

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

Trade Mark Registration No. T1004611C  
19 August 2011

**IN THE MATTER OF A TRADE MARK REGISTRATION BY**

**RICHARD OLIVER WELLERSHOFF**

**AND**

**INVALIDATION THEREOF BY**

**PT ABADI SUMBER HIDUP**

Hearing Officer: Ms Sandy Widjaja  
Principal Assistant Registrar of Trade Marks

*Cur Adv Vult*

**GROUND OF DECISION**

1 Richard Oliver Wellershoff is the registered proprietor ("Registered Proprietors")



for the following trade mark (Trade Mark Number T1004611C) in relation to the following goods in the respective classes:

**Class 32**

*Alcohol free beer; alcohol free beverages; alcoholic beers; carbonated non-alcoholic drinks*

### ***Class 33***

*Alcoholic beverages (except beer); alcoholic beverages (except beer) containing more than 1.15% of alcohol by volume; alcoholic cocktails containing more than 1.15% of alcohol by volume; beverages containing fruit (Alcoholic -); beverages containing wine (alcohol content 1.15% or more by volume); carbonated beverages (alcoholic, except beers) ("Registered Mark").*

2 PT Abadi Sumber Hidup, the applicants ("Applicants") filed an application for invalidation on 27 September 2010. The Registered Proprietors did not file a Counter-Statement by the due date of 27 November 2010. Thus, on 20 December 2010, the Registrar wrote to the Applicants to proceed to file their evidence. The Registrar also issued a letter dated 22 December 2010 calling for a Case Management Conference ("CMC"). The Applicants wrote to the Registrar on 4 January 2011 objecting to any further participation by the Registered Proprietors since there was no Counter-Statement filed. A CMC was conducted on 12 January 2011 with the Registered Proprietors in absensure. Pursuant to the said CMC, the Registrar issued timelines for the filing of evidence by both parties on 19 January 2011. On 14 February 2011, the Applicants requested for an extension of time to file their evidence. They informed that they did not seek the Registered Proprietors' consent as they were of the view that since no counter-statement has been filed, the Registered Proprietors should not be allowed to participate any further in the proceedings. The Registrar clarified via his letter of 28 February 2011 that the consent of the Registered Proprietors must still be sought. The Applicants thereafter filed their evidence on 20 June 2011. On 30 June 2011, the Registrar informed the Applicants that as there was no counter-statement filed and that the Registered Proprietors has been in absensure thus far, the Registrar is proceeding with the Pre-Hearing Review. The matter was then set down for a hearing on 19 August 2011. The Applicants wrote to the Registrar on 4 July 2011 seeking further directions from the Registrar that the Registered Proprietors will not be allowed to file any evidence as he has not filed any counter-statement and that the attendance fee be waived should the Applicants be required to appear for the hearing due to the inapplicability of Rule 37 of the Trade Marks Rules (Cap 332, 2008 Rev Ed) ("TMR") (in the Applicants' view) in this instance. The Registrar clarified via his letter of 6 July 2011 that (i) subject to the Registered Proprietors raising any relevant objections, the Registered Proprietors are not expected to be filing any evidence; and (ii) the Applicants, as initiators of the action are expected to be present for the hearing as they have the burden of proving the case and thus the relevant attendance fee applies. The Applicants wrote to the Registrar again on 15 July 2011 disputing the applicability of Rules 32 to 40 of the TMR in the current case. The Applicants also requested that Registrar to dispense with the ex-parte hearing and to make a decision based on the written submissions and evidence submitted if the Registered Proprietors do not appear at the hearing. The Registrar responded on 27 July 2011 clarifying that he is of the view that the Registrar has the option to dispense with the hearing and to instead issue a decision based on the written submissions and bundle of authorities on an application of Rule 59 read with Rule 37. However in order to move things forward, subject to the Registered Proprietors raising any relevant issues and provided that the Registered Proprietors do not attend the hearing, the Registrar will proceed to issue a decision based on the written submissions and bundle of authorities

filed. The Registered Proprietors did not file any written submissions and bundle of authorities. On 2 August 2011, the Applicants informed that they were unable to serve the written submissions and bundle of authorities on the Registered Proprietors as the person at the Registered Proprietors' address refused to accept service of the said documents. In light of the circumstances, the Applicants suggested that the hearing be dispensed with unless the Registered Proprietors turn up. The Registrar confirmed via his letter of 8 August 2011 that the hearing scheduled on 19 August 2011 will be dispensed with unless he hears from the Registered Proprietors.

