

**IN THE MATTER OF TRADE MARK APPLICATION NO. T0801988J
BY
SOCKALINGAM KALIDHAS TRADING AS JAYACO**

AND

**OPPOSITION THERETO BY
SP MUTHIAH & SONS PTE LTD**

Before the Principal Assistant Registrar, Ms See Tho Sok Yee

14 and 15 December 2009

Trade Marks – *Opposition to registration – whether the application to register is made in bad faith - Section 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

Trade Marks – *Opposition to registration – whether the Application Mark is identical to an earlier trade mark and is to be registered for goods or services identical with those for which the earlier trade mark is protected - Section 8(1) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

Trade Marks – *Opposition to registration – whether there is an earlier trade mark to which the Application Mark is similar – Section 8(2)(b) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

Trade Marks – *Opposition to registration – whether there is an earlier well known mark to which the Application Mark or its essential part is identical or similar - Section 8(4) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

Trade Marks – *Opposition to registration – whether the Applicant’s use of the Application Mark would constitute passing off - Section 8(7)(a) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

Trade Marks – *Opposition to registration – whether the Applicant’s use of the Application Mark would constitute copyright infringement - Section 8(7)(b) of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

The Applicant, a sole proprietor, applied to register the trade mark “BUTTERFLY BRAND APPALAM & Butterfly device” (“the Application Mark”) on 16 February 2008 in Class 30 in respect of “Appalam (papads or poppadoms)”.

The Applicant is an India-based trader who started business in 1986 as a merchant-exporter. Until early 2008, he sourced, packed and exported various ethnic Indian foodstuff to the Opponent in Singapore.

The Opponent is a Singapore-based business which imports foodstuff from India to sell in Singapore. The Opponent has a longstanding relationship of around 20 years with the Applicant. The opposition was commenced by the Opponent as a sole proprietorship. It has been substituted by an incorporated company with the same sole proprietor now as sole shareholder and sole director.

The Opponent opposed the registration of the Application Mark under Section 7(6) on the ground that the application was made in bad faith. It alleges that the Application Mark belongs to the Opponent. The Opponent also claims that the Application Mark is identical or similar to its earlier "BUTTERFLY" mark (as a well known mark) in respect of the same goods. Hence, the application should be refused under Sections 8(1) and, in the alternative, 8(2)(b). Further, the Application Mark allegedly runs afoul of the well known mark provision under Section 8(4) and should not be registered. The Opponent also contends that use of the Application Mark was liable to be prevented under the law of passing off and the law of copyright and as such, the application should be refused under Section 8(4)(a) and (b) respectively.

The Applicant denied the Opponent's allegations and takes the position that the Applicant is the true owner of the Application Mark.

Held, disallowing registration:

- 1 In the present case, the Opponent and Applicant both claim that each came up with the idea of the "BUTTERFLY" mark and approached the other party with it. On the totality of evidence (including evidence under cross-examination) and submissions, the Registrar found on a balance of probabilities that the proprietorship of the "BUTTERFLY" mark lay with the Opponent.
- 2 There are two elements to a finding of bad faith. The subjective element pertains to what the applicant knows. The objective element involves a consideration whether the knowledge of the applicant is such that his decision to apply for registration would be regarded as being in bad faith by persons adopting proper standards.
- 3 On the subjective element, the Registrar found that more probably than not, the Applicant 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.

- 4 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. The Registrar found that the conduct of the Applicant fell short of the objective standards. His conduct was commercially unacceptable by reasonable and experienced persons in the trade. Alternatively, 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. Authoritative cases recognise that "the expression 'bad faith' has moral overtones". The present case falls into this category envisaged by the courts. Thus the opposition succeeds under Section 7(6).

- 5 To succeed on the grounds of opposition under Sections 8(1), 8(2)(b) and 8(4), the Opponent must first establish the existence of an "earlier trade mark". The Opponent claims that his "BUTTERFLY" mark is a well known mark which falls within the definition of "earlier trade mark" under Section 2(1) of the Act. The evidence, however, is not sufficient to support a finding of the "BUTTERFLY" marks being well known. The opposition under Sections 8(1), 8(2)(b) and 8(4) therefore fails.

- 6 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 Application Mark in Singapore until shortly before the fall out, the Registrar was satisfied that the Opponent enjoys goodwill in the mark. Further, the marks in dispute are closely similar if not identical. Hence, the elements of misrepresentation and damage are made out. As such, the opposition succeeds under Section 8(7)(a).

- 7 The Application Mark was designed by a third party designer. The starting position is that the designer owns the copyright in the mark. The parties have not adduced sufficient evidence in support of their respective claim that each is the copyright owner. There is no further evidence on the arrangements between the designer and the parties so as to determine whether the use of the Application Mark in Singapore is liable to be prevented by the law of copyright. Thus, no finding is made under Section 8(7)(b).

Provisions of legislation discussed:

Trade Marks Act (Cap 332, 2005 Rev Ed) Sections 2(1), 2(7), 2(8), 2(9), 7(6), 8(1), 8(2)(b), 8(4), 8(7)(a), 8(7)(b)

Copyright Act (Cap 63, 2006 Rev Ed) Section 30(2)

Copyright (International Protection) Regulations (Cap 63, 2009 Rev Ed) Regulations 2(1), 3(1)(a)

Cases referred to:

Valentino Globe BV v Pacific Rim Industries Inc [2010] SGCA 14

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

Weir Warman Ltd v Research & Development Pty Ltd [2007] 2 SLR 1073

Demon Ale Trade Mark [2000] RPC 345
Novelty Pte Ltd v Amanresorts Ltd & Anor [2009] 3 SLR 216
Societe des Produits Nescafe SA v Master Beverage Industries Pte Ltd [2009]
SGIPOS 5
Crown Confectionery, Co., Ltd. v Morinaga & Co., Ltd. [2008] SGIPOS 12
Reckitt & Colman Products Ltd v Borden Inc [1990] WLR 341
Re AUVI Trade Mark [1991] 2 SLR(R) 786
PT Lea Sanent v Levis Strauss & Co. [2006] SGIPOS 6

Representation:

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

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