidhas by telephone to procure the design and printing of "BUTTERFLY" labels in India, because it was cheaper to do so there than in Singapore. Kalidhas denies that this conversation ever took place.

30 According to Selva, Kalidhas procured sample design labels for Selva's approval, as well as updated designs from time to time. Selva would look at the designs and give his approval over the phone.

31 Selva's evidence is that most of their communication took place over the telephone, so he did not have documented correspondence to show that it was the Opponent who asked the Applicant to design and print the "BUTTERFLY" labels.

32 On the point of registration, Selva was asked in cross-examination why he did not apply to register "BUTTERFLY" as a trade mark in Singapore, since his mark "GEMINI" was registered earlier in 1982. He explained that he was a one man show after his father's demise in 1992 and had no time to do so. He would be out in his van (described in more detail at [85] below) and had nobody to help him. Besides, the relationship with Kalidhas

was very good at that time. He did not think seriously about registering the “BUTTERFLY” mark before the dispute. I recognise that the Opponent’s approach to brand protection is rather haphazard. However, the same can be said for the Applicant, who only saw fit to file an application to register “BUTTERFLY” in Singapore as late as February 2008 after the parties’ dispute arose and did not even register his own “KINGS” trade mark under Jayaco in Singapore.

33 Until 2005, Kalidhas only packed and exported “BUTTERFLY” pappadums to Selva and no other trader whether in Singapore or elsewhere. The Opponent claims that this is consistent with the Opponent’s ownership of the “BUTTERFLY” mark. Kalidhas agreed that for 8 years from 1997 to 2005, the “BUTTERFLY” pappadums he packed were all exclusively exported to the Opponent in Singapore.

34 On the other hand, Kalidhas testified from the stand that he conceived of the “BUTTERFLY” mark for pappadums in 1992, after much discussion with his family, staff and the designers. He was looking for a mark that was pleasing to people. At first when asked whether he used the mark on pappadums straightaway, he answered in the affirmative. A few seconds later in his testimony, Kalidhas claimed that he only started using the mark in 1997. He was then cross-examined on why he came up with the mark in 1992 and only used it five years later in 1997. To the question, he replied that such practice was common. I note, separately, from Exhibit SM-9 in the Opponent’s 1st Statutory Declaration, which is a search printout of marks at the India Trade Marks Registry, that the Applicant’s India registration for the “BUTTERFLY” mark states as date of first use 15 August 2000. This is a third alternative version that the Applicant has represented of when the “BUTTERFLY” mark was first used. It is noted that the Opponent’s evidence is that the mark has been used since at least 1995.

35 Contrary to Selva’s evidence, Kalidhas testified on the stand that it was he who approached Selva around 1996 or 1997 with the “BUTTERFLY” mark to sell pappadums thereunder in Singapore. Kalidhas claimed that Selva agreed to do so. Counsel for the Opponent asked if Kalidhas told Selva the latter was going to be the former’s distributor in Singapore. Kalidhas said he did not, because Selva was the only importer and seller of Jayaco products in Singapore.

36 In support of his claim to proprietorship, Kalidhas also produced three invoices from Chola Printec dated 12 February 1992, 5 February 1998 and 30 January 2003 for design and re-design charges for “BUTTERFLY” pappadums. All three invoices were addressed to Jayaco, the Applicant. It is not disputed that in the Applicant’s invoices to the Opponent, the cost of designing the labels was not itemized. Selva explained that this was because the cost was too negligible (S\$129 for the 12 February 1992 invoice, S\$104 for the 5 February 1998 invoice and S\$261 for the 30 January 2003 invoice) and would have been covered by the mark-up, in effect the profit, of the Applicant when supplying the goods to the Opponent. By Kalidhas’ own estimate, his business with Selva in the “BUTTERFLY” pappadums was worth around US\$7000 to US\$8000 per month. The nature of their relationship and the value of their business was such that the relatively low cost of designing the labels would not be itemized and charged to the Opponent, Selva explained.

Relationship Between Parties

37 In considering an allegation of bad faith under Section 7(6), it is also pertinent to look at the substance of the relationship between the parties. As noted at [14] above, Selva's and Kalidhas' relationship does not lend itself to be readily pigeon-holed. There is a personal element as well as a commercial element where both parties' interests are in view. Also, as noted earlier, there is practically no documentation as to the legal relationships between the parties e.g. agency agreement, distributorship agreement, trade mark licence agreement etc. The parties' dealings were mostly verbal and based on trust.

38 Selva's testimony is that Kalidhas' father asked him to help Kalidhas, who was young and starting out of school in the mid to late 1980's. Selva obliged and for the first few years, Selva was Kalidhas' only source of business. Selva introduced Kalidhas to other merchants in Malaysia and the latter's father also went up to Malaysia to canvass for business for his son. Selva described their relationship around 1992 as being very cordial and close, like brothers, and that Kalidhas would do whatever Selva told him. In response to a question in cross-examination why he did not specifically pay the design charges as evidence that he owned the trade mark, Selva responded that he had a lot of trust in Kalidhas from years of doing business with him.

39 Kalidhas on his part does not deny that the relationship was a good one until the dispute. On the stand, he agreed that SP Muthiah & Sons are "good people" "even now".