### **Grounds of Opposition**

3 The Applicants rely on section 23 of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("TMA") read with the following provisions in this invalidation action:

- (i) section 7(6);
- (ii) section 7(4);
- (iii) section 7(5);
- (iv) section 8(7)(a); and
- (v) section 7(1)(a).

Further, the Applicants also rely on section 23(4).

### **Registered Proprietors' Evidence**

4 As mentioned above, the Registered Proprietors did not file any counter-statement nor any evidence in support of their registration.

### **Applicants' Evidence**

5 The Applicants' evidence comprises of a Statutory Declaration sworn by Ibu Ketut Puspa Ariani, the majority shareholder of and the President Director of the Applicants ("Applicants' SD").

### **Applicable Law and Burden of Proof**

6 As referred to above, the applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) and the Trade Mark Rules (Cap 332, 2008 Rev Ed).

7 The undisputed burden of proof in an invalidation action under the TMA falls on the Applicants.

### **Background**

8 The Applicants were incorporated in 2004. They produce and brew beer in Indonesia. The Applicants have been producing beer bearing the name STORM since 2004. Although the Applicants have been brewing and selling STORM beer in Indonesia

since 2004, they have only filed trade mark applications in Indonesia since July 2010. The Applicants also have registered their STORM logo in Singapore under T1100144Z.

## MAIN DECISION

### Preliminary Issue

9 Rule 59 read with Rule 33 provides that a failure to file evidence by the Registered Proprietors shall be treated as an admission by the Registered Proprietors to the facts alleged by the Applicants in his application for a declaration of invalidity of the registration. This means that all statements of a factual nature submitted by the Applicants in his application are not disputed. However, the Registrar is still required to make findings of facts and determine whether such factual findings satisfy the legal tests expounded in the cases such that the respective grounds for invalidation are made out.

### Ground of Invalidation under Section 23 read with Section 7(6)

10 Section 23 of the TMA reads:

**23.**—(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 7.

Section 7(6) of the TMA reads:

**7.**— (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

### *Applicants' Submissions*

11 The Applicants submitted that bad faith is defined by section 23(8) of the TMA, which throws light on what is to be taken into consideration when determining whether there is bad faith. Section 23(8) reads:

**23.**— (8) In deciding whether the registration of the later trade mark was applied for in bad faith, it shall be relevant to consider whether the applicant for the registration of the later trade mark had, at the time his application was made, knowledge of, or reason to know of, the earlier trade mark.

12 The Applicants submitted that the Registered Proprietors had, at the time his registration was made, knowledge of the Applicants' prior rights to the STORM logo and name. The Applicants referred to the Applicants' SD where evidence was given showing that the Registered Proprietors had engaged in negotiations to invest in the Applicants. The Applicants referred in particular to Exhibit 6 of the Applicants' SD which consists of an email dated 14 August 2008, from the Registered Proprietors to two persons, Tim and Martin, who assisted the Applicants. The email encloses a business proposal created by

the Registered Proprietors, detailing production, sales and marketing efforts undertaken by the Applicants in the sale of STORM beer.

13 The Applicants submitted that a close reading of the business proposal shows that the Registered Proprietors had obtained access to confidential information belonging to the Applicants and PT Bali (the Applicants' distributor at that point in time), including information on the Applicants' products and the current and intended markets for the products.

14 The Applicants pointed to Exhibit 6 of the Applicants' SD as showing evidence of the Registered Proprietors' detailed knowledge of the Applicants' processes and submitted that it is sufficient evidence that the Registered Proprietors had knowledge of the Applicants' prior rights to the STORM logo and name at the time of his registration.

15 The Applicants submitted that the Registered Proprietors had failed to file a counter-statement to the Applicants' application for invalidation. The Applicants submitted that it is probably because the Registered Proprietors knew that the rightful owner of the STORM name and logo is the Applicants.

16 Beyond the statutory requirement of "knowledge or reason to know of" the Applicants submitted that in order to prove bad faith, the Singapore Court of Appeal has adopted the 2 element test of bad faith. It considered the question of what constitutes bad faith in the case of *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] SGCA 9 ("*Wing Joo Loong*"). The Singapore Court of Appeal explained at [105]:

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).

