

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

Trade Mark Nos. T0312074E and T0615020C
3, 4, 8 March 2016
11, 15 April 2016
22 July 2016

**IN THE MATTER OF
TRADE MARK REGISTRATIONS IN THE NAME OF**

TAN SIEW KENG, ANGELINE

AND

APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY

LEONID KOVALKOV

Hearing Officer: Ms Lee Li Choon
Intellectual Property Adjudicator

Mr Amos Cai, Ms Valerie Neo (Tito Isaac & Co LLP) for the Applicant

Mr Ignatius Joseph, Ms Chong Xinyi (Ignatius J & Associates) for the Registered Proprietor

Cur Adv Vult

GROUND OF DECISION

1 Tan Siew Keng, Angeline is the Registered Proprietor (“the Proprietor”) of the following trade marks in Singapore:

- (i) T0312074E



(ii) T0615020C



both in Class 12 in respect of “Brake pads for vehicles; brake shoes for vehicles; brake lining land vehicles; suspension parts for vehicles”. The above marks are hereafter collectively referred to as “the Subject Marks” and individually as “the 2003 Mark” (T0312074E) and “the 2006 Mark” (T0615020C) respectively.

2 Leonid Kovalkov (“the Applicant”) applied for declarations of invalidity against the Subject Marks on 8 November 2013. The Proprietor filed their Counter-Statement in defence of the registration of the Subject Marks on 28 January 2014.

3 The Pre-Hearing Review was held on 2 June 2015, further to which both the Applicant and Proprietor filed supplementary evidence on 2 October 2015 and 16 September 2015 respectively. The matter proceeded to a full, substantive hearing over five days on 3, 4, 8 March, 11 and 15 April 2016. I heard oral submissions from both parties’ counsel on 22 July 2016. As new points of contention surfaced at the hearing on 22 July 2016, both parties were directed to file and exchange further written submissions and reply submissions on those new points. As the original timelines could not be adhered to by both parties’ counsel, these were eventually exchanged and filed on 2 August and 10 August 2016 respectively.

Ground of Invalidation

4 The Applicant relies solely on section 7(6) in the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) in support of this application for a declaration of invalidity. Section 7(6) reads as follows: *A trade mark shall not be registered if or to the extent that the application is made in bad faith.*

Applicant’s Evidence

5 The Applicant’s evidence comprises the following Statutory Declarations:

S/No.	Deponent	Designation of Deponent	Date Filed	Place Made	“Marked As”
1.	Leonid Kovalkov	Director and Shareholder of JNBK Corporation Pte Ltd (a company	2 December 2014	Singapore	A1

		incorporated in Singapore), former director and shareholder of EPL Distribution Pte Ltd (formerly known as Enessi Pte Ltd)			
2.	Leonid Kovalkov	Same as above	29 April 2015	Singapore	A2
3.	Leonid Kovalkov	Same as above	2 October 2015	Singapore	A3
4.	Leonid Kovalkov	Same as above	20 November 2015	Singapore	A4
5.	Goh Boon Sin	Former director of EPL Distribution Pte Ltd (formerly known as Enessi Pte Ltd)	Filed via exhibit LK-18 to A1 that was filed on 2 December 2014	Singapore	A5
6.	Ho Chong Tat Ivan	Former employee (Sales Manager) of EPL Distribution Pte Ltd (formerly known as Enessi Pte Ltd) during the period 1997 to 2007. Presently, he's the Sales Manager of JNBK Coporation Pte Ltd which he joined in 2007.	Initially as an exhibit in A1 filed on 2 December 2014 and subsequently, filed separately on 18 March 2016	Singapore	A6

6 At the hearing, the Applicant, as well as Goh Boon Sin, and Ho Chong Tat Ivan gave oral testimony and were cross-examined.

Proprietor's Evidence

7 The Proprietor's evidence comprises the following Statutory Declarations:

S/No.	Deponent	Designation of Deponent	Date Filed	Place Made	"Marked As"
1.	Tan Siew Keng Angeline	Registered Proprietor of the Subject Marks and now, director and shareholder of Sintrade Pte Ltd	30 January 2015	Singapore	R1
2.	Ong Hoe Koon	Husband of Tan Siew Keng Angeline, former director and shareholder of EPL	30 January 2015	Singapore	R2

		Distribution Pte Ltd (formerly known as Enessi Pte Ltd) and now, director and shareholder of Sintrade Pte Ltd			
3.	Tan Siew Keng Angeline	Same as 1 above	16 September 2015	Singapore	R3
4.	Sum Kien Heng	Sales Manager of EPL Distribution Pte Ltd, formerly known as Enessi Pte Ltd during the period from 1997 to 2007)	16 September 2015	Singapore	R4
5.	Tan Siew Keng Angeline	Same as 1 above	8 April 2016	Singapore	R5

8 At the hearing, the Proprietor herself, as well as her husband, Ong Hoe Koon and Sum Kien Heng gave oral testimony and were cross-examined.

Applicable Law and Burden of Proof

9 As the applicable law is the Act, there is no overall onus on the Proprietor either before the Registrar during examination or in invalidation proceedings. The undisputed burden of proof in the present case falls on the Applicant.

