

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

Trade Mark No. T0106593C
12 June 2015

**APPLICATION FOR AMENDMENT OF PLEADINGS
BY AXIS LAW CORPORATION**

AND

**OBJECTION THERETO
BY AXIS INTELLECTUAL CAPITAL PTE LTD**

Principal Assistant Registrar Sandy Widjaja
28 July 2015

Interlocutory hearing – Application sought by Applicants for Declaration of Invalidity to amend pleadings – filed after Registered Proprietor has filed their evidence and after the evidence closed (two revised versions) - objection by Registered Proprietors — whether application should be allowed

The Applicants filed their Application for a Declaration of Invalidity on 21 March 2014. The Registered Proprietors filed their Counter-Statement on 17 July 2014. The Applicants filed their evidence in support of the invalidation action on 14 November 2014. The Registered Proprietors filed their evidence on 14 January 2015. On 7 May 2015, the Applicants sought leave to amend the Statement of Grounds (“SOG”) which was originally attached to Form TM28. In this regard, the Applicants sought not only to elaborate on the existing grounds but also to add a new ground for the invalidation action as well as to add a new ground for revocation. On 11 May 2015, the Registrar referred the Applicants to HMG Circular 2/2010 which relates to the process to request to amend pleadings and directed the Applicants to seek the consent of the Registered Proprietors if they have not done so. The Applicants then sought the consent of the Registered Proprietors. On 12 May 2015, the Registered Proprietors refused to give their consent for the proposed amendments to the SOG.

On 13 May 2015, the Registrar indicated that he is minded to reject the Applicants’ application to amend the SOG but nevertheless allowed the Applicants to be heard on this issue. In this regard, the parties indicated that they prefer only to have written submissions and authorities. Following the Registrar’s directions on 29 May 2015, parties duly filed their written submissions and authorities on 12 June 2015. In the meantime, on 5 June 2015, the Applicants filed another revised version of the proposed amendments to the SOG which further added another ground for invalidation.

Held, refusing the application to amend the Statement of Grounds

1. As submitted by the Applicants, the relevant provision of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) in this case is Section 25(b) which provides:

25. The Registrar may, at the written request of the person who has made an application (other than an application for the registration of a trade mark), or filed a notice or other document for the purposes of this Act, or at the written request of the person’s agent, amend the application, notice or document —

(b) if the Registrar is of the opinion that it is *fair and reasonable* in all the circumstances of the case to do so.

2. Further, the relevant rule in this case is Rule 83 of the Trade Marks Rules (Cap 332, 2008 Rev Ed) (“the Rules”) which provides as follows:

83. Any irregularity in procedure which, in the opinion of the Registrar, is *not detrimental* to the interests of any person or party may be corrected on such terms as the Registrar may direct.

3. Last but not least, the Registrar has also issued a circular, namely HMG Circular 2/2010 (“the Circular”) to deal specifically with the process for a request to amend pleadings. In the current case, the request to amend the pleadings was made *after* the close of pleadings. Thus Part B of the Circular, as follows, applies:

B. AMENDMENTS AFTER CLOSE OF PLEADINGS

Where amendments are sought after pleadings are deemed to be closed, consent from the other party must first be sought...Where there is no consent, leave of the Registrar must be obtained for any amendment after the close of pleadings. Whether leave would be granted depends on the facts and circumstances of each case. In considering whether to grant leave for the amendments, the Registrar will conduct a *balancing exercise*, involving a consideration of the public interest that rules relating to procedure are complied with and the need to ensure that there is proper adjudication of a case based on its merits in the interest of justice between the parties. In particular, the Registrar will carefully weigh the following non-exhaustive factors on a case by case basis:

- (i) whether the party seeking the amendment could have claimed the particular ground/defence... earlier, when filing...Form TM 28...
- (ii) whether the amendment is necessitated by the pleading or evidence filed by the other party
- (iii) whether the other party would suffer any real prejudice which cannot be compensated with costs if the amendment is allowed

- (iv) whether allowing the amendment will facilitate the determination of the real question in controversy between the parties or whether the amendment is only a tactical manoeuvre and allowing the amendment would result in prejudice to the other party
- (v) whether the amendment raises grounds or facts which the applicant need not set out in reply, for example, the ground was not raised by the opponent and is therefore inapplicable to the particular proceedings at hand
- (vi) the substantiality of the amendment
- (vii) the stage of the proceedings the amendment is sought.

[Emphasis as italicised mine]

In this regard, I am of the view that the above is not inconsistent with the case of *J.-E. Borie SA v MHCS [2013] SGIPOS 4* (“*The Yellow Label*”) where, the Registrar commented at (viii) “the Act does not contain any specific provision on the amendment of a notice of opposition” since both Section 25 of the Act and Rule 83 of the Rules are general provisions. In any event, it will be seen below that the Circular is crucial in guiding the Registrar to come to the final conclusion.