17 The Applicants submitted that the subjective element of the test has been fulfilled in the present case. The Registered Proprietors knew that the Applicants had prior rights to the STORM logo but registered it anyway.

18 The Applicants submitted that the objective element of the test requires that the Registered Proprietors' actions be adjudged as dishonest by ordinary persons adopting proper standards. In other words, his actions must be considered dishonest when measured against the ordinary standards of normal people. In the case of *Weir Warman Ltd v Research & Development Pty Ltd* [2007] SGHC 59 ("*Weir Warman*") Rajah JA stated:

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.

19 The Applicants submitted that applying Rajah JA's statement to the facts at hand, the Registered Proprietors' actions must be viewed as dishonest by the ordinary standards of honest people. The Registered Proprietors knew that the Applicants had been using the STORM logo to market their beer since 2004, but registered the mark anyway under their name in classes of goods which clearly overlap with the Applicants' goods marketed under the STORM logos.

20 The Applicants submitted that having fulfilled both elements of the test for bad faith as laid out by the Court of Appeal, the registration of the STORM logo under T1004611C must be declared invalid on the grounds that it was registered in bad faith and hence offends against section 7(6).

### ***Decision on Section 7(6)***

21 At the outset, it is important to note that bad faith is a distinct and independent argument from the issue of confusing similarity. In the recent decision of ***Valentino Globe BV v Pacific Rim Industries Inc*** [2010] SGCA 14 (“***Valentino***”) the Court of Appeal stated, at [20]:

Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion: see *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 (“*Rothmans*”) at [29] and Tan Tee Jim SC, *Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell Asia, 2nd Ed, 2005) at para 5.71.

[Emphasis mine.]

22 In relation to the local case law, the Court in ***Valentino*** said at [28] and [29]:

28 Turning to the local case law, in *Rothmans*, our High Court endorsed Lindsay J’s observations of the concept of bad faith in *Gromax Plasticulture*. Further, both Lindsay J’s and Geoffrey Hobbs QC’s approaches were again adopted by another High Court judge in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 (“*Warman*”) where the judge stated at [48] 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 ...

29 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.

23 Applying the test to the facts of this case, there is a need to ascertain what the Registered Proprietors knew at the time of filing the application for the Registered Mark and there is also a need to ascertain what ordinary persons adopting proper standards would think of the Registered Proprietors' conduct, the Registered Proprietors' own standards of honesty being irrelevant in this regard. The relevant date at which to assess the above is 15 April 2010 which is the date of the filing of the application for the Registered Mark. As bad faith is very much context dependent, there is a need to take a good look at the evidence tendered.

24 In 2007, the Registered Proprietors expressed interest in the Applicants and entered into negotiations with the Applicants (paragraph 7 of the Applicants' SD). It is also the Applicants' evidence that the Registered Proprietors presented a business investment proposal in respect of Bali Storm Brewing Company (which included the Applicants and their distribution company, PT Bali at that point in time). I refer to Exhibit 6 of the Applicants' SD. Exhibit 6 consists of an email with an attached document "Bali Storm Brewing Company Business Proposal" presented by the Registered Proprietors on 13 August 2008 ("**Business Proposal**"). I refer to page 7 of the said document. At paragraph 1.1, it states that the document was to provide a basis for process and management changes, product and equipment modifications and additions, a new marketing and sales plan and fresh capital injection in exchange for newly issued shares in the said company.

25 In the course of the negotiations the Registered Proprietors obtained access to confidential information belonging to the Applicants including product information as well as information in relation to the current and intended markets (paragraph 8 of the Applicants' SD). A perusal of Exhibit 6 of the Applicants' SD shows that the Registered

Proprietors have much knowledge in relation to the Applicants, down to the exact brewing process of the beer, for example the fermentation process (see page 8 of *Business Proposal* at Exhibit 6).

26 The Applicants terminated the Registered Proprietors' involvement in the Applicants as none of the terms or conditions agreed to in the Registered Proprietors' proposal was fulfilled within 6 months after the Registered Proprietors had presented their proposal (paragraph 8 of the Applicants' SD).

27 The law requires bad faith to be determined as at the date of application for registration of the Registered Mark. However the case of *Ferrero SpA's Trade Marks [2004] RPC 29* ("*Ferrero's case*") is authority for the proposition that bad faith did not exclude from consideration matters which occurred after the date of application in that they may assist in determining the applicant's state of mind at the date of registration. This principle was followed in the Singapore High Court case of *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd [2009] SGHC 280*.

