

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

Trade Mark Nos. T0901785G and T0901786E
30 September 2013

**APPLICATION FOR LEAVE TO
TO FILE FURTHER EVIDENCE
IN A TRADE MARK OPPOSITION
BY AUTOZONE AUTOMOTIVE ENTERPRISE**

AND

**OBJECTION THERETO
BY AUTOZONE PARTS, INC.**

Principal Assistant Registrar See Tho Sok Yee
14 November 2013

Interlocutory hearing – Opponents' application for leave to file further evidence in support of opposition – earlier invalidation action against Applicants failed as evidence of goodwill limited – whether Opponents can now file further evidence relating to goodwill to support passing off ground in opposition

Autozone Automotive Enterprise ("the Opponents") oppose the registration of Trade Mark Nos. T0901785G and T0901786E in the name of Autozone Parts, Inc. ("the Applicants"). The Opponents and Applicants in the present opposition have encountered each other in an earlier invalidation cum revocation action decided by the Registrar in relation to Trade Mark Nos. T9901348A and T9901351A. In the invalidation action, the Registrar concluded from the evidence that the Opponents' goodwill was in the indicia "Autozone Automotive Enterprise" as a whole and was largely limited to businesses in Singapore that actually or potentially use the Opponents' import, export and wholesale services in respect of automotive spare parts. The invalidation was unsuccessful. However, the revocation was successful and the Applicants' Trade Mark Nos. T9901348A and T9901351A were revoked for non-use.

In the present opposition, the evidential stages had ended and the matter was ready for hearing after the disposal of the invalidation cum revocation action in relation to Trade Mark Nos. T9901348A and T9901351A. However, on 24 July 2013, the Opponents applied to file further evidence purportedly to show that they have goodwill in "Autozone" and not only "Autozone Automotive Enterprise", and that such goodwill extends to retail services for end users. The Applicants objected to the filing of such further evidence and the Registrar heard the parties in an interlocutory hearing on 30 September 2013.

Held, refusing the Opponents' application to file further evidence:

1. In general, no further evidence may be filed after the close of evidence in opposition proceedings. However, under the exception in Rule 35 of the Trade Marks Rules (Cap. 332, 2008 Rev Ed), the Registrar may at any time, if he thinks fit, give leave to either party to file further evidence upon such terms as to costs or otherwise as the Registrar may think fit.
2. HMD Circular No. 1/2011 dated 8 April 2011 sets out a non-exhaustive list of factors to be considered in an application to file further evidence as follows:
 - (i) Why the party seeking to file the further evidence did not do so earlier when the main evidence or evidence in reply fell due; it should be shown that the evidence could not have been obtained earlier with reasonable diligence
 - (ii) Whether the further evidence is necessitated by the evidence filed by the other party
 - (iii) Whether the other party would suffer any real prejudice which cannot be compensated with costs if the further evidence is allowed
 - (iv) Whether allowing the further evidence will allow the substantial issues to be satisfactorily and fully considered and determined or whether the application is only a tactical manoeuvre and allowing the further evidence would result in prejudice to the other party
 - (v) The stage of the proceedings at which further evidence is sought, considerations of disruption to proceedings and extra costs generated by the delay being relevant.
3. HMD Circular No. 1/2011 also indicates that all relevant factors will be considered, though the main weight is attached to the desirability of having the substantial issues satisfactorily and fully considered and determined. However, this factor may be outweighed by the totality of the other factors in certain cases.
4. As the list of factors in HMD Circular No. 1/2011 is not exhaustive, it is pertinent to have regard to other considerations when determining whether further evidence should be allowed in any particular case. Two UK cases, *Ladd v Marshall* [1954] 1 WLR 1489 and *Hunt Wesson Inc's Trade Mark Application (SWISS MISS)* [1996] RPC 233 afford some guidance and their lists of factors have been summarized by the hearing officer M Reynolds in the UK Trade Marks Registry decision of *Yves Saint Laurent v The Zoological Society of London* (Case No. O-245-07, 23 August 2007), respectively as follows at [29]-[30]:

29. ... three conditions must be fulfilled: first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence in the result of the case, although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.

30. ...