4. The Applicants submitted, at paragraph 5 of their submissions, that there is a sound basis for the amendments as follows:
 - (i) The amendments are necessary to ensure that all proper grounds have been set forth and the necessary facts pleaded so that the Registered Proprietors are not caught by surprise or prejudiced in any way.
 - (ii) That it would be in the interest of justice to enable the real issues between the parties to be tried. If leave to amend is refused, there would be real prejudice to the Applicants as they would have been deprived of some of the grounds which ought properly to be tried.
 - (iii) The Registered Proprietors would not be prejudiced in any way as the amendments are being made at an early stage of the proceedings and the Registered Proprietors (with leave) would be in a position to respond and to prepare the necessary rebuttal evidence (if any). The Applicants do not believe that the Registered Proprietors need to produce any other evidence in rebuttal as all evidence have already been set forth. The Registered Proprietors would suffer no prejudice whatsoever.
5. The Applicants also sought to rely on the case of *The Yellow Label* as well as the case of *Chwee Kin Keong and others v Digilandmall.com Pte Ltd [2005] SGCA 2* (“*Chwee Kin Keong*”).
6. On the other hand, the Registered Proprietors argued that, applying Section 25(b) of the Act and the Circular, it is neither fair nor reasonable to grant the amendments. The Registered Proprietors sought to rely on several Australian cases on the basis that Section 66(1) of the Australian Trade Marks Act 1995 is in *pari materia* to Section 25.

However, as will be seen below, I am of the view that *The Yellow Label* is more relevant to the current case even though the Registrar *allowed* the proposed amendment to the pleadings in that case.

7. In applying Rule 83, the Registrar has reiterated on many occasions, the most recent being *Appitude Pte Ltd v MGG Software Pte Ltd 2015 SGIPOS 8* (“*MGG*”), that:

[1] The Registrar is empowered to hear this application under Rule 83 of the Trade Marks Rules. This is clear from the decision of the Registrar in *Asian Aisle Pte Ltd v Ricegrowers Co-operative Limited* [2002] SGIPOS 7, which clarified that “irregularities” in Rule 83 refers to failures to comply with the procedural requirements of the Trade Marks Act and the Trade Marks Rules. This includes matters in respect of time...

[2] However, the mere fact that the Registrar has such discretion under Rule 83 does not justify its exercise in every case or where no good reasons are shown. The Registrar in *SOS International A/S v AEA International Holdings Pte Ltd and Anor* [2011] SGIPOS 10 makes clear that “*While the balancing exercise is to be carefully weighed and will turn on the particular facts of each case, the overall consideration of public interest of certainty and transparency and the need to promote the expeditious disposal of disputes would warrant the Registrar not allowing the overstepping of time limits in the legislation under most circumstances.*”

This need for a balancing exercise is reflected in the Circular , reproduced above. In this instance, Rule 83 is applicable as the proper time for the Applicants to include all the relevant grounds which they seek to rely on is at the point of filing Form TM28 together with the SOG.

8. As mentioned above, the Applicants also sought to rely on the case of *Chwee Kin Keong*. At paragraph 7 of their written submissions, the Applicants referred to the said case at [101] and [102] where the Court, citing other decisions, provided that:

[101]...[T]o allow an amendment before a trial begins is quite different from allowing it at the end of the trial to give an apparently unsuccessful defendant an opportunity to renew the fight on an entirely different defence.

...

[102]...It is trite law that an amendment which could enable the real issues between the parties to be tried should be allowed subject to penalties as to costs...unless the amendment would cause injustice or injury to the opposing party which could not be compensated for by costs or otherwise...

9. In this regard, the Registrar has provided as such in *MGG* as follows:

[2] At times, disputants cite authorities from the Singapore courts in support of their application for the Registrar to allow "*overstepping of time limits*". However, there is a basic distinction between court proceedings and proceedings before the Registrar of Trade Marks. In the former, suits are subject to time bars beyond which rights generally cannot be asserted; and non-compliance with deadlines can potentially lead to judgment in default. Hence, court authorities may tend to disclose a more open approach towards allowing the "*overstepping of time limits*". On the other hand, in proceedings before the Registrar, it is generally open to disputants to re-file their application to register a trade mark or to institute fresh action against a trade mark. The consequences of adhering to the prescribed rules relating to time limits are usually not as severe in Registry proceedings as opposed to court proceedings. Hence, as a low-cost administrative tribunal with an interest in transparency and certainty, the Registrar tends to take a more circumspect stance on the issue and has a disposition towards the adherence to time limits. Exceptional circumstances would be needed to justify deviation from these time limits.