40 To Selva, Kalidhas was a packer and commercial agent who largely acted on Selva's directions and requirements. Selva claimed on the stand that Kalidhas had no other business except with him and was therefore totally dependent on him for the first few years. Selva was "the one who introduced everything to him for the first few years". Later on in 1998 when Kalidhas developed his own "KINGS" brand, Selva also imported negligible quantities of sago and bay leaves under the brand, but the former remained for the most part a packer and commercial agent to the latter. Kalidhas would comply with Selva's business requirements be it the types and quantities of goods needed, or label and design changes in respect of the trade marks "GEMINI", "MAHARAJAH'S" and "BUTTERFLY", all of which Selva claimed to own.

41 On the other hand, Kalidhas' case is that he is the principal and Selva the agent and distributor. It is Kalidhas who owns the "BUTTERFLY" mark and got Selva to sell goods under this mark in Singapore for him. He chose Selva because their fathers knew each other.

42 Between the parties, there was a working gentleman's agreement that Kalidhas will supply ethnic Indian foodstuff exclusively to Selva in Singapore (and not sell to Selva's competitors in Singapore) and Selva will buy exclusively from Kalidhas (and not source from other suppliers in India).

43 From 2005, Kalidhas started exporting "BUTTERFLY" pappadums to buyers in Canada, France and Kuwait, without the knowledge of Selva. On 22 March 2005, he also

registered “BUTTERFLY & Butterfly device” in India in respect of “papad, spices, dhall and rice” in Class 30. All this culminated in the parties’ dispute and fall out in early 2008.

Cause of Fall Out

44 The parties have divergent accounts of the cause for their fall out, after enjoying a very good relationship for around 20 years.

45 Selva’s evidence in the Opponent’s 2nd Statutory Declaration is that towards end-2006, the Applicant registered a company KR & Co under his wife’s name. Then, this company started exporting the same types of goods that Kalidhas has been supplying Selva, to Selva’s competitors in Singapore. Selva claims that this sharp business practice is a breach of the exclusive agreement between the parties. The Opponent submits it was likely that the Applicant wanted to make more money through his wife by using KR & Co to sell to other Singapore buyers so that the Opponent would not know about it, while maintaining the existing business with the Opponent through Jayaco. Based on evidence tendered by the Opponent at the hearing, Kalidhas’ wife is one of two directors of KR & Co. All this while, by Kalidhas’ own testimony, his wife still works in his office. Kalidhas’ defence is that his wife is only a sleeping partner in KR & Co who is not involved in its operations.

46 Notwithstanding his issue with KR & Co, Selva continued to do business with Kalidhas to avoid disruption to the business. However, he also started to source for goods from another supplier, Quality Exports, because his orders placed with Kalidhas were not fully met.

47 The breaking point came in April 2008, when Selva placed an order with Kalidhas. Kalidhas refused to sell any more goods to Selva and instead supplied to his competitor, Sri Ambikas, a container of “MAHARAJAH’S” pickles and ghee, “BUTTERFLY” pappadums and sun-dried vegetables previously supplied under “GEMINI” but now repacked under Sri Ambikas’ “MUMMY’S” brand.

48 In his Statutory Declaration, Kalidhas claimed that he did not fulfil the April 2008 order because the Opponent had breached the exclusive agreement to only use the Applicant as a supplier by “using other merchants to source for themselves products which previously were sold under the Kings brand to be sold under the Gemini trade mark.” This, he also attributed as the cause of the dispute. Under cross-examination, Kalidhas said that the cause of the dispute was because the Opponent starting buying “GEMINI” rice flakes and jaggary from Quality Exports. However, elsewhere in the proceedings, it transpired that the Opponent had only bought “KINGS” sago and bay leaves from the Applicant.

49 Kalidhas testified that on January 2008, he went down to Selva to try to resolve the matter. However, nothing came out of it and Kalidhas did not believe they could continue as trading partners. Hence, he decided to apply to register the Application Mark and did so in February 2008. Under cross-examination, he agreed that for 17 years, the Opponent had a good relationship with him and never imported foodstuff from anyone else. When questioned why the Opponent would want to buy from someone else after 17 years of

exclusive dealings, Kalidhas said he did not know. However, Selva's reason was already given in the Opponent's 2nd Statutory Declaration, namely that the Applicant was using KR & Co as a front, through his wife, to do business with the Opponent's competitors in Singapore. Kalidhas testified that KR & Co is not the reason for the dispute, because the business had been operating for a long time. From the evidence I note that KR & Co was established on 27 May 1999, but there remains a possibility that Mrs Kalidhas Mahalehemi was added as a partner more recently. There is also no evidence that KR & Co did business with Singapore earlier on before the dispute even though it was established back in 1999.

Response of Applicant to Opponent's Letter of Demand

50 On 2 May 2008, the Opponent's counsel sent the Applicant a letter notifying the latter that the Opponent owned the "MAHARAJAH'S" mark and the "BUTTERFLY" mark. Among other demands, the Opponent asked the Applicant to transfer Singapore Trade Mark Application Nos. T0801987B "MAHARAJAH'S" and T0801988J "BUTTERFLY label" to the former. T0801988J is the subject of the present opposition. On 9 May 2008, the Applicant's counsel responded with "We are unable to understand your letter dated 2 May 2008 to our client, Mr Sockalingam Kalidhas. Please tell us what your clients' demand truly is."