1. Whether the evidence could have been filed earlier, and if so, how much earlier.

2. If it could have been, what explanation for the late filing has been offered to explain the delay.
 3. The nature of the mark.
 4. The nature of the objections to it.
 5. The potential significance of the new evidence.
 6. Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, e.g. by an order for costs
 7. The desirability of avoiding multiplicity of proceedings.
 8. The public interest in not admitting onto the register invalid marks.
5. The Opponents' further evidence took the form of a statutory declaration (as to be executed upon obtaining the Registrar's leave) by Neo Chin Aik ("further statutory declaration"), who had deposed to evidence earlier filed in these proceedings. In its draft form, this further statutory declaration described the further evidence sought to be admitted as exhibits but did not in fact display the intended exhibits. The further statutory declaration also gave the reason for seeking to admit the exhibits in evidence at this late stage. The reason, as set out in paragraph 8 of the draft further statutory declaration, is "*The evidence annexed in this statutory declaration was not adduced earlier as it was not obvious to me that such specific evidence as to use would be crucial to my case, so I had filed evidence generally showing use. It was not until the Grounds [of Decision for Trade Mark Nos. T9901348A and T9901351A] were issued that I was cognizant of the importance of such specific evidence.*" (words in square brackets added for clarity).
 6. To clarify that, in addition to their wholesale business, the Opponents also retailed goods to end customers, they sought to admit in evidence register records of cash sales and invoices to various individuals in Singapore from 2005 to 2013 ("Exhibit FE-1" of the further statutory declaration). The Opponents also claimed that such invoices placed an emphasis on the word "Autozone" itself. As stated above, the further statutory declaration did not in fact display Exhibit FE-1.
 7. The Opponents also sought to demonstrate that they had branches in various locations around Singapore where end customers could walk in and make purchases; and that customers associated the Opponents with the word "Autozone" itself. To this end, the Opponents sought to admit in evidence photographs of signboards of the branches in different locations ("Exhibit FE-2" of the further statutory declaration), though this exhibit was not itself in fact in sight as observed above.
 8. In further support of their contention that their customers and service providers know and refer to them as "Autozone" and not "Autozone Automotive Enterprise", the Opponents sought to admit in evidence correspondences ("Exhibit FE-3" of the further statutory declaration), again also not in sight to the Registrar nor the Applicants.
 9. This opposition presents a rather unique factual matrix which led to my decision to refuse the application to file further evidence. The three considerations that had the greatest impact on the outcome were (i) whether the further evidence could have been filed earlier; (ii) whether there would be prejudice to the Applicants which cannot be compensated by costs; and (iii) the public interest. That is not to say the other factors set out earlier at [2] and [4] were not considered. They have been taken into account. However, the three main considerations listed here outweighed in totality the factors favouring the Opponents.

I adjudge that the Registrar has the discretion and power to conduct a balancing exercise of all relevant factors, in the process according appropriate weightage to the factors in each case.

10. The first mentioned main consideration in [9] above does not support the Opponents' application here. Their intended further evidence was sought to be filed because of the outcome of the invalidation cum revocation action in relation to Trade Mark Nos. T9901348A and T9901351A; and not because such evidence could not have been filed earlier in the present opposition. Both parties started on a level playing field, represented by trade mark lawyers who could have advised them on the evidence that needed to be filed in support of their respective case. If the Opponents had wanted to, they could have filed the intended further evidence when it fell on them to file evidence, before evidence closed. This is not a case where the intended further evidence only became available after the close of evidence.
11. With regard to the second mentioned main consideration in [9], the issue of prejudice is particularly preponderant in this case. As the Applicants explained at the interlocutory hearing, they had been led to believe that the existing evidence was all the evidence that the Opponents had wanted to rely on in the opposition. This is a fair and reasonable expectation because of the Opponents' earlier indication on how they would like the (i) invalidation cum revocation (Trade Mark Nos. T9901348A and T9901351A); and (ii) opposition (Trade Mark Nos. T0901785G and T0901786E); to proceed – In the course of case management after evidence for the invalidation cum revocation and for the opposition had closed, the Registrar discussed with the parties how they wished to proceed. The Applicants responded on 3 July 2012 that they wished to have the invalidation cum revocation heard first. The Opponents on the other hand responded on 3 July 2013 that they wished to consolidate the invalidation cum revocation with the opposition and hear them together. The Registrar decided on 5 October 2012 that the invalidation cum revocation would be heard first and the opposition deferred to a later date in the interest of cost-effectiveness. This was because the outcome of the invalidation cum revocation leaves open the possibility of settlement or, otherwise, closure of the opposition, without the need for adjudication. As a result of this expectation that the existing evidence was all the evidence that the Opponents had wanted to rely on in the opposition, the Applicants submitted that they had withdrawn their earlier appeal from the Registrar's decision in the invalidation cum revocation, choosing to only defend the present opposition based on the evidence already filed (the Applicants perceived that the Registrar's finding under the ground of passing off in the invalidation action was in the Applicants' favour in the opposition here). In connection with the outcome of the invalidation cum revocation, upon discontinuance of the appeal, the Applicants' two registered trade marks (Trade Mark Nos. T9901348A and T9901351A) had been revoked from the Register for good, irreversibly. They would be prejudiced if the Opponents' application to file further evidence were allowed, because the tide is perceived to turn against the Applicants in the opposition, while the appeal in respect of Trade Mark Nos. T9901348A and T9901351A had been discontinued; and there is no prospect of re-gaining those registered trade marks.
12. The Applicants' prejudice is not something that can be compensated for with costs. Under this factor, the justice of the case requires that the Opponents' application to file further evidence be disallowed.