Background

10 The present case is unique in that it concerns parties who were familiar with each other and were in the same company and promoting goods bearing the Subject Marks for their common good until their relationships broke down, sometime around 2006 and 2007. As the chronology of events and the past relationships amongst the Applicant, the Proprietor and their witnesses is relevant, I will briefly set this out first.

11 The company we are concerned with is EPL Distribution Pte Ltd (hereinafter referred to as “EPL”), a company incorporated in Singapore. This company was formed in 1992 with the Proprietor’s husband, Ong Hoe Koon (“Ong”), the Applicant, Leonid Kovalkov, one Boris Nefedov (“Boris”), and Goh Boon Sing (“Goh”) as directors and shareholders. EPL was formerly known as EPL Distributions Private Limited (26 November 2003) and Enesi Pte Ltd (30 September 1992). It would appear that Ong and the Applicant were the main persons involved in running the business while Boris and Goh were dormant parties in EPL.

12 The early trade of EPL was mainly in computers and electronics such as television, video recorders, refrigerators, communication devices, etc. In 1997, EPL became the distributor of Nisshinbo brake pads and brake shoes in Singapore and elsewhere, mainly Russia. The Nisshinbo brand of brake pads and brake shoes was owned by a Japanese company, Soma Corporation. At the same time, EPL was also distributing the Sakura brand of filters, which were made by an Indonesian company. As the business in brake pads and

brake shoes was good, it would appear that EPL switched its activities to mainly brake pads and brake shoes thereafter.

13 In 2000, the Proprietor joined EPL. Officially, she was an employee of EPL. Around this time, EPL had started to import unbranded brake pads and brake shoes from Luh Dah Brake Corp (“Luh Dah”), a Taiwanese company. These brake pads and brake shoes were packed in “Sakura” boxes and the brake shoes were marketed under the brand, “jFBK”. jFBK brake shoes were at that time being sold in Malaysia.

14 On 13 August 2003, the Proprietor applied for the registration of  (the 2003 Mark) for brake pads for vehicles; brake shoes for vehicles; brake lining land vehicles; suspension parts for vehicles in Class 12 via T0312074E. The registration procedure for the registration of the 2003 Mark in the sole name of the Proprietor, was completed on 14 January 2004. It is to be noted that the same mark, “JNBK” is registered in the name of the Applicant in Russia and Japan in or around the year 2004.

15 Whilst the exact date as to when EPL started selling brake pads and brake shoes under the 2003 Mark is disputed, it is not disputed that at least from early 2004 onwards, EPL had been selling brake pads made by the Taiwanese company, Luh Dah, which carried the 2003 Mark and were packed into boxes that were labelled with the 2003 Mark.

16 In 2005, the Proprietor’s husband (Ong), the Applicant and Goh set up J Tech Auto Pte Ltd in which all three of them were the directors and shareholders. The parties involved in J Tech Auto Pte Ltd were the same parties as the parties in EPL except that Boris was removed. Around that time, another company Zonac Pte Ltd was set up to enter into the business of exporting used cars to Russia. Zonac was mainly run by the Proprietor who was also a director of the company together with her husband. The Applicant became a shareholder of Zonac for a very short period of time from June 2007 to August 2007. The Proprietor’s explanation for the Applicant’s involvement in Zonac is that the Applicant had joined Zonac as part of the separation plan.

17 On 26 July 2006, the Proprietor applied for the registration of  (the 2006 Mark) for brake pads for vehicles; brake shoes for vehicles; brake lining land vehicles; suspension parts for vehicles in Class 12 via T0615020C. The registration procedure for the registration of the 2006 Mark in the name of Angeline, the Proprietor was completed on 24 May 2007.

18 By around 2007, J Tech Auto was renamed as JNBK Corp Pte Ltd. By this time, the relationship between Ong and the Applicant had soured and in August 2007, Ong moved out of JNBK Corp Pte Ltd. Thereafter, only the Applicant and Goh remain as the directors and shareholders in this company, JNBK Corp Pte Ltd.

19 It can be seen from the above events that by around 2007, the parties had started to part ways. As a result of this split, there were a series of meetings and exchange of letters to decide on, in the Proprietor’s words, “*the fate of my JNBK trademarks*”. Lawyers were engaged by the Applicant. The series of meetings and discussions included two meetings in July 2007 held in the presence of EPL’s auditor, Mr AC Lui and two letters dated 1 June

2007 and 7 June 2007 drafted by the lawyers engaged by the Applicant, M/s Tito Isaac & Co and sent to JNBK Corporation Pte Ltd. The letter of 1 June 2007 alluded to a meeting amongst relevant parties on 30 May 2007. In that letter, there was an allusion to a transfer of the ownership of the Subject Marks from the Proprietor to 3 persons - the Applicant, Ong and Goh. This was followed by a letter dated 7 June 2007 again drafted by M/s Tito Isaac & Co and addressed to JNBK Corporation Pte Ltd. This letter enclosed proposed draft assignment documents to give effect to the transfer mentioned in the letter of 1 June 2007. Subsequent to these 2 letters, there were two meetings in July 2007 in the presence of EPL's auditor, Mr AC Lui in which according to the Proprietor, a different proposal was raised by the auditor. According to the Proprietor, the proposal was to put the Subject Marks for auction to be transferred to whoever would pay a higher price for them. However, discussions amongst the parties fell through; neither the auction nor a transfer of the Subject Marks materialized.