51 The Opponent's argument is that the Applicant did not dispute the Opponent's ownership claim in its response. If the Applicant was the true owner, it should have said that the Opponent did not own the "BUTTERFLY" mark and, instead, that the Applicant owned the "BUTTERFLY" mark. Yet, in the face of a serious allegation of usurpation of trade marks, the Applicant could only say that he could not understand the Opponent's letter. Kalidhas is fluent in English as demonstrated on the stand. When questioned under cross-examination why he did not at least respond to the Opponent that Jayaco owns the marks, Kalidhas said that he did and this was expressed in the phrase "Please tell us what your clients' demand truly is." When asked further why he did not respond (that he was the rightful owner) when accused, in effect, of being a thief, Kalidhas said that he handed over everything to his counsel. Kalidhas then agreed that the response of 9 May 2008 was sent on his instructions. Later, he also said he meant that "we should have a time to come down to Singapore to deal with all these things." Then, in the Applicant's Supplementary Submissions in Reply, it is submitted that "the Opponent surely must know that the words 'don't understand' is a mere polite version of 'are you barking mad to ask us this?'"

52 So, all in all, we have before us at least two interpretations proffered by the Applicant on their response "We are unable to understand your letter dated 2 May 2008 to our client, Mr Sockalingam Kalidhas. Please tell us what your clients' demand truly is." First, it means that "we should have a time to come down to Singapore to deal with all these things." Then again, we are to believe that the words "don't understand" is supposed to mean "are you barking mad to ask us this?" while "Please tell us what your clients' demand truly is." means that the Applicant owns the marks. The semantic gymnastics executed over a short, simple letter is cause for reservation. The plain meaning of the two sentences is so clear that it would be a strain to read into them any assertion of mark ownership. I am also puzzled by the explanation that "don't understand" means "are you barking mad to ask

us this?” because if the Applicant is so indignant over what to him is a ridiculous accusation, he should have gone on to state what is the position truly is, and not leave the allegation hanging in the air with an obscure, veiled outburst.

Conduct of Applicant after Dispute Arose

53 The Opponent also points to the Applicant’s conduct after the dispute arose in support of its claim to mark ownership.

54 The Opponent alleges that certain label changes by the Applicant are significant. Before the dispute, the printed labels on “BUTTERFLY” pappadums express that they were “Specially Packed For SP. Muthiah & Sons”. However, papadudms packed and exported around the time of the dispute in February and March 2008 bear the wording “Agents For Singapore. Imported By SP. Muthiah & Sons”. It is significant that this change was made without the prior knowledge, let alone approval, of the Opponent and that it was made around the time of the dispute after the opposed application was filed in February 2008.

55 The Opponent claims that “Specially Packed For” someone means that the trade mark under which the goods are packed belongs to that someone. The Opponent further claims this to be an admission by the Applicant that the mark belongs to the party for whom goods are packed, because the latter has also used the term “Packed For” in respect of Sri Ambika’s Pte Ltd’s “MUMMY’S” goods, where it is undisputed that “MUMMY’S” belongs to Sri Ambika’s.

56 Kalidhas’ testimony is that the phrase “Specially Packed For” has no meaning. He would use any phrase his customers wanted to make them happy. However, the Opponent had not asked for this change so it cannot be said that the Applicant did so to make the Opponent happy. It appears more to be the Applicant’s unilateral change. The Applicant also claims in his Statutory Declaration that the phrase was changed from “Specially Packed For” to “Agents For Singapore. Imported By” way back in 2003. This is not supported by any visual evidence and is disputed by the Opponent. On the other hand, in a sample of the label used for “BUTTERFLY” pappadums expiring in March 2006, exhibited in the Opponent’s 1st SD, the phrase used was in fact “Specially Packed For”.

57 There is another phrase, “A Product from Jayaco” that appears on the “BUTTERFLY” labels around the time of the dispute in February and March 2008. Under re-examination, Kalidhas was asked whether the phrase has any meaning. He replied that it means the product and the brand name comes from Jayaco. He agreed with his counsel’s suggestion that the labels with “A Product from Jayaco” indicate to the Opponent that Jayaco is the owner of the trade mark. The inference to be made is that the Applicant’s conduct is consistent with that of a trade mark owner.

58 However, I note that the Applicant also packs and exports goods to Sri Ambika’s Pte Ltd in Singapore under the latter’s trade mark “MUMMY’S”. On the packaging for “MUMMY’S” vathal and rice vadam, the same phrase “A Product from Jayaco” is printed.

That Sri Ambika's Pte Ltd owns the trade mark "MUMMY'S" is undisputed. Hence the phrase "A Product from Jayaco" is not consistently used by the Applicant as an indicator of trade mark proprietorship.