13. As for the third mentioned main consideration in [9] above, public interest demands a standard of fairness to apply equally to parties in the course of adversarial proceedings.
14. The Opponents submitted at the hearing that they were entitled to have justice done with the benefit of all the evidence available so that a just decision can be reached. They contended that the facts and subject-matter in both the invalidation cum revocation on the one hand, and the opposition on the other, are so intertwined that they should be viewed as closely intertwined proceedings, if not one and the same.
15. The point of hearings is indeed to reach a just outcome; and this is to be achieved through just means. Proceedings are fair and just not only because of the substantive aspects of law and evidence, but also because of procedural fairness. The counter-argument to the Opponents' submission is that they had the opportunity to file the intended evidence for this opposition much earlier before the close of evidence, and also before the hearing for the invalidation and revocation took place (when the overlapping issues were determined). However, they did not do so and the reason given was that they did not realize it was needed to establish that the Opponents enjoyed goodwill in the indicia "Autozone" as such. This reason is weak but does not dispose of the inquiry immediately.
16. A party's right to file evidence is by no means unfettered and is, at the same time, a responsibility. Where the evidence is in his knowledge and possession, it is the party's responsibility to file it when it falls due. The procedural framework has already given both parties fair opportunity to file the evidence they wished to file; and it would not be as a matter of course that further evidence outside the standard boundaries of an adversarial process would always be allowed. The public would expect that fair and just proceedings be governed by fair and just rules. Hence, would a right-thinking member of the public think it fair and just that the Opponents, who could have filed their intended further evidence earlier but did not think it was necessary, then be allowed to do so in spite of the prejudice the Applicants would suffer after they reasonably expected that the Opponents' existing evidence was all the evidence that they had wanted to rely on in the opposition? As alluded to above, the Opponents' reason for not filing the intended further evidence earlier with the rest of their evidence is weak. However, it is the consideration that the potential prejudice the Applicants would suffer outweighs the Opponents' already lightweight reason that ultimately defeats this application. Had there been no prejudice to the Applicants that could not be compensated by costs, the application might have had a higher possibility of being granted.
17. Accordingly, the application for leave to file evidence is disallowed. The Applicants are awarded costs of \$450, being costs of \$300 for preparation for the interlocutory hearing and \$150 for attendance at the interlocutory hearing, to be paid by the Opponents within 1 month from the date of this decision.
18. The decision in this case turned on the specific factual matrix and does not signal a change in the Registrar's general approach, indicated in HMD Circular No. 1/2011, where the main weight usually is attached to the desirability of having the substantial issues satisfactorily and fully considered and determined. In the present case, this factor was outweighed by the totality of other factors described above.

Legislation discussed:

Trade Marks Rules (Cap. 332, 2008 Rev Ed), rule 35

Cases referred to:

Ladd v Marshall [1954] 1 WLR 1489

Hunt Wesson Inc's Trade Mark Application (SWISS MISS) [1996] RPC 233

Yves Saint Laurent v The Zoological Society of London (Case No. O-245-07, 23 August 2007)

Representation:

Mr Elvin Yeo (Rodyk & Davidson LLP) for the Opponents

Ms Lee Zi Ying and Ms Yvonne Tang (Drew & Napier LLC) for the Applicants