20 On 9 October 2007, the Proprietor applied for the registration of **JNBK** (which is the same mark as the 2006 Mark) in relation to Air filters for commercial vehicles, oil filters, fuel filters for land vehicles; fuel pumps and water pumps for land vehicles in Class 7 via **T0719918D**. The Applicant lodged an opposition to this application in December 2007 and after a hearing by Principal Assistant Registrar Sandy Widjaja, the Applicant's opposition was successful: see [2012] SGIPOS 5. Thus, there is presently no other registration for JNBK in Singapore other than the 2 registrations which are the subject of this application for invalidation.

Preliminary Issue

21 The Applicant initially raised the issue of res judicata. The Applicant's submission was that the Proprietor is precluded by virtue of the doctrine of res judicata from arguing that the Subject Marks were created by her or properly belonged to her as the issue had already been decided by the Registrar, through Principal Assistant Registrar Sandy Widjaja who allowed the Applicant's opposition and refused the Proprietor's application for registration for JNBK in relation to air filters in **T0719918D**. The Applicant also argued that the Proprietor is estopped from re-arguing the point of ownership of the mark JNBK by virtue of the doctrine of cause of action and/or issue estoppel.

22 At the hearing, the Applicant dropped these points of contention as the decision of the Registrar in **T0719918D** was in relation to a different category of goods and concerned a registration that was sought at a different point in time. Thus, the doctrines of res judicata as well as cause of action and issue estoppel do not apply to the facts of this case. As this issue of res judicata or issue estoppel was eventually not canvassed at the hearing, I will not be addressing this issue in these grounds of decision.

MAIN DECISION

Ground of Invalidation under Section 7(6)

23 Section 7(6) of the Act reads:

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

Legal test of bad faith

24 In *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”), the Court of Appeal 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 is to be noted that the provision in the English Trade Marks Act referred to by the Court of Appeal is in pari materia with our section 7(6). As it would be useful, I will set out in full the observations of the Court of Appeal at [104]–[106] which are as follows:

104 The concept of bad faith under s7(6) of the current TMA was first reviewed by the Singapore courts in *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 (“*Rothmans*”) (that case actually concerned s7(6) of the Trade Marks Act (Cap 332, 1999 Rev Ed) (“the 1999 TMA”), which is identical to s7(6) of the current TMA). In *Rothmans*, Lai Siu Chiu J endorsed (at [32]) Lindsay’s J’s formulation of the concept of bad faith in *Gromax Plasticulture*. This approach was also accepted by Rajah JA in *Warman* ([37] *supra*), where he stated (at [48]):

It would be fair to say 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*: see *Demon Ale Trade Mark* [2000] RPC 345 at 356; and [Tan’s *Law of Trade Marks* ([54] *supra*)] at p.129. [emphasis mine]

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* [emphasis mine].

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 Plastics Ltd v Gromax Plastics Ltd* [(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 ...***

25 The Court of Appeal 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 person (*in this case, the Proprietor*) knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think).

26 Hence, for the Applicant to succeed in invalidating the registration of the Subject Marks on the basis that the applications for registration were made in bad faith, the Applicant must show not only that the conduct of the Proprietor in applying for the registration of the Subject Marks in Singapore fell short of the normally accepted standards of commercial behaviour, but also that the Proprietor knew of facts which, to an ordinary honest person, would have made the latter realize that what the Proprietor was doing, would be regarded as breaching those standards.

27 With the test for bad faith being settled, the inquiry I have to make is as to the Proprietor's knowledge of the relevant matters and circumstances in question and then taking into account this knowledge, decide whether her conduct of registering the Subject Marks fell below the objective standard.

28 It is also clear 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. I will refer to the recent case of *Christie Manson & Woods Limited v Chriftr Auction Pte. Limited* [2016] SGIPOS 1 wherein the Principal Assistant Registrar took into account events that occurred before the date of the application of the mark in opposition proceedings in deciding the issue of bad faith and held at [169] and [175]–[176] that:

169 The Opponents argued that the Registrar must take into account the fact that the Application Mark is used together with Chinese characters that (at least initially) are aurally identical to the Opponents' Chinese name. This follows from the inquiry for bad faith being context-dependent and fact-centric; *it is therefore necessary to consider the totality of the Applicants' conduct in relation to the registration of the Application Mark* [emphasis mine]: see *Valentino* at [29] and *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”) at [104].

...

175 As far as local cases are concerned, the cases of *McDonald's* and *Festina* probably sit at different ends of the spectrum. However, what remains the case is that, ultimately, “*each case would have to be decided in accordance with its own facts, and in particular, the evidence tendered*”: see also *Valentino* at [34].