59 The Opponent further points out in evidence that when the Applicant sold "BUTTERFLY" pappadums to other countries and traders (including Sri Ambika's Pte Ltd in Singapore) after registering the mark in India in 2005, it would use the ® symbol on the label. However, the Applicant would not use the same notation on pappadums sold to the Opponent. The Opponent's argument is that the difference is deliberate because the Applicant did not want the Opponent to know that it has registered the "BUTTERFLY" mark (in India). Under cross-examination, Kalidhas was asked if he told the Opponent that he registered the mark in India. He replied no, he did not want to. The Opponent's counsel suggested that this was because Kalidhas did not want the Opponent to know that he has quietly registered the latter's trade mark in India without the latter's knowledge. Kalidhas replied that he did not need to tell the Opponent the fact of registration. The Opponent argued that if the Applicant were really the proprietor of the "BUTTERFLY" mark, it would have used ™ before registration at least, and ® after registration. Yet at no point in time when the parties were still doing business did the Applicant assert to the Opponent its purported ownership of the mark in dispute. The Applicant defended its silence by pointing out that as the creator and manufacturer of a brand, there is no need to report to his distributors the registration of his own mark. In the circumstances, I find it unusual that the Applicant would selectively assert mark ownership on some consignments but not on those intended for the Opponent.

60 The Opponent also refers to another aspect of the Applicant's conduct after the dispute arose that bears consideration. After the exchange of letters through their respective solicitors in May 2008 described above, the Applicant stopped using "BUTTERFLY" on pappadums that it exports to Singapore. The evidence shows that the Applicant has adopted the trade mark "JAYACO J" in place of "BUTTERFLY". Meanwhile, the Opponent also stopped using the "BUTTERFLY" mark. His reason was that the Applicant had registered a similar mark in India in 2005 and the Opponent did not want his new packer in India to be exposed to any problem from the Applicant.

61 The Opponent's submission is that the Applicant now uses the trade mark "JAYACO J" instead of "BUTTERFLY" on the same goods, because the latter knows that his claim to "BUTTERFLY" is false and unsustainable. Otherwise, the Applicant has no reason to file an application for "BUTTERFLY" and then not use the mark.

62 The Applicant however submits that this is an interim measure. Its sole buyer in Singapore, Sri Ambika's Pte Ltd, wanted to avoid problems and did not want to import "BUTTERFLY" pappadums until the present opposition was concluded. The Applicant was confident on the stand that he would drop the "JAYACO J" mark and resume use of the "BUTTERFLY" mark after the dispute, even if it meant having to appeal to a higher court. When it was pointed out in cross-examination that one could use a mark without registering it, the Applicant said that he knew the Opponent would not allow him to sell.

63 The Applicant submitted that the Opponent should not find fault with the Applicant's temporary measure of using "JAYACO J" instead of "BUTTERFLY" for pappadums, since the Opponent himself stopped using the latter mark on the same principle of not giving his trading partner legal problems. However, I believe that the India registration is good reason for the Opponent's packer in India to stop using "BUTTERFLY" for the time being. The Applicant's reason and circumstances are less compelling because the Opponent has not registered "BUTTERFLY" in Singapore yet. In fact, it is the Applicant who has filed the earlier application for "BUTTERFLY" in Singapore, which is currently opposed.

Decision on Proprietorship of Mark

64 Having considered the totality of evidence and submissions on the issue of proprietorship, I am persuaded on a balance of probabilities that the proprietorship of the Application Mark lies with the Opponent. The Opponent's conduct and evidence have been congruent with the proposition of proprietorship. The Applicant's conduct in the earlier part of the relationship before the trust was broken, as well as after the dispute arose, is also consistent with the Opponent's proprietorship of the mark.

Applying Legal Principles of Bad Faith to the Facts

65 According to the legal principles of bad faith enunciated above at [21], there are two determinations the tribunal has to make. First, "*the subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question.*" Second, "*it must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standards of honest people, the defendant's own standards of honesty being irrelevant to the objective element...*" I would hasten to add that actual dishonesty is but one manifestation and a subset of bad faith (*Weir Warman* at [22]). In the cases discussed earlier at [21], another description of the second determination is "*whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.*"

66 In determining the subjective element of the Applicant's knowledge, it is noted that Kalidhas has not demonstrated himself to be a forthcoming or entirely credible witness on the stand. At times he came across as evasive or defensive, not answering questions in cross-examination to the point and making pre-emptive statements even before the question was finished. At other times, his answers appeared contradictory. His evidence given from the stand was often new and pertinent. Such new evidence could have been given earlier in his Statutory Declaration but was not. At the same time, it is noted that there are also gaps in Selva's evidence. However, I am inclined to believe that this was due more to old age and the fact that many things took place a long time ago in a context where a significant portion of business was transacted orally rather than in writing, than to any intention to obscure the truth. Selva's demeanour was forthcoming and credible.