[Emphasis as underlined mine]

10. In assessing if there are exception circumstances in this case, I will address the considerations as indicated in the Circular above. As submitted by the Registered Proprietors, these factors also assist in the assessment if it is "fair and reasonable" to allow the amendments under Section 25(b). In addition, the Applicants also sought to rely on the case of *The Yellow Label*, which is a recent IPOS case in relation to an amendment of pleadings. At paragraph 6 of their submission, the Applicants submitted as such:

In the case of "Yellow Label"...decisions regarding amendments under Order 20 Rule 5(1) of the Rules of Court were decided to have been applicable to situations relating to the amendment of Statement of Grounds in Opposition proceedings. Likewise, the same principles should apply to invalidation and revocation proceedings as the Statement of Grounds work in similar fashion as pleadings in the Rules of Court.

In this regard, the Registrar stated at [25] in *The Yellow Label*:

[25] ...counsels for both parties agreed that the above guidance set out in the IPOS Circular is *not dissimilar* to the practice and law as applicable to amendment of pleadings in civil proceedings generally pursuant to Order 20 Rule 5...I will proceed to go through each of the non-exhaustive factors [as listed in the Circular]...

11. I will proceed to analyse each factor in turn.
12. In relation to "*whether the party seeking the amendment could have claimed the particular ground/defence... earlier, when filing...Form TM 28...*" in *The Yellow*

Label the Registrar held that whilst the Opponents could theoretically have included the Diageo Marks in their notice of opposition at the drafting stage, they have explained that the amendment was sought *soon* after they had notice of the existence of the Diageo Marks. The Opponents were only *alerted* to the existence to the Diageo Marks when a Provisional Refusal was issued by the Registry in relation to their mark on which they use to oppose the Application Mark.

13. However, in contrast, in the current case, the Applicants submitted as such at paragraph 2 of their submissions:

The amendments arose to *reflect* the evidence as appears in the Statutory Declaration of Sim Alina...filed on 14 November 2014 and [21] May 2015, and which were due in part to an *oversight* earlier in the proceedings because of *haste* and *insufficient thought*.

[Emphasis as italicized mine]

Therefore, the short answer is that, the Applicants *could* have claimed those grounds which they are now seeking to be included earlier, at the point of filing Form TM28 and the SOG. The only reason why these grounds have not been included previously was nothing more than simply as a result of “an oversight earlier in the proceedings because of haste and insufficient thought” on the part of the Applicants *themselves*.

14. I also make two comments in relation to the above. First, in a post registration action, there is *no* time constraint to file Form TM28 to commence proceedings. This is unlike an opposition action, where a would-be opponent has a maximum period of 4 months (subject to the filing of a request for an extension of time) to file Form TM11 to initiate opposition proceedings. Taken in this light, it is difficult to understand the underlying reason which resulted in the “haste” at the initial stage of the process. Secondly, even if the proposed amendments were inadvertently overlooked at the point of filing Form TM28 and the SOG, the fact that the *second* version of the proposed amendments were sought to be made only *after* the evidence had closed and was made to reflect the *two* sets of evidence filed by the Applicants, could only point towards very poor planning in relation to the current invalidation (and revocation) action.
15. In relation to “*whether the amendment is necessitated by the pleading or evidence filed by the other party*”, the answer is clearly in the negative following the Applicants’ submission above. It would appear from the submission of the Applicants above that the insufficiency of the Applicants’ own pleadings were brought to the Applicants’ own attention as a result of drafting their own evidence, *including* the Applicants’ evidence in reply.
16. In relation to “*whether the other party would suffer any real prejudice which cannot be compensated with costs if the amendment is allowed*”, the Registrar in *The Yellow Label* held, at [28]:

[28]...To put it another way, if the amendment would not have been objectionable if it was included in the notice of opposition in the first place, it should not be objected to for this reason when sought to be introduced by way of amendment – especially at an *early* stage of proceedings, when the Applicants have *yet to file* their evidence. There would be *little prejudice* to the Applicants since the Applicants need *not* incur additional costs in obtaining a second statutory declaration.

[Emphasis as italicised mine]

17. The above is in contrast to the current case. Clearly, it would not have been objectionable if the proposed amendments were included in the original Form TM28 and the SOG. However, the Applicants sought to include the proposed amendments at a *very late* stage. In fact, as alluded to above, there are *two* revised versions of the proposed amendments, the second version being sought *after* the evidence had closed (the Registered Proprietors had *already* submitted their evidence). In this regard, the Applicants submitted at paragraph 5(c) of their submissions:

The Respondent would not be prejudiced in any way because amendments are being made at an early stage of proceedings and the Respondent (with leave) would be in a position to respond and to prepare the necessary rebuttal evidence (if any). The [A]pplicant does not believe that the Respondent needs to produce any other evidence in rebuttal because all evidence have already been set forth...The Respondent would suffer no prejudice whatsoever.

