

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

Trade Mark Application No. T0802758A  
24 January 2011

**APPLICATION FOR SECURITY FOR COSTS  
BY BARRY CALLEBAUT AG**

**AND**

**OBJECTION THERETO  
BY BONGRAIN S.A.**

Principal Assistant Registrar See Tho Sok Yee  
23 February 2011

*Interlocutory Hearing – Application for Security for Costs – Objection by Opponent - whether Applicant entitled to security for costs – Section 70 of the Trade Marks Act (Cap 332, 2005 Rev Ed)*

The Applicant, Barry Callebaut AG, a Swiss entity, registered its trade mark "CAPRIMO" in Classes 29 and 30 as an international registration. Singapore was designated as one of the countries in which this international registration is protected. The Opponent, Bongrain S.A., is a French public listed company. It filed its notice of opposition on 17 July 2008. The Applicant filed its counter-statement on 3 December 2008. The Opponent filed its evidence on 28 July 2009 and the Applicant filed its evidence on 22 February 2010. The Opponent's evidence in reply faces a final deadline.

On 23 December 2010, the Applicant applied for security for costs of under Section 70 of the Trade Marks Act (Cap 332, 2005 Rev Ed). In its submissions, it seeks S\$8000 in security for costs. The interlocutory hearing was held on 24 January 2011, after which a Case Management Conference was also conducted. The parties had been negotiating before and they were given more time to consolidate their positions and negotiate if possible. The Applicant was accordingly directed to update the Registrar by 14 February 2011 whether it still wished to pursue its application for security for costs. On 18 February 2011, the Applicant informed the Registrar that negotiations have broken down and they accordingly seek security for costs.

In support of its application for security for costs, the Applicant referred to the Singapore Court of Appeal decision in *Jurong Town Corp. v Wishing Star Ltd* [2004] 2 SLR(R) 427 ("*Jurong Town Corp*") at [14]. The court held that "once the precondition, namely, being 'ordinarily resident out of the jurisdiction', is satisfied, the court will consider all

the circumstances to determine whether it is just that security should be ordered. There is no presumption in favour of, or against, a grant. The ultimate decision is in the discretion of the court, after balancing the competing factors... *Where the court is of the view that the circumstances are evenly balanced it would ordinarily be just to order security against a foreign plaintiff.*"

The Applicant also referred to HMD Circular No. 1/2009 dated 20 November 2009 which non-exhaustively lists the relevant factors to consider. The first factor is the Opponent's likelihood of success. On this, the Applicant submitted that the Opponent's claims in the opposition are frivolous or vexatious because the parties' marks co-exist in numerous countries in the world. The second factor is whether an order for security for costs will stifle a genuine claim. The Applicant submitted that its application for security for costs is not to stifle any genuine claim but to avoid further prejudice to the Applicant in terms of costs and time. If the security for costs is not granted, even if the Applicant is awarded costs after the opposition hearing, it would have to expend further costs, time and effort enforcing the award against the Opponent in France. As cost awards for oppositions are generally low, the Applicant submitted that it would often not be worth the costs, time and effort enforcing it in a foreign jurisdiction. On the other hand, the Opponent's claim will not be stifled as the Applicant is only seeking a solicitor's undertaking for costs for a relatively small sum of S\$8000 for two classes.

The Opponent relied on the Court of Appeal decision in *Creative Elegance (M) Sdn Bhd v Puay Kim Seng and another [1999] 1 SLR(R) 112*. At [33], the Singapore Court of Appeal opined that "the appellants are still carrying on business in Malaysia and it is open to the respondents, if they succeed in this action, to enforce the order for payment of costs there. This is clearly a factor that should be taken into consideration." The order for security for costs was set aside.

The Opponent also pointed out that the third factor in HMD Circular No. 1/2009 was very relevant here, namely whether there is any evidence that the opponent is unable to pay costs, where the opponent is a limited company. First, the Opponent is an international company listed on the Paris Stock Exchange. It is not a fly by night business. Second, there is no evidence that it is unable to pay costs. The purpose of security for costs is to ensure that a successful defendant has recourse to recovering its cost award. It is therefore important for the Applicant, on whom the burden rests, to show evidence that the Opponent is unable to pay costs.

In this connection, the Opponent also questioned why the application for security for costs was made at this late stage, after both parties' evidence has been filed. This suggests that the Applicant's concern is not that the Opponent would not be able to pay its costs. It is noted that in *Jurong Town Corp*, security for costs was not granted and one of the factors is the delay in making the application, [17]: "JTC was obviously not concerned with the fact that WSL is a foreign company when it took various steps in the proceedings, including the filing of pleadings and further particulars and the discovery of documents... at the summons for directions hearing on 7 April 2003. There was not a squeak then that JTC was concerned about its costs in defending the action."