28 The Applicants deposed that they participated in the recent Beerfest Asia held in Singapore from 16 to 20 June 2010 ("*Beerfest*"). On 24 July 2010, the Registered Proprietors sent an email to the "STORM shareholders" demanding money from the latter. I refer to Exhibit 9 of the Applicants' SD. From the content of the email, the Registered Proprietors, in one breath, stated that they have informed their lawyers in Singapore and Bali to pursue actions and to demand settlement of certain items, and then immediately after the above, stated that they are willing to accept settlement as provided in the email within the next 4 days from the date of the email.

29 A quick run through of the Trade Marks Register will reveal that the Registered Mark is unique for the purposes of beer. I note that the Registered Mark is almost identical to the Applicants' logo (see Exhibit 1 of the Applicants' SD). I also take into account that the goods for which the Registered Mark are registered for are identical, if not similar to the goods for which the Applicants trade in. The Registered Proprietors have not attempted to explain the derivation of the mark for the goods. In fact, they did not even deem it fit to defend the Registered Mark at all throughout the invalidation process.

30 From as early as the counter-statement stage, the Registered Proprietors have not deemed it fit to defend their mark. There was no counter-statement filed for this invalidation process. The Registrar then proceeded to direct that the Applicants to file their evidence. On 4 January 2011, the Applicants objected to the further participation of the Registered Proprietors as there was no counter-statement filed. The Registered Proprietors did not turn up for the CMC on 12 January 2011. However, the Registrar still provided the timelines for both parties to file their evidence. On 14 February 2011, the Applicants wrote to the Registrar requesting for an extension of time to file evidence. However, the Applicants also informed the Registrar that they have not sought the Registered Proprietors' consent as they objected to any further participation by the Registered Proprietors in view of the fact that no counter-statement has been filed. The

Registrar clarified via his letter of 28 February 2011 that consent of the Registered Proprietors must be sought. This the Applicants did on 2 March 2011. However again, there was no response at all from the Registered Proprietors. In view of the above, following the filing of evidence by the Applicants, on 30 June 2011 the Registrar directed to proceed with the Pre-Hearing Review as there was no counter-statement filed and the Registered Proprietors have not been heard thus far. The Registrar also set the matter down for hearing on 19 August 2011. The Registered Proprietors did not respond nor object to the Registrar's letter. On 4 July 2011, the Applicants sought confirmation that the Registered Proprietors not be allowed to file their evidence. The Registrar again clarified on 6 July 2011 that subject to the Registered Proprietors raising any relevant objections, the Registered Proprietors are not expected to be filing any evidence. Again, the Registered Proprietors did not respond to the Registrar's letter. On 27 July 2011, the Registrar in response to the Applicants' letter of 15 July 2011, clarified that subject to the Registered Proprietors raising any relevant issues to the Registrar's letter of 30 July 2011, and provided that the Registered Proprietors do not attend the hearing on 19 August 2011, the Registrar will proceed to issue his decision based on the written submissions and bundle of authorities submitted within 3 months from 19 August 2011. The Registered Proprietors once again did not respond to the Registrar's letter. On the due date for the filing of the written submissions and bundle of authorities, the Registered Proprietors did not file any documents. On the contrary, on 2 August 2011, the Applicants informed the Registrar that they could not serve their written submissions and bundle of authorities on the Registered Proprietors as the person at the Registered Proprietors' address refused to accept service of the documents. Finally, the Registered Proprietors did not turn up on 19 August 2011 for the hearing.

31 Thus while the Registered Proprietors deemed it fit to ask for payment pursuant to "violation of [their] registered trademark (TM No. T1004611C)" they did not deem it fit to defend their registration in the invalidation action at all. There is no explanation provided as to the derivation of an almost identical mark for identical/similar goods. Throughout the whole invalidation process, the Registered Proprietors were not heard at all. The Registered Proprietors did not attempt to assert their rights at all in this invalidation process.

32 From the above evidence, I am satisfied that the requirement of the subjective knowledge to has been made out. The Registered Proprietors would have been aware of the Applicants and their products, including the kind of logo which the Applicants have been using as at the relevant date of 15 April 2010.

33 I will now apply the objective test to this subjective knowledge.

34 Taking into account all of the above factors it would be a fair statement to make that reasonable and experienced persons in the relevant industry would regard the conduct of the Registered Proprietors in applying for registration for the Registered Mark in light of such subjective knowledge to be commercially unacceptable. Thus the objective element in the test for bad faith has been made out.