67 As such, with regard to the Applicant's subjective knowledge, I find it more probable than not that he knew the Opponent came up with the idea of a new "BUTTERFLY" mark

for use in Singapore in 1995 or earlier because the Opponent told him so directly. He was probably aware that the Opponent was looking to launch two new brands in Singapore, namely “MAHARAJAH’S” and “BUTTERFLY”. The Applicant was aware of the working gentleman’s agreement that he will supply foodstuff exclusively to the Opponent in Singapore (and not sell to the Opponent’s competitors in Singapore) and the Opponent will buy exclusively from him (and not source from other suppliers in India). In this context, the Applicant was aware that the Opponent was looking to him to source, pack and export pappadums under the “BUTTERFLY” mark to the Opponent in Singapore. This was not because the trade mark belonged to the Applicant and the Opponent was merely distributing the Applicant’s goods, but because it was their working arrangement for the Applicant to procure and pack the goods in accordance with the specifications of the Opponent. It is more probable than not that the Applicant had an indirect involvement through his wife with KR & Co, who supplied goods to the Opponent’s competitors in Singapore and made him more money. It is probable that he was planning to stake a claim to the “BUTTERFLY” mark and he did various things towards that end, such as tweaking the wording on the labels, selling to foreign markets like France and Kuwait and filing the trade mark application under opposition. Using the reason that the Opponent breached their exclusivity agreement as a front to terminate the parties’ relationship would be useful to the Applicant, as he was prepared, at the time of filing this opposed application in February 2008, to stake a claim to the “BUTTERFLY” mark eventually in any case. After all, by his evidence, he could not foresee the relationship continuing after the talk in January 2008 did not iron out their issues with each other.

68 Having set out what I believe to be the Applicant’s subjective state of mind on a balance of probabilities, I further consider “*whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.*”

69 The Court of Appeal in *Weir Warman* elucidates at [49] as follows:

where it can be shown that the applicant knew of an *exclusive* proprietary right of *another* in relation to the trade mark it seeks to furtively register, then any such registration would, almost invariably, quite clearly fall short of the relevant standards. As such, it is important to first examine and determine the issue of proprietorship. (emphasis original)

70 We have made a finding on the proprietorship of the mark and set out what is more probable than not the subjective knowledge of the Applicant above. Not only did the Applicant know of the Opponent’s rights to the “BUTTERFLY” mark, he also sought to furtively register the mark in Singapore during the parties’ dispute when their relationship was headed for a fall out. According to *Weir Warman*, this combination of knowledge and conduct means that the making of this opposed application falls short of the relevant standards.

71 Alternatively, with reference to *Weir Warman* and *Demon Ale* at [21] to [22] above, I find that the Applicant’s dealings “*would be considered as commercially unacceptable by*

reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve 'no breach of any duty, obligation, prohibition or requirement that is legally binding' upon the registrant of the trade mark", taking into account all the circumstances of the parties' business and relationship. It has been enunciated that "*the defendant's own standards of honesty (is) irrelevant to the objective element...*" Hence, even if the Applicant believed himself entitled for whatever reason to file for registration of the "BUTTERFLY" mark, this would be irrelevant for the present purpose. Considering the Applicant's subjective knowledge in the context of the past dealings between the parties, even if the Applicant did not breach anything at law, his conduct in filing the opposed application as and when he did is commercially unacceptable. *Weir Warman* and *Demon Ale* recognise that "*the expression 'bad faith' has moral overtones*". The case before me appears to fall into this category envisaged by the courts.

72 In a civil matter as this, the legal burden of proof is on the Opponent and the standard of proof is on a balance of probabilities, not as high as a certainty, neither as low as a mere possibility. The Opponent has made out a *prima facie* case of bad faith, the evidential burden to disprove bad faith arose on the part of the Applicant and the Applicant has not discharged the burden by at least equalising the probabilities, see [9] to [10] above. I belabour this point being mindful of the Applicant's submission that the Opponent has wrongly sought to shift the burden of proof to the Applicant.

73 As the Opponent has established, on a balance of probabilities, that the Application Mark was filed in bad faith, the ground of opposition under Section 7(6) succeeds.

Ground of opposition under Section 8(1)

74 Section 8(1) of the Act reads:

A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is sought to be registered are identical with the goods or services for which the earlier trade mark is protected.

75 Section 2(1) defines "earlier trade mark" as:

- (a) a registered trade mark or an international trade mark (Singapore), the application for registration of which was made earlier than the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks; or
- (b) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was a well known trade mark, and includes a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of paragraph (a) subject to its being so registered

Opponent's submissions

76 The Opponent submits that its “BUTTERFLY” mark is well known in Singapore because of the extensive use of the mark since 1995 here, for more than 13 years. Therefore, it is an “earlier trade mark” by virtue of the definition under paragraph (b) in Section 2(1) of the Act.

77 As the respective marks and goods are identical, the ground of opposition under Section 8(1) is made out.

Applicant's submissions

78 The Applicant submits that the Opponent has not satisfied the requirement of an “earlier trade mark” under Section 2(1) of the Act. The Opponent has not registered nor applied to register the “BUTTERFLY” mark before the filing date of the Application Mark. Neither has the Opponent established that “BUTTERFLY” mark is well known.

79 As there is no “earlier trade mark”, the opposition under Section 8(1) must fail.

Decision on Section 8(1)

80 One of the key elements to a successful claim under this provision is that the Opponent’s “BUTTERFLY” mark must be an “earlier trade mark” as on 16 February 2008, the filing date of the Application Mark. There are three ways to qualify as an “earlier trade mark” under Section 2(1) of the Act. The mark may be registered (or protected under an International Registration designating Singapore) or be the subject of an application for the same in Singapore before the Application Mark was filed. Alternatively, the mark may be a well known trade mark when the Application Mark was filed.