The Opponent also distinguished the IPOS decision in *Application for Security for Costs Trade Marks Application No. T0417665E By Beyond Properties Pty Ltd and Objection by Andrew Knight [2009] SGIPOS 17*. In that case, security for costs was awarded because it was a foreign individual as opposed to a foreign corporate entity. In the present case, the Opponent is a public listed company with the means to pay costs. Hence, security for costs should not be awarded against it.

The Applicant rebutted that applications for security for costs are commonly granted in civil suits when there is a foreign plaintiff. Further, a difference between civil litigation and proceedings before the Registrar is that the cost awards in the latter are much lower. This is such that it is often not worth the costs, time and effort to enforce them against foreign parties. Thus, all the more, security for costs is needful in this case.

Further, the Applicant denies that this application for security for costs is made at an advanced stage. The Applicant needed to see the Opponent's evidence first. However, there is no dispute that the application for security for costs was made after the Applicant's own evidence was filed and costs relating thereto incurred. The Applicant submitted that filing an application for security for costs is acceptable at this stage because of the unique cost structure of opposition proceedings before the Registrar. There are significant costs that need to be incurred in relation to a hearing towards the end of the process. For example, the Form TM 13 fees for two classes are already S\$1300 while costs for preparation and attendance at the hearing are also in the thousands. In contrast, in civil courts, filing fees are paid from the beginning. Upon realization that substantial costs will shortly be incurred in relation to the opposition hearing, the Applicant is seeking comfort from security for costs, that his costs incurred will be reimbursed to some extent.

### **Held, allowing the application**

- 1 It is not in dispute that the Opponent does not reside nor carry on business in Singapore. Thus, Section 70 of the Trade Marks Act applies and the Registrar exercises her discretion whether to order security for costs. In exercising this discretion, the Registrar will consider all the circumstances to determine whether it is just that security should be ordered, *Jurong Town Corp* at [14].
- 2 A balancing exercise is involved in ensuring that a genuine claim is not stifled by security for costs on the one hand, and giving the Applicant some measure of security on the other. The relevant factors include but are not limited to the three set out in HMD Circular No. 1/2009.
- 3 There are triable issues in this opposition and hence, the Opponent's action is not frivolous or vexatious. On the other hand, security for costs amounting to S\$8000 will not stifle a genuine claim as the Opponent is a French public listed company. However, it is recognized that there is no evidence the Opponent is unable to pay costs if the opposition is unsuccessful. With regard to timing, while the Applicant

could have sought security for costs much earlier before incurring substantial costs in filing its counter-statement and evidence, this factor does not weigh heavily against him in this case. The Applicant's cost concerns are reasonable in the circumstances.

- 4 Taking into account the relevant considerations, I find that the circumstances are evenly balanced. Applying the Court of Appeal's decision in *Jurong Town Corp* at [14], "Where the court is of the view that the circumstances are evenly balanced it would ordinarily be just to order security against a foreign plaintiff", I allow the Applicant's application for security for costs.
- 5 The Applicant has explained to my satisfaction the derivation of S\$8000 as quantum for security for costs in respect of two opposed classes, with reference to the Fourth Schedule of the Trade Marks Rules. Accordingly, security is ordered in the amount of S\$8000.
- 6 The security for costs is to be furnished by the Opponent by way of a solicitors' undertaking. Such undertaking is to be given to the Applicant within three weeks from the date of this decision.
- 7 The Applicant is entitled to costs for this interlocutory matter in the amount of S\$450.

**Legislation discussed:**

Trade Marks Act (Cap 332, 2005 Rev Ed), Section 70

Trade Marks Rules (Cap 332, 2008 Rev Ed), Fourth Schedule

**Cases referred to:**

*Jurong Town Corp. v Wishing Star Ltd* [2004] 2 SLR 427

*Creative Elegance (M) Sdn Bhd v Puay Kim Seng and another* [1999] SGCA 4

*Application for Security for Costs In Trade Marks Application No. T0417665E By*

*Beyond Properties Pty Ltd and Objection by Andrew Knight* [2009] SGIPOS 17

**Representation:**

Mr Ian Oei (Drew & Napier LLC) for the Applicant

Ms Gooi Chi Duan (Donaldson & Burkinshaw) for the Opponent