35 I am mindful of the warning in *Royal Enfield Trade Marks [2002] RPC 508*, that an allegation of bad faith should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference. However, I am convinced that in the present instance, a strong inference of bad faith has been made out.

36 In view of the above, I am of the view that the objection of bad faith has been made out.

### **Ground of Invalidation under Section 23 read with Section 7(4) and Section 7(5)**

37 Section 23 of the TMA has been reproduced above. Section 7(4) and section 7(5) reads:

7.— (4) A trade mark shall not be registered if it is —  
(a) contrary to public policy or to morality; or  
(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

7.— (5) A trade mark shall not be registered if or to the extent that its use is prohibited in Singapore by any written law or rule of law.

### ***Applicants' Submissions***

38 The Applicants submitted that it must be contrary to public policy and morality to allow the Registered Proprietors to register the STORM logo when the copyright of the STORM logo belongs to the Applicants. Further, the Applicants submitted that to allow the Registered Proprietors' registration and subsequent use would deceive the public into thinking that the Registered Proprietors' goods originate from the Applicants. Any use by the Registered Proprietors of the STORM logo would be prohibited under copyright laws and the law of passing off.

39 Hence the Applicants submitted that the Registered Proprietors' registration of the STORM logo should be declared invalid.

### ***Decision on Section 7(4) and (5)***

40 As the above causes of action arise as a result of the Registered Mark being viewed relative to the Applicants' logo, the relevant provisions are section 8(7)(b) and section 8(7)(a). Sections 7(4) and (5) are not appropriate as they are absolute grounds. I note that the Applicants have raised an objection pursuant to section 8(7)(a) below. Thus the issue of passing off shall be dealt with below. With regard to the action in relation to use being prohibited by copyright, as the Applicants did not plead section 8(7)(b) as a ground of objection, I will not deal with the said issue.

### **Ground of Invalidation under Section 23(4)**

41 Section 23(4) reads:

**23.—(4)** The registration of a trade mark may be declared invalid on the ground of fraud in the registration or that the registration was obtained by misrepresentation.

42 The Applicants submitted that the Registered Proprietors had obtained registration of the STORM logo through fraud and upon misrepresentation that he is the *bona fide* proprietor of the mark.

43 The Applicants referred to *Weir Warman* at [92]:

A registration made under fraud or with misrepresentation is one that succeeds only on the strength of an untrue statement made by the registrant.

44 The Applicants submitted that by registering the STORM logo, the Registered Proprietors misrepresented to the Registrar that they were the *bona fide* proprietors of the mark when in fact the Applicants were the ones who had been using the mark since 2004. In the case of *Weir Warman*, the Court found that the Defendant represented that it had the right to register the "Warman" mark in Singapore, and it did indeed have such a right. Both parties to the case had the right to sell Warman-marked products in Singapore, hence both parties had the right to register the "Warman" mark. Similarly, the Registered Proprietors in the present case has represented that it had the right to register the STORM logo in Singapore. However, unlike the case in *Weir Warman* the Registered Proprietors did not have such a right. The *bona fide* proprietors of the STORM logo are the Applicants and hence the registration of the STORM logo was obtained by misrepresentation.

### ***Decision on Section 23(4)***

45 The material date in this instance is 15 April 2010 which is the date of application for registration for the Registered Mark. As per Exhibit 6 of the Applicants' SD which comprises of an email with an attached detailed business proposal drafted by the Registered Proprietors and presented by the Registered Proprietors to the Applicants on 13 August 2008, the Registered Proprietors had knowledge of the Applicants. Further, it is also noted that the Applicants' logo is rather unique and that the Registered Mark is almost identical to the Applicants' logo for identical/similar goods. However, based on these evidence and facts alone, I unable to conclusively draw the conclusion that there is fraud in the registration or that registration was obtained by misrepresentation.

## **Ground of Invalidation under Section 8(7)(a)**

46 Section 23(3)(b) reads:

**23.**—(3) The registration of a trade mark may be declared invalid on the ground

—  
(b) that there is an earlier right in relation to which the condition set out in section 8 (7) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

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

**8.**— (7) 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.

### ***Applicants' Submissions***

47 The Applicants submitted that in order to succeed under this section, the Applicants must prove that the Registered Proprietors' registration of the STORM logo "is liable to be prevented under the law of passing off or any other law protecting an unregistered trade mark".