In light of the facts alluded to above, I fail to see how the amendments were made at an early stage of the proceedings. I also fail to see how the Registered Proprietors would not be prejudiced if they would need to apply for leave to respond and prepare the necessary rebuttal evidence. In this regard, I disagree that there is no need for the Registered Proprietors to file any other evidence in rebuttal in light of the substantiality of the proposed amendments (see details below).

18. In relation to “*whether allowing the amendment will facilitate the determination of the real question in controversy between the parties or whether the amendment is only a tactical manoeuvre and allowing the amendment would result in prejudice to the other party*”, the Applicants point out that the amendments are necessary to ensure that all proper grounds have been set forth and the necessary facts pleaded and that it would be in the interest of justice to enable the real issues between the parties to be tried. However, this is only one of the factors which the Registrar will take into account. Further, as pointed out by the Registrar in *MGG* above, it is generally open to the Applicants to institute fresh action against a trade mark.
19. In relation to “*whether the amendment raises grounds or facts which the applicant need not set out in reply*”, the answer is clearly “no” in light of the substantiality of the proposed amendments, as discussed below.

20. With regard to “*the substantiality of the amendment*”, the Registrar held in *The Yellow Label* at [31]:

[31]...The Opponents' amendments do *not* add any new grounds of opposition, since the Opponents have already pleaded Section 8(2)(b) of the Act at paragraph 8 of the notice of opposition, albeit using a different set of facts. Whilst the amendment widens the scope of the Opponents' objection under Section 8(2)(b), it is something that should be relatively easy for both parties to make their submissions on.

[Emphasis as italicized mine]

21. However, in the current case, I am of the view that it is clear that the proposed amendments are substantial. This can be seen at two levels. First, there is the *addition of the ground of revocation under Section 22 of the Act*. While both the application for a declaration of invalidity and an application for revocation are post registration actions and they share the same initiating form ie Form TM28, it is clear that the nature of the two types of action is different. There are separate provisions in the Act for each type of action and the consequences of the two types of action are clearly different. Secondly, the Applicants also sought to *add new grounds for the invalidation action*. In this regard, the Applicants sought to include, in addition to those originally pleaded, *Section 23 read with Section 7(1)(c) as well as Section 23 read with Section 7(6)*. Further, I also note that the Applicants sought to revise the proposed SOG on *two* separate occasions. The first instance was on 7 May 2015 (*after* the filing of the Registered Proprietors' evidence) wherein the Applicants sought to include the revocation ground under Section 22 as well as Section 23 read with Section 7(1)(c) (the Applicants also sought to elaborate on the basis upon which they sought to invalidate based on the ground of Section 23 read with Section 7(5)). The second instance was on 5 June 2015 (*after* the filing of the Applicants' Evidence in Reply on 21 May 2015) where the Applicants sought to add the ground of Section 23 read with Section 7(6). In this regard, the Applicants submitted, at paragraph 4 of their submissions:

The allegations of bad faith under Section 7(6)...had been raised in the [original] Statement of Grounds but the amendments are necessary made to make matters clearer.

I am of the view that this is not so. It is not obvious that the ground of bad faith has been pleaded from the original SOG. Taken together, I am of view that the proposed amendments sought to be made to the SOG are substantial.

22. In relation to “*the stage of the proceedings the amendment is sought*”, in *The Yellow Label* amendments weresought at a relatively early stage of the proceedings, *after* the close of pleadings and the filing of the Opponents' first statutory declaration. The Applicants had*not* filed any evidence as yet (see [32] of the decision).

23. This is clearly in contrast to the current case. The Applicants sought to amend the proposed SOG on 7 May 2015, which as alluded to above is *after* the filing of the Registered Proprietors' evidence. Further, again as alluded to above, the Applicants also sought to make a *further* revision to the SOG on 5 June 2015, which was *after* the filing of the Applicants' Evidence in Reply on 21 May 2015. Since this second version is the version which the Applicants ultimately seek to rely on, I will take this second version as the point of reference. Taken in this light, the request was made *after* evidence had closed. Thus, I disagree with the Applicants' submission (replicated above) that the amendments are being made at an early stage of proceedings.

24. In conclusion, taking into account *all* the factors above, the Applicants' request to amend the pleadings is disallowed. In addition, the Registered Proprietors are awarded costs of \$400 being costs for preparation for this interlocutory matter. Such costs are to be paid by the Applicants to the Opponents within 1 month from the date of this decision.

Legislation discussed:

Trade Marks Act (Cap 332, 2005 Rev Ed), Section 25

Trade Marks Rules (Cap 332, 2008 Rev Ed), Rule 83

Cases referred to:

J.-E. Borie SA v MHCS [2013] SGIPOS 4

Chwee Kin Keong and others v Digilandmall.com Pte Ltd [2005] SGCA 2

Appitude Pte Ltd v MGG Software Pte Ltd [2015] SGIPOS 8

Representation:

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