176 As whether bad faith exists or not hinges on the specific factual matrix of each case, I agree with the Opponents that it must necessarily follow that the Applicants' use of a Chinese name together with “CHRITRS” is a factor that must be taken into account.

(emphasis mine)

29 Now the next question is: at which point in time should the factual matrix be taken in assessing the Proprietor's knowledge of the relevant matters and circumstances? On this question, I will quote *Kerly's Law of Trade Marks and Trade Names (15th Ed) (Sweet & Maxwell, 2011)*, at [8-263] in which the author quoting the Court of Justice in *Chocoladefabriken Lindt & Sprungli AG v Franx Hauswirth GmbH (C-529/07)* in relation to a decision concerning a Community Trade Mark, stated that the relevant time for determining whether there was bad faith is the time of filing the application for registration.

30 In summary, applying the test of bad faith, I will need to examine the Proprietor's knowledge about the matters in question at the time of application and then decide whether in light of that mental state and knowledge, the Proprietor's conduct in registering the Subject Marks will be seen as being done in bad faith by persons adopting proper standards. In this examination, all the circumstances of the case are relevant and whether there was bad faith depends largely on the specific factual matrix of this case. In particular, it will be relevant to take into account events that occurred before and shortly after the date of application as these will give insights into the context in which the Subject Marks were registered.

31 As there are 2 marks in question, there are two different relevant points of time at which I have to examine the question outlined in the paragraph above: 13 August 2003 (the 2003 Mark) and 23 July 2006 (the 2006 Mark). I will proceed to examine the relevant questions in relation to each of the 2 Subject Marks in turn.

The 2003 Mark

32 For this Mark, it is not disputed that at the time of the application for registration, the Applicant was aware of the registration of the mark in the Proprietor's sole name.

The Applicant's Case

33 Initially, the Applicant's contention was that the 2003 Mark belongs to him as he created the said mark. His case is that the registration of the 2003 Mark in the sole name of the Proprietor was in bad faith because he was the one who had created the 2003 Mark. He explained in his Statutory Declaration how he had "created" the 2003 Mark by putting the letter "j" in front of "nbk" which is an abbreviation used by most Japanese manufacturers for "brake kits". The Applicant says that this "jnbk" was actually created way back in 1998. He described the creation process in cross-examination as follows: –

"Actually created before 2002. During my visit to Japan I was talking to Japanese partners and they said good idea because a lot of Japanese using brake kit with short form of "bk". In Japan most of the Japanese manufacturer use the description brake kit. Secondly, there is an abbreviation going around in Japan called "nbk", which is not any property or trademark. So to distinguish myself from the most common "nbk", I just put a "j" in front, with the meaning of brake kit. And that happened in 1998. That was when my first idea for "JNBK" came in. My Japanese partner can confirm this. After that the creation process take a long time. There was many tries. There were mistakes, there were failures, but all of these put together would be the creation process."

34 The Applicant also says that he had not objected to the registration of the 2003 Mark in the sole name of the Proprietor because the Proprietor had misrepresented to him that it would be easier for her to register the mark in her name as she was a Singapore citizen. The Applicant also alleged that he was given the impression that the filing of the 2003 Mark in his name may cause problems for EPL as EPL was selling products from Nisshinbo and Sakura which may find such registration objectionable and cancel distribution agreements with EPL.

35 In summary, the Applicant's case for bad faith is premised on his claim that he was the one who created the 2003 Mark and that the registration in the sole name of the Proprietor came about because of the alleged misrepresentations proffered by the Proprietor to him. His contention is that the 2003 Mark belongs to him and should rightfully be transferred to him.

The Proprietor's Case

36 The Proprietor's case is that the 2003 Mark was created by her. She explained that in early 2002, EPL came to know of the risk of losing their distributorship rights to the Nisshinbo products as the manufacturer had intentions to distribute their products directly to Russia. It would appear that at that time, Russia was the main market for EPL. Also, at that time, the Nisshinbo products were the main lifeline of EPL. Her evidence is that in light of this background of losing distributorship rights for the Nisshinbo brake pads, EPL decided to turn to selling other brake pad products marketed under the "Sakura" brand, which, as described by her, were "counterfeit" products. Under those circumstances, the Proprietor felt the need to create their own "house brand for the future business of the company".

37 She then came up with the words "JapanBrake" and from the underscored letters, the brand "JNBK" was formed. She explained that "JNBK" is also an abbreviation for "Japan

New Brake Kit". In her Statutory Declaration ("R1") (see paragraph 34), she also described how she "created" the design for the mark that was eventually submitted for registration at IPOS. In cross-examination, she further explained, "*This brand was created by me. I let the company use it. Company use it to sell to customer. Simple.*"

38 The Proprietor also maintained that throughout this creation process as well as the process thereafter, such as printing the design on the product boxes by Regent Printing, the Applicant was uninvolved.

My Decision

39 Both parties have staked their claim of ownership of the 2003 Mark based on their creation of the mark. Each has given a different account of how the 2003 Mark was coined by them individually. The question I have to decide is whether a finding on who created the mark is material to a finding of bad faith. The answer is no.