81 The Opponent does not pursue the first two approaches above as it does not have an earlier registration or application for the “BUTTERFLY” mark in Singapore. Instead it claims that the “BUTTERFLY” mark is a well known mark.

82 Section 2(8) of the Act provides that “Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.” The Opponent relies on Section 2(8) in its submissions under Section 8(4) but as the provision is equally applicable here on the issue whether the “BUTTERFLY” mark is well known in Singapore on 16 February 2008, I shall consider this angle as well.

83 The Opponent defines the “relevant sector of the public” as Indian consumers and traders. It cites *Novelty Pte Ltd v Amanresorts Ltd & Anor* [2009] 3 SLR 216 (“*Amanresorts*”) at [229] for the proposition that knowledge among even a minuscule section of the public can make a trade mark a well known mark.

84 Indeed, the Court of Appeal decision in *Amanresorts* dealt extensively with the issue of well known marks, as acknowledged in *Societe des Produits Nescafe SA v Master Beverage Industries Pte Ltd* [2009] SGIPOS 5 at [81]. The determination of what is a well known mark under Section 2(1) of the Act and the resolution of who forms the “relevant sector of the public” as defined in Sections 2(7) to 2(9) of the Act has been made by the highest court in Singapore. I thus apply the principles enunciated in *Amanresorts* to the facts as borne out by evidence in the present case.

85 I turn my mind to the relevant sector of the public, which the Opponent delineates as Indian consumers and traders. I consider whether, based on the evidence adduced, the “BUTTERFLY” mark is well known to Indian consumers and traders in Singapore. The main evidence supporting the Opponent’s claim that the “BUTTERFLY” mark is well known is found at Paragraphs 25 to 28 of the Opponent’s 1st Statutory Declaration. These comprise the sales figures, sample invoices, sample orders and confirmation orders involving the “BUTTERFLY” mark. The latest incarnation of the “BUTTERFLY” mark is as represented at [4] above, the subject-matter of the Opponent’s own pending trade mark application. The Opponent publicizes and advertises the “BUTTERFLY” mark on its delivery van which makes its rounds in Singapore. The Opponent claims that this would draw the continuous attention of the relevant public to the mark and make it well known, at least to the Indian public and Indian traders, who are the principal consumers and dealers of the goods bearing the mark.

86 The Opponent’s annual sales figures for pappadums sold under the “BUTTERFLY” mark are as follows:

<u>Year</u>	<u>Annual Sales in S\$ (rounded up)</u>
1995	32,500
1996	34,000
1997	38,700
1998	44,500
1999	49,000
2000	55,414
2001	59,300
2002	65,800
2003	74,500
2004	82,400
2005	95,450
2006	101,500
2007	121,600
2008	42,700 (Jan to April only)

87 I find that the evidence falls short of demonstrating that the “BUTTERFLY” mark is well known in Singapore. The use and promotion of the mark in Singapore is not to such an extent that it qualifies as “well known”. The sales figures are not substantial enough on the face of the record and the Opponent has not adduced other evidence to demonstrate that the mark is well known, for example, by giving evidence on the per unit price and total

number of units sold (which, despite the relatively low sales revenue in absolute terms, might have led to a finding that the marks were well known to the relevant sector of the public), the market situation, the brand recognition and market share of the “BUTTERFLY” mark.

88 As the Opponent has not established on a balance of probabilities that the “BUTTERFLY” mark is well known in Singapore, the ground of opposition under Section 8(1) must fail.

Ground of opposition under Section 8(2)(b)

89 Section 8(2)(b) of the Act reads:

A trade mark shall not be registered if because –

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public.

Opponent’s submissions

90 The Opponent submits that its “BUTTERFLY” mark is well known in Singapore because of the extensive use of the mark since 1995 here, for more than 13 years. Therefore, it is an “earlier trade mark” by virtue of the definition under paragraph (b) in Section 2(1) of the Act.

91 As the respective goods are identical, and there is a likelihood of confusion arising from the similar marks and identical goods, the ground of opposition under Section 8(2)(b) is made out.

Applicant’s submissions

92 The Applicant submits that the Opponent has not satisfied the requirement of an “earlier trade mark” under Section 2(1) of the Act. The Opponent has not registered nor applied to register the “BUTTERFLY” mark before the filing date of the Application Mark. Neither has the Opponent established that “BUTTERFLY” mark is well known.

93 As there is no “earlier trade mark”, the opposition under Section 8(2)(b) must fail.

Decision on Section 8(2)(b)

94 As with Section 8(1) above, a key element to succeeding under this provision is that the Opponent’s “BUTTERFLY” mark must be an “earlier trade mark” as on 16 February 2008, the filing date of the Application Mark. The Opponent has sought to establish that their mark is well known as on 16 February 2008 and therefore an “earlier trade mark”.

95 I have dealt with the issue of whether the “BUTTERFLY” mark is well known in Singapore for the purposes of Section 8(1) above. As the Opponent has not established that the mark is well known in Singapore, the opposition under Section 8(1) failed and likewise, the opposition under Section 8(2)(b) must also fail.