48 The Applicants submitted that in order to succeed under this section, the Applicants have to prove that any use of the Registered Mark by the Registered Proprietors would amount to passing off of goods not connected with the Applicants as those originating from the Applicants or copyright infringement on the Applicants' artistic work which was an unregistered trade mark at the time of the Registered Proprietors registering the STORM logo under their name.

49 The Applicants submitted that the Applicants' STORM logo is classified as an artistic work and is protected by copyright under section 26(1)(b) of the Copyright Act (Cap 63) ("Copyright Act"):

**26.** —(1) For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a work, is the exclusive right —

... (b) in the case of an artistic work, to do all or any of the following acts:

(i) to reproduce the work in a material form...

50 The Applicants submitted that the Copyright (International Protection) Regulations provide that the Copyright Act applies to literary, dramatic, musical and artistic works and editions first published in a country that constitutes or forms part of the territory of a Convention country. "Convention country" is defined in the Regulation as follows:

"Convention country" means a country, other than Singapore, which is a party to the Berne Convention or a member of the World Trade Organisation;

51 The Applicants submitted that as Indonesia is a member of both the Berne Convention and the World Trade Organisation, the STORM logo enjoys copyright protection in Singapore even though it was first published in Indonesia.

52 The Applicants submitted that any use of the STORM logo by the Registered Proprietors will constitute a copyright infringement following section 31(1) of the Copyright Act which provides as follows:

**31.** —(1) Subject to the provisions of this Act, the copyright in a literary, dramatic, musical or artistic work is infringed by a person who, not being the owner of the copyright, and without the licence of the owner of the copyright, does in Singapore, or authorises the doing in Singapore of, any act comprised in the copyright.

The Applicants submitted that as the Registered Proprietors have not been licensed or authorised by the Applicants to use the STORM logo thus any use of the STORM logo would infringe the Applicants' copyright.

53 As the use of the STORM logo by the Registered Proprietors would be prohibited by copyright law, the trade mark should not be registered pursuant to section 8(7) of the TMA.

54 In relation to passing off, the elements of passing off are as follows:

- (i) that the plaintiff's goods and services have acquired goodwill or reputation in the market and are known by some distinguishing feature;
- (ii) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (iii) the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendants' misrepresentation.

55 In relation to goodwill, the Applicants brew and market beer under the name STORM and the STORM logo. They have been using the STORM logo in Indonesia since 2004. Since February 2006, the Applicants have been actively promoting and selling beer bearing the STORM logo extensively to various other countries such as Japan, Australia and New Zealand.

56 The Applicants participated in the recent *Beerfest*. They won awards during *Beerfest* and generated significant interest amongst the beer drinking members of the public in Singapore.

57 The Applicants referred to Exhibit 7 of the Applicants' SD which encloses pictures of the Applicants' participation in *Beerfest* and copies of the Gold and Silver Medal Awards for their Stout and Golden Ale respectively. Exhibit 8 of the Applicants' SD encloses print outs of blogs by the public which mention the Applicants' STORM beer. The Applicants pointed out that the STORM beer was well received by the beer drinking members of the Singaporean public. Furthermore the Applicants submitted that many members of the Singaporean community visit Indonesia as tourists and would be familiar with the Applicants' beer as a result.

58 The Applicants submitted that although the Registered Proprietors have already filed the application by the time *Beerfest* was held, there is no evidence from the Registered Proprietors that they had used the STORM logo on any goods prior to *Beerfest*. Hence, as of June 2010, the public associated the STORM logo with the Applicants who enjoyed goodwill in the STORM logo.

59 In relation to misrepresentation, the Applicants submitted that the Registered Proprietors are not the *bona fide* proprietors of the STORM logo. The STORM logo is extremely similar to the labels of the beer that has been produced and marketed by the Applicants under the name STORM. The Registered Proprietors did not even vary the design of the logo or the font of the word STORM in their registration from the original labels exhibited by the Applicants in the evidence (Exhibit 1 of the Applicants' SD).

60 The Registered Proprietors have registered the STORM logo in classes 32 and 33. These products named in the 2 classes are similar to, if not exactly alike the types of goods the Applicants manufacture and sell. The use of the STORM logo by the Registered Proprietors would deceive consumers into believing that they are drinking alcoholic beverages manufactured and sold by the Applicants when in fact they are not.