40 Unlike copyright, trade mark ownership is not based on originality of creation. Section 4(1) of the Act provides that a registered trade mark is a ***property right*** obtained by the registration of the trade mark under the Act and the proprietor of a registered trade mark has the rights and remedies provided by the Act. Section 5 provides for the procedure for the registration of a trade mark. In particular, the requirements include the requirement in paragraph 2(e) of section 5 that the application shall state that (i) ***the trade mark is being used in the course of trade, by the applicant or with his consent, in relation to those goods or services***; or (ii) ***that the applicant has a bona fide intention that the trade mark should be so used***. The former (in section 5(2)(e)(i)) provides for a situation where the trade mark has already been in use in the course of trade in relation to the goods or services sought for in the registration before the application for registration; the latter (in section 5(2)(e)(ii)) provides for a situation where the trade mark has not yet been in use at the time of application for registration and in this latter scenario, the applicant must satisfy the requirement that there is a bona fide intention that the trade mark should be so used.

41 It is therefore clear to me that a claim of trade mark rights is not based on who created or coined the trade mark. A registered trade mark is a property right obtained by registration and this property right is conferred upon the applicant for registration on the basis that the trade mark is being used or is intended to be used in the course of trade ***by the applicant or with his consent*** in relation to those goods or services for which the trade mark is registered. Thus, it is not necessary for me to make a finding as to who created the JNBK mark prior to the registration of the mark. I therefore do not have to decide whose account in relation to the creation of the mark I believe more.

42 As the relevant question is not who created the mark, I therefore do not find the testimony of the witness, Sum Kien Heng who testified on behalf of the Proprietor and who was cross-examined by counsel for the Applicant useful. His testimony is centred on the Proprietor's involvement in the business of EPL and occasions in which conversations on the creation of the mark and the registration thereof occurred in his presence. Similarly, Ong's testimony for the Proprietor, ie his wife, in this regard, is also not useful and does not add material to the relevant findings I have to make.

43 Likewise, the evidence of the Applicant's witnesses, Goh and Ivan, who also gave their versions of what they perceived to be the involvement of the Proprietor in the business

of EPL is also not helpful. Suffice to say that these witnesses, both the Proprietor's witnesses and the Applicant's witnesses serve to bolster the respective versions given by them as regards the creation of the JNBK mark, which admittedly, are different.

44 Thus, save for Ong who stood by the testimony of the Proprietor, his wife, none of the other witnesses' testimony added value as they shed no further light on the circumstances under which the 2003 Mark came to be registered in the sole name of the Proprietor.

45 Be that as it may, even if the fact of creation of the mark is a relevant factor in making a finding as to whether the application was made in bad faith, upon a close examination of all the circumstances of the case, I am satisfied that whether the mark was created by the Applicant or by the Proprietor, the mark was created for the particular use it was put to, that is, use by the company, EPL in relation to the said goods, brake pads and brake shoes that the company was trading in.

46 Now, the 2003 Mark is registered in the sole name of the Proprietor who was the one who applied for registration. It is clear from the evidence that it was never the intention of parties for the Proprietor herself to use the registered trade mark. It is also not disputed that before and after the application for registration, the 2003 Mark was used with her consent.

47 I will now examine the circumstances leading to the registration of the 2003 Mark in the Proprietor's sole name. The Proprietor testified in her Statutory Declaration (R1) that at the time of registration of the 2003 Mark, "*Nisshinbo products were still the main business of the company and that any competing products would potentially jeopardize (the company's) relationship with Nisshinbo. As EPL was the appointed agent and distributor of "Nisshinbo" and "Sakura" brands, it could not come up with its own brand as it would conflict with its position with its principal*" (refer to paragraph 40 of R1). Her testimony on the understanding reached amongst relevant parties was that "*since (she) had created the mark (although EPL was using it), that (she) would register the mark in (her) name and bear all the risks along with it. (She) would then grant a bare licence to EPL to continue using it. Furthermore, in the event of any challenge by the existing brands for whom (they) (i.e. meaning the company EPL) were distributing, or which were already in existence, (she) would deal with all potential issues without involving EPL Distribution Ptd Ltd*" (refer to paragraph 41 of R1).

48 From the Proprietor's evidence, it is clear to me that in her mind, she had made the "sacrifice" of obtaining the registration in her sole name in order to protect EPL's relationship with Nisshinbo and other principals with whom EPL had business relations and to avoid possible implications that might threaten the survival of EPL. In cross-examination, she further retorted, "*In the beginning, why EPL cannot register? I have no name in EPL. We need the distributorship to sell Nisshinbo. Conflict if we sell another house brand. If Nisshinbo find out, will take away the brand distributorship. That time, no one indemnify me. 'Nobody say I will protect you'.*"

49 As for the Applicant's version of the circumstances leading to the registration of the 2003 Mark in the sole name of the Proprietor, he said in his Statutory Declaration (A1) that the Proprietor represented to him that, "*it would be easier for her as a Singaporean to register the marks (rather than using my personal name)*". His testimony is that she further represented to him that this would expedite the registration process (refer to paragraph 35 of A1). He added that, "*(t)he Proprietor and Ong added that filing the marks under the EPL Company's name may cause problems for the EPL Company since we were still selling*

products for Nisshinbo Corporation (Japan) or Sakura Corporation (Japan) at that time. If these two companies come to know of the registration of these JNBK marks intended to be used on products similar to those supplied by them, they may object to the registration of these marks, cancel the distribution agreements, stop supplying to the EPL Company or increase the prices of their products” (refer to paragraph 36 of A1). His testimony is that in reliance on these “misrepresentations” and “taking into account Ong’s concerns regarding potential distributorship cancellations, *(he)* refrained from registering the marks in *his* name.” (refer to paragraph 37 of A1).