Ground of opposition under Section 8(4)

96 Section 8(4) of the Act reads:

Subject to subsection (5), where an application for registration of a trade mark is made on or after 1st July 2004, if the whole or an essential part of the trade mark is identical with or similar to an earlier trade mark, the later trade mark shall not be registered if —

(a) the earlier trade mark is well known in Singapore; and

(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —

(i) would indicate a connection between those goods or services and the proprietor of the earlier trade mark, and is likely to damage the interests of the proprietor of the earlier trade mark; or

(ii) if the earlier trade mark is well known to the public at large in Singapore—

(A) would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or

(B) would take unfair advantage of the distinctive character of the earlier trade mark.

Opponent’s submissions

97 The Opponent bases its opposition on both distinct limbs of (b)(i) and (b)(ii) under Section 8(4). It claims that all the elements are satisfied. Its “BUTTERFLY” mark is well known for pappadums among the Indian public and Indian traders in Singapore because of the extensive use for over 13 years. The Opponent relies on Section 2(8) that where a trade mark is well known to a relevant sector of the public it is deemed to be well known in Singapore. Hence, if the “BUTTERFLY” mark is well known to Indian consumers and traders, which is a relevant sector of the public, then it is well known in Singapore.

Applicant’s submissions

98 The Applicant submits that the Opponent has not established that the “BUTTERFLY” mark is well known. There is no evidence of substantial or extensive use of products bearing the “BUTTERFLY” mark in Singapore nor of advertising and promotion figures.

99 As the Opponent has not shown that “BUTTERFLY” mark is well known, the opposition under Section 8(4) must fail.

Decision on Section 8(4)

100 Before a case under this ground is made out, a basic element to establish is that the earlier trade mark on which an opponent relies is well known in Singapore – Section 8(4)(a).

101 I have dealt with the issue of whether the “BUTTERFLY” mark is well known in Singapore for the purposes of Sections 8(1) and 8(2)(b) above. As the Opponent has not established that the mark is well known in Singapore, the ground of opposition under Section 8(4)(a) fails.

Ground of opposition under Section 8(7)(a)

102 Section 8(7)(a) of the Act reads:

A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade

Opponent’s submissions

103 The Opponent claims goodwill in the business in relation to the sale in Singapore of pappadums bearing the “BUTTERFLY” mark. There would be misrepresentation if the Application Mark is allowed registration and is used in Singapore. The mark is identical and/or similar and will be used on identical goods. There will certainly be damage. The use of the Application Mark in Singapore is hence liable to be prevented by the law of passing off.

Applicant’s submissions

104 The Applicant submits that there is insufficient evidence to substantiate the Opponent’s claim to goodwill and reputation in the business of trading under the “BUTTERFLY” mark.

105 The Applicant also denies there is any misrepresentation on its part as it is the creator of the Application Mark and the originator of the goods on which the Application Mark is used.

106 Finally, the Applicant argues that the Opponent, as the Applicant’s Singapore agent and distributor, cannot claim that the Applicant sought to pass off the Opponent’s goods as those of his own.

Decision on Section 8(7)(a)

107 The test for passing off is well established and not in dispute between the parties. The Opponent cites the IPOS decision of *Crown Confectionery, Co., Ltd. v Morinaga & Co., Ltd.* [2008] SGIPOS 12 at [234] which followed *Reckitt & Colman Products Ltd v Borden Inc* [1990] WLR 341 (also cited by the Applicant) in recognising the elements of passing off as follows:

- (i) goodwill attached to the goods or services which the plaintiff supplies, in the mind of the purchasing public by association with the identifying get-up under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services
- (ii) misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are those of the plaintiff
- (iii) damage that the plaintiff is likely to suffer by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

108 The first question, then, is whether the Opponent has established goodwill in the "BUTTERFLY" mark in Singapore. The annual sales figures have been set out above at [86]. The Opponent's evidence is that it has no advertising and promotional expenses as such because the main advertising it has are the pictures of his "BUTTERFLY" pappadums on his delivery van.

109 The lack of advertising and promotional expenses is not fatal *per se* to a finding of goodwill. Based on the Opponent's evidence of use, and the fact that both parties do not dispute that only the Opponent was selling pappadums under the "BUTTERFLY" mark in Singapore, coupled with my earlier finding for the Opponent under Section 7(6), I am prepared to find that the Opponent enjoyed goodwill in the "BUTTERFLY" mark as on 16 February 2008, which is the filing date of the Application Mark.

110 Regarding the second element of misrepresentation, as the marks in dispute are closely similar if not identical, this criteria is easily satisfied. By the same token, I am prepared to accept that the Opponent would suffer damage should the Application Mark be used in Singapore other than by himself or his licensee.

111 In view of the foregoing, the use of the Application Mark in Singapore is liable to be prevented by virtue of the law of passing off and I find that the opposition succeeds on Section 8(7)(a).

Ground of opposition under Section 8(7)(b)

112 Section 8(7)(b) of the Act reads:

A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

... (b) by virtue of an earlier right other than those referred to in subsections (1), (2) and (3) or paragraph (a), in particular by virtue of the law of copyright or any law with regard to the protection of designs.