61 The Applicants submitted that parties are in the same field of activity, the manufacture and sale of different types of beer. The potential audience for beer is all beer drinking members of the Singapore community. As such, the likelihood of the beer drinking member of the Singapore community being confused by the use of the STORM logo on the 2 different products is highly likely.

62 In relation to damage the Applicants submitted that there is a tangible risk that the STORM beer brand will suffer damage if the Registered Proprietors produce and market goods under the STORM logo. Any product that does not follow the recipes and use the same high quality ingredients as the products manufactured and marketed by the Applicants is likely to tarnish the goodwill of the Applicants' products. The Applicants referred to Warrington LJ in *Ewing v Buttercup Margarine Company, Limited* [1917] 2 Ch 1 at 13:

To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.

63 The Applicants submitted that due to the similarity of the Registered Mark and the Applicants' beer labels, any goods that the Registered Proprietors markets under the STORM logo will be confused with that of the Applicants'. Hence damage will be done to the Applicants.

#### *Decision on Section 8(7)(a)*

64 At the outset I would like to point out that it is not appropriate to raise the issue of prohibition by copyright under this section. As per the wording of the provision itself, this section relates in particular to the ground of objection with regard to passing off. Given the specific wordings of the provisions, the relevant ground of objection to raise for the issue of prohibition by copyright is, as mentioned above, section 8(7)(b). As this ground has not been raised as a ground of objection, I will not deal with the issue of prohibition by copyright.

65 However, the issue of passing off is covered under this provision of section 8(7)(a) and thus I will proceed to analyse the same.

66 It is clear that in order to establish a course of action under passing off, the 3 elements of (i) goodwill; (ii) misrepresentation; and (iii) damage will have to be made out as per *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 ("*Amanresorts*") at [36] and [37].

## Goodwill

67 The Court of Appeal in *Amanresorts* commented at [39]:

To date, Lord Macnaghten’s speech in *The Commissioners of Inland Revenue v Muller & Co’s Margarine, Limited* [1901] AC 217 (“*IRC v Muller & Co*”) at 223–224 remains, in our view, the clearest exposition of what goodwill is:

What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has a power of attraction sufficient to bring customers home to the source from which it emanates.

The above passage highlights two essential features of goodwill. First, it is the association of a good, service or business on which the plaintiff’s mark, name, labelling, etc (referred to generically as the plaintiff’s “get-up”) has been applied with a particular source. Second, this association is an “attractive force which brings in custom” (id at 224).

68 The relevant date in this instance is the date for the application of the Registered Mark which is 15 April 2010.

69 It is clear from the above that it is essential for goodwill that there is business within the jurisdiction. This “hard-line” approach is the accepted approach in Singapore although local courts have somewhat modified this approach such that certain kinds of pre-trading activities can be accepted. Whether certain kinds of pre-trading activities can be accepted for the purposes of goodwill is a question of fact. For a comprehensive discussion on this issue see *Law of Intellectual Property of Singapore (Sweet & Maxwell, Rev Ed, 2009)* by Ng – Loy Wee Loon (“*Law of Intellectual Property*”) at 17.2. For the purposes of this case, the question that has to be answered is whether the Applicants have business or pre-trading activities which can be regarded as “business” within the territory.

70 I refer to the Applicants’ SD. There is no evidence tendered in relation to sales revenue in Singapore although the public has been exposed to the Applicants’ products via *Beerfest*. I refer to paragraph 9 of the Applicants’ SD. During Beerfest (which was held from 16 to 20 June 2010), the Applicants obtained a gold medal for their Stout and a silver medal for their Golden Ale. I refer to Exhibit 7 of the Applicants’ SD which includes pictures of the Applicants’ participation in the event. The only other reference to the availability of the Applicants’ products for sale is at Exhibit 8 of the Applicants’

SD. One of the bloggers commented that the Applicants' products are available at East of Avalon Wines – 200 bottles of the same.