50 While there are disputes as to whether it was the Applicant or the Proprietor who came up with the 2003 Mark and whether there was a representation from the Proprietor to the Applicant that the registration process would be easier if the 2003 Mark were registered in the sole name of a Singaporean, the fact that there were considerations as to the implications of registering the JNBK mark in EPL’s name on the business of EPL is not in dispute. The undisputed fact is that these considerations were discussed and they operated in parties’ minds at the time of the application for registration of the 2003 Mark. Whether these considerations were valid or legally sound is irrelevant. The parties were not advised by lawyers at that time. They had proceeded based on their own understanding. Even assuming that these considerations were completely misguided, there was no allegation that they were concocted by the Proprietor to extract a benefit for herself. Indeed, the sole purpose of obtaining a registration for the 2003 Mark is so that the company, EPL has its own “house brand” to use.

51 It is interesting to note that the Applicant’s contention is not that the 2003 Mark should have been registered in the name of EPL but for the alleged misrepresentations given to him which led him to agree to the registration of the 2003 Mark in the name of the Proprietor but that the 2003 Mark should have been registered in *his* name. From this, I infer that it was never the intention of parties to register the mark in the name of EPL. In any event, the Applicant’s testimony points to the fact that he was fully aware of the circumstances leading to the registration of the 2003 Mark in the sole name of the Proprietor and he had gone along with that.

52 Thus, what is clearly not disputed is that the 2003 Mark is registered for use by EPL. The Proprietor’s knowledge comprises not just that the 2003 Mark is to be registered for use by EPL but also the knowledge that it is to be in her sole name to avoid consequences or implications perceived to threaten the survival of EPL. It is also not disputed that after the registration, the Proprietor had allowed EPL to freely use the 2003 Mark by marketing and selling their brake pads and brake shoes with the 2003 Mark without any consideration and without any benefit to her. Section 5 of the Act clearly allows registration of a trade mark for use in the course of trade in relation to goods by another entity or party as long as the use is with the applicant’s consent. That was the premise for the registration of the 2003 Mark at the relevant point in time.

53 Indeed, after the registration, EPL used the 2003 Mark and benefited from the use of the 2003 Mark. And indeed, the 2003 Mark subsequently became the main “house brand” of EPL.

54 My next enquiry is then in light of the knowledge of the Proprietor of the relevant matters and circumstances at the time (*subjective element*), would the act of registering the 2003 Mark by the Proprietor in her sole name be seen as dishonest as judged against the

ordinary standards of honest people (*objective element*), with the Proprietor's own standards of honesty being irrelevant?

55 As pointed out, the intention was to keep EPL out of the registration for fear of the repercussions for EPL. Given the circumstances, I do not find that the act of registering the 2003 Mark in the sole name of the Proprietor for EPL's use with the consent of the Proprietor to have fallen short of the ordinary standards of honest people. As the burden is on the Applicant, and as the Applicant has not shown that the registration of the 2003 Mark in the sole name of the Proprietor under the circumstances of the case was done in bad faith, I conclude that the application for invalidity in relation to the 2003 Mark therefore fails.

The 2006 Mark

56 Before I commence my analysis on the 2006 Mark, it is to be noted that the 2006 Mark comprises the same letters as the 2003 Mark. Thus, the 2006 Mark is conceptually the same as the 2003 Mark with only slight visual differences in the font of the letters, colour of the mark and in the letter "J" in the mark. In the 2003 Mark, the letter "J" is smaller compared to the other letters whereas in the 2006 Mark, the letter "J" is the same size as the other letters in the mark.

57 In oral submissions at the tail end of the hearing, counsel for the Applicant pointed to some similarities between the facts of this case and the Court of Appeal case of *Guy Neale and others v Nine Squares Pty Ltd* [2013] SGHC 249 ("*Guy Neale*") and argued that the Proprietor's misappropriation of EPL's goodwill in the 2006 Mark amounts to bad faith. As these were new points of contention that were not raised before, in order to allow both parties an opportunity to address me on these new points, I gave directions for further written submissions on the applicability of the principles and factual matrix in *Guy Neale* to our present case to be filed and exchanged and thereafter for both parties to file and exchange their reply submissions to the other party's further written submissions. Pursuant to my directions, these were filed and exchanged between the two parties on 2 August and 10 August respectively.