Opponent's submissions

113 The Opponent submits that the Application Mark is an original artistic work. As stated in *Re AUVI Trade Mark* [1991] 2 SLR(R) 786, cited and followed at [75] of *PT Lea Sanent v Levis Strauss & Co.* [2006] SGIPOS 6, originality does not mean novelty or uniqueness nor does it necessarily involve inventiveness. It is the Opponent's case that the Application Mark is an original work because sufficient skill, labour and judgment had been used to create the mark.

Applicant's submissions

114 The Applicant's submission is that the Opponent did not participate in or contribute to the creation and design of the Application Mark. The Opponent's claim to ownership of the copyright in the Application Mark is based on no more than an assertion that he was the one selling all the goods and that the Applicant was doing business solely for him. The Applicant argues that such an assertion can never prove the ownership of marks because distributors, even sole distributors, may not be owners of the marks for the goods they sell if they cannot prove they own the marks.

Decision on Section 8(7)(b)

115 To succeed under this ground, the Opponent must establish that the use of the Application Mark in Singapore is liable to be prevented by virtue of the law of copyright. The relevant legislation is the Copyright Act (Cap 63, 2006 Rev Ed) and the Copyright (International Protection) Regulations (2009 Rev Ed).

116 It is a fundamental tenet of copyright law that it protects an original expression, rather than the idea behind it. Thus the point of fixation into an expressed form is important, because it signposts the start of copyright subsistence in an original work. In the present case, both versions given by the parties peg the place of fixation of the "BUTTERFLY" concept in India.

117 The Copyright Act in Singapore applies when the issue pertains to an artistic work that is first published in a Convention country and protected in Singapore – Regulation 3(1)(a) of the Copyright (International Protection) Regulations. India is a Convention country by definition under Regulation 2(1), as it is both a party to the Berne Convention and a member of the World Trade Organisation. Therefore, our Copyright Act applies to the "BUTTERFLY" mark as designed and first published in India, when we consider whether "its use in Singapore is liable to be prevented ... by virtue of the law of copyright" – Section 8(7)(b) of the Act.

118 The parties do not dispute that copyright subsists in the “BUTTERFLY” mark nor that it is protected under the copyright laws of Singapore. The only issue in contention under this ground is the ownership of copyright. Both parties’ lines of reasoning run similarly, that, since they conceived of the mark, copyright belonged to them. As outlined above, we should have regard to Singapore’s Copyright Act for an answer to the issue of copyright ownership of a Singapore-protected artistic work.

119 Under Section 30(2) of our Copyright Act, the author of an artistic work shall be entitled to any copyright subsisting in the work by virtue of Part III of the Copyright Act (which relates to the protection of original artistic works).

120 In the present case, the author of the original artistic work that is the “BUTTERFLY” mark is neither the Opponent nor the Applicant. From the face of the evidence, the author is Chola Printec of Chennai, India. The Applicant has tendered evidence comprising three “labour bills” from Chola Printec for the designing and re-designing of the mark in dispute. Chola Printec reduced the idea of a “BUTTERFLY” brand into material form. Hence, it appears to be the author and the *prima facie* owner of the copyright in the artistic work.

121 The copyright can certainly be transferred from the author to another legal person. However, neither party here has produced any evidence of such transfer for me to conclude that either one of them owns the copyright to the artistic work that is the Application Mark. Alternatively, neither party has submitted that any of the presumptions of ownership of copyright apply such that the copyright owner is not Chola Printec but one of the parties.

122 The inquiry into the possibility of copyright infringement does not stop here. It may also be that there is an express or implied licence from Chola Printec to either party, such that the use of the “BUTTERFLY” mark in Singapore is not “liable to be prevented ... by virtue of the law of copyright” under Section 8(7)(a) of the Act. However, neither party has adduced evidence supporting or even made submissions in the vein of this possibility.

123 The above lack of clarity is in contrast to *Re AUVI Trade Mark* where it was described at [5] to [6] that the Applicants for Rectification took pains to ensure and demonstrate in court that they have secured the copyright from the advertising agent and the design artist. They did so by obtaining formal deeds of assignment in favour of them, even though the particulars of the express arrangements between the design artist, the advertising agent and the applicants were no longer available (if they ever existed). In doing so, they prevented the argument that the copyright was not vested in them.

124 In the present case, I can only draw a *prima facie* conclusion that the author and owner of the copyright in the “BUTTERFLY” mark is Chola Printec. It is not clear from the state of the evidence whether the use of the Application Mark in Singapore is “liable to be prevented ... by virtue of the law of copyright”.

125 In the circumstances, I make no finding under Section 8(7)(b) in this opposition.

Conclusion

126 Having considered all the pleadings filed, the evidence adduced via Statutory Declarations and orally at the hearing, as well as the submissions made, I find that the opposition succeeds on Sections 7(6) and 8(7)(a) and fails on Sections 8(1), 8(2)(b) and 8(4) of the Act. No finding is made under Section 8(7)(b) of the Act. Trade Mark Application T0801988J is refused and may not proceed to registration. The Opponent is entitled to costs to be taxed if not agreed.

Dated this 26th day of April 2010

See Tho Sok Yee

Principal Assistant Registrar

Hearings and Mediation Division

Intellectual Property Office of Singapore