71 The issue is then whether exposure of the Applicants' products through *Beerfest* and the availability of 200 bottles of the same can be regarded as sufficient to be regarded as “business” for the purposes of the element of goodwill in an action for passing off? I think not. I refer to *Law of Intellectual Property* at [17.2.8]. The following were the pre-trading activities of Ritz-Carlton Millenia in the case of *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 2 SLR 550:

- (i) Applications had been filed with the Registry of Trade Marks in Singapore to register “Millenia” as a service mark for *inter alia* hotel services;
- (ii) An agreement had been signed with Ritz Carlton Company of Atlanta, appointing them as operator of the Ritz Carlton Millenia;
- (iii) The name Millenia had been advertised and promoted through press releases and pre-launch publicity events, all of which earned the name “Millenia” widespread media coverage;
- (iv) Work had commenced to source for tenants for Millenia Tower and Millenia Walk and in fact tenants were secured by July 1994;
- (v) Pre-opening brochures on the Ritz Carlton, Millenia has been printed and distributed and the hotel had received room bookings in April 1995.

72 Another case which is illustrative is the case of *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] FSR 413 (“the *Budweiser* case”) which was used as an example by the Court in *Amanresorts*. This was the case where the plaintiff manufactured the well-known “Budweiser” beer in the US. “Budweiser” beer was not available to the general market in the UK, although it was sold in American military bases and a limited number of other outlets in the UK on a duty-free basis. However, the beer was widely known throughout the UK because of the plaintiff’s publicity efforts as well as tourist and business traffic between Europe and the US. In view of this, the English Court of Appeal held (at 464, *per* Oliver LJ) that the plaintiff could “legitimately claim that ... [it] had a reputation as the [brewer] of a beer, Budweiser, with a substantial section of the public”. The question for the court, then, was “whether this reputation associated with a beer which, for practical purposes, nobody could buy [in the UK], constituted ... goodwill in any relevant sense” (*ibid*). Oliver LJ considered whether the plaintiff’s name could be said to be an attractive force for custom in the UK, and came to a negative conclusion.

73 In light of the above, I do not think that the Applicants’ exposure at *Beerfest* and the 200 bottles available at East of Avalon can be considered as business within the jurisdiction for the purposes of the element of goodwill.

74 As the element of goodwill has not been made out, there is no need for me to explore whether the elements of misrepresentation and damage have been made out. Thus the ground of objection on the basis of passing off fails.

## **Ground of Invalidation under Section 7(1)(a)**

75 Section 23(1) has been reproduced above. Section 7(1)(a) reads:

7.—(1) The following shall not be registered:

(a) signs which do not satisfy the definition of a trade mark in section 2 (1);

Section 2(1) reads:

2.—(1) In this Act, unless the context otherwise requires —

"sign" includes any letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape, colour, aspect of packaging or any combination thereof;

"trade mark" means any sign capable of being represented graphically and which is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person;

### ***Applicants' Submissions***

76 The Applicants submitted that the Registered Proprietors have registered the Registered Mark as an individual. In order to conduct business in Singapore, it is necessary to register a business or incorporate a company. An individual is not capable of conducting any business in Singapore. There is also no evidence that the Registered Proprietors has licensed the STORM logo to licensees who carry out business under the Registered Mark. Hence the Registered Mark does not satisfy the definition of a trade mark in section 2(1) of the TMA as the Registered Proprietors do not appear to carry on any trade in relation to the goods covered by the Registered Mark. The registration thus offends against section 7(1)(a) and should be declared invalid.

### ***Decision on Section 7(1)(a)***

77 It is clear from a reading of the definition of a "trade mark" that it is a sign that is capable of being represented graphically and capable of distinguishing goods of a person in the course of trade from another. The concept of "capability" implies that a trade mark should be able to, in particular, so distinguish, in the event that it is so used in the course of trade.

78 The Registered Mark is indeed a mark which is capable of (i) being represented graphically; and (ii) distinguishing goods in the course of trade of one from another. Whether an individual, having registered a mark, would be able to embark in a course of trade is a separate issue.

79 In view of the above, the ground of objection under section 7(1)(a) fails.

## **Conclusion**

80 Having considered all the pleadings and evidence filed and the submissions made in writing, I find that the invalidation succeeds under section 23 read with section 7(6) but fails under section 23 read with section 7(1)(a), section 7(4), section 7(5) and section 8(7)(a). There is no findings made in relation to section 23(4).

81 Accordingly, Trade Mark Registration No. T1004611C is hereby declared invalid. In accordance with section 23(10) of the TMA, the registration is deemed never to have been made, but this shall not affect transactions past and closed. The Applicants are also entitled to costs to be taxed, if not agreed.

Dated this 11<sup>th</sup> day of November 2011

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Sandy Widjaja

Principal Assistant Registrar of Trade Marks  
Hearings and Mediation Division  
Intellectual Property Office of Singapore