The Applicant's Case

58 Initially, the Applicant's main contention is that the 2006 Mark originated from the 2003 Mark which was created by the Applicant himself and that therefore the 2006 Mark should rightfully be transferred to the Applicant. There is one difference between the 2003 Mark and the 2006 Mark though. Unlike the registration of the 2003 Mark, the Applicant's case is that the registration of the 2006 Mark in the Proprietor's sole name was not made known to him. Other than this averment, the Applicant had little to say about how factually, the 2006 Mark came to be registered in the Proprietor's sole name. This is understandably so as the Applicant's case is that he was not even aware of the registration of the 2006 Mark.

59 In the cross-examination of the Proprietor by the Applicant's counsel, there was an attempt to discredit the Proprietor by going on the basis that the Proprietor did not create the 2006 Mark, i.e., the change in the 2006 Mark did not originate from the Proprietor.

60 In addition, the Applicant also pointed to the Proprietor's subsequent conduct in refusing to transfer the marks to EPL "*despite having agreed to do so in July 2007*" as amounting to bad faith. The Applicant did not allude to anything specific with regard to this

“*agreement to transfer the marks*”. Here, I will record my observation that in the Applicant’s Statutory Declaration, his position as regards whether the rightful ownership vests in him or on EPL, the company, was rather fluid. On the one hand, he claimed that the JNBK marks should be transferred to himself. In the same vein, he also talked about the Proprietor’s continued refusal to transfer the marks to EPL despite there being an agreement to do so.

61 With regard to the “agreement” to transfer the Subject Marks to EPL, the Applicant alluded to 2 meetings in May 2007 (one on 25 May 2007 and another on 30 May 2007). The Applicant’s evidence did not contain any other relevant details as to what transpired at these meetings or if there was any agreement reached. The Applicant also alluded to one meeting in July 2007 at EPL’s office, in the presence of Mr AC Lui, EPL’s auditor. The Applicant’s evidence is that at that meeting, when asked by Mr AC Lui if the marks belonged to her, the alleged response from the Proprietor herself was, “No, they’re not mine. I’m just temporarily holding them for the Company.”

62 In the Applicant’s further written submissions, counsel for the Applicant sought to persuade me to draw an analogy between the facts of this case and the facts in *Guy Neale* and argued that I should therefore make a finding that the registration of the 2006 Mark was done in bad faith. The gist of the Applicant’s submission was that as the goodwill in both the 2003 and the 2006 Marks was associated with EPL, the Proprietor’s act of registering the 2006 Mark without EPL’s consent in and of itself amounted to a misappropriation of the goodwill attached to the 2006 Mark and that this therefore amounts to bad faith on the part of the Proprietor at the time of the application for registration. It is to be noted that whilst the Applicant alluded to goodwill in both the 2003 Mark and the 2006 Mark as belonging to EPL, this new argument of misappropriation of the goodwill in the mark by the Proprietor is made only in relation to the registration of the 2006 Mark.

63 The Applicant’s contention that there was misappropriation of goodwill in the 2006 Mark goes like this. Goodwill is the association of a business on which the relevant mark or name has been applied with a particular source and this association is an attractive force which brings in business or custom to the source. The Applicant’s contention is that in this case, the goodwill in both the 2003 Mark and 2006 Mark is undoubtedly associated with EPL. This fact is also admitted to by the Proprietor who has maintained throughout that the Marks were intended to be used and were indeed used solely by EPL. The Applicant therefore submits that goodwill was generated in the 2006 Mark from as early as 2005. Thus, the act of registering the 2006 Mark by the Proprietor without informing EPL or him amounts to the Proprietor misappropriating the goodwill attached to the 2006 Mark that EPL had acquired even before its registration in 2006. This, the Applicant submits, amounts to bad faith on the part of the Proprietor at the time of the application for registration of the 2006 Mark. The Applicant also submits that this is exacerbated by the fact that the Proprietor was a fiduciary of the company and she made no effort to subsequently transfer the 2006 Mark to EPL or its shareholders.

64 On the contention that the Proprietor owes fiduciary duties to EPL, the Applicant pointed to the Proprietor’s own evidence that she was actively involved in EPL’s business and was responsible for its business strategy and planning. It is to be noted that the Applicant’s original position on the Proprietor’s involvement in the business of EPL is that the Proprietor was only a mere secretary or clerk employed by the company and was not involved in the business of EPL at all. At this point, I note the contradiction between the Applicant’s contention with regard to the Proprietor’s fiduciary duties to EPL on the one

hand and the Applicant's position on the Proprietor's involvement in the business of EPL on the other.

65 At the hearing, counsel for the Applicant also urged me to make a finding of fact that a constructive trust had been created in the circumstances such that the registrations of the Subject Marks are held for the benefit of EPL.

The Proprietor's Case

66 The Proprietor's case is that EPL had been using the acronym JNBK on the relevant goods since as early as 2003. The Proprietor's evidence is that from 2005, it came to her attention there was a change in the mark in actual use due to one of their associates in Russia unilaterally enlarging the letter "J" on marketing materials. The Proprietor explained that as a result of the change in the mark in actual use, she then took steps to protect the "new" mark. Her evidence is that she merely wanted to amend the mark in the 2003 registration. She was however informed by IPOS that such a change was not possible and that she had to register a new trade mark. That was how the 2006 Mark got to be registered. She further said that the fact that the 2006 Mark was likewise registered in her sole name was a continuation from the 2003 Mark.

67 The parties fell out with each other from late 2006. The Proprietor's testimony is that by the time of the parties' separation, two other companies, Zonac Pte Ltd ("Zonac")(by the Proprietor and her husband, Ong) and JNBK Corporation Pte Ltd (by the shareholders of EPL Pte Ltd minus Boris and subsequently, Ong) had been set up. The Proprietor's version is that as part of the separation agreement reached amongst the various parties in 2007, the Applicant would operate JNBK Corporation and the JNBK Corporation would buy the JNBK products from Zonac. Zonac would in turn continue to import the products from the Taiwanese manufacturers, Luh Dah, as Ong could communicate better with the Taiwanese manufacturers and the Applicant would then buy the products at a mark-up from Zonac. The Proprietor further stated that to this end, there was payment for one transaction but that payment unfortunately did not go through.

68 As for the Proprietor's version of the meeting in May 2007 that led to the 2 letters dated 1 June 2007 and 7 June 2007 respectively, the Proprietor averred in her Statutory Declaration that the Applicant had turned up at the office with his two lawyers unannounced and the Proprietor and others in the company were told that the lawyers were there "*to do some restructuring of the company's management and also to transfer the trademark*". No further detail was given as to what transpired at this meeting. The Proprietor then averred that in July 2007, there was a meeting in the presence of Mr AC Lui, EPL's auditor. Again, no other detail was provided as to what transpired at this first meeting in July 2007 in the presence of Mr AC Lui. The Proprietor also alluded to another meeting, also in the presence of Mr AC Lui in which, as averred by the Proprietor, Mr Lui suggested that the JNBK trade marks be put up for auction and to go to whoever would pay a higher price for them. Other than that, the Proprietor did not give any other specific evidence as to what else transpired at any of these meetings and what understanding or terms of agreement, if any, was reached amongst the relevant parties.

69 On the applicability of *Guy Neale*, counsel for the Proprietor submitted that the test for bad faith for the purpose of invalidation of a trade mark remains as the combined objective and subjective test. Counsel for the Proprietor argued that applying the subjective

standard, the Proprietor had always intended to allow EPL to use the mark without any personal benefit for herself and that there was no dishonesty or knowledge on her part that would make her act of registering the mark commercially unacceptable.

70 The Proprietor further contended that even if the tests in *Guy Neale* were applicable, there was nevertheless no ground for a finding of bad faith on the part of the Proprietor in this case. Counsel for the Proprietor pointed to the following evidence elicited at cross-examination as showing no bad faith on the part of the Proprietor.

R1: *I created this brand. My husband follow up. He developed the idea.*

.....

This brand was created by me. I let the company use it. Company use it to sell to customer. Simple.

.....

Why must I transfer to them in 2007? Why not in the beginning? Why only in 2007 then people come and claim ownership? Because no more risk. No problem with Nisshinbo. No one will find out who is the registered owner. In the beginning, why EPL cannot register? I have no name in EPL. We need the distributorship to sell Nisshinbo. Conflict if we sell another house brand. If Nisshinbo find out, will take away the brand distributorship. That time, no one indemnify me. "Nobody say I will protect you."

71 The Proprietor maintained that she had explained the rationale for her being the sole owner of the JNBK marks, i.e., that she alone would bear any risks of any potential claims by third parties. Therefore, her actions of registering the two marks in her own name had been consistent with her position as the sole owner of the marks.

72 Counsel for the Proprietor also pointed to the following crucial differences between *Guy Neale* and the present case. First, unlike in *Guy Neale*, there was no agreement amongst the parties or a declaration by the owners of the EPL company that the Applicant shall be the sole beneficial owner of the JNBK trade marks. Second, until the time of the "split" of the EPL company, no party had any issue regarding the registration of the JNBK marks being in the Proprietor's sole name. This is in contrast to the facts in *Guy Neale* where there was an agreement that the marks were held on trust for the partnership.

73 Counsel for the Proprietor further submitted that even if I were to find that the marks were held for the beneficial interest of EPL (which counsel for the Proprietor stressed is not the Applicant's case), the Proprietor had not exploited the marks for her own benefit nor had she denied EPL of any corporate opportunity.

My Decision

74 With regard to the Applicant's contention that the Proprietor cannot claim ownership to the 2006 Mark because neither the original mark (the 2003 Mark) nor the change in the original mark (which led to the registration of the 2006 Mark) was created by the Proprietor, I am of the view that this is not a contention I need to be concerned about. This is because, as stated above, trade mark ownership is not based on originality. Furthermore, the Proprietor's claim of ownership of the 2006 Mark is also not based on the fact that the change in the mark originated from her in any event.

75 The Proprietor had explained that her original intention was to apply for a variation of the 2003 Mark. She said that the change in the 2003 Mark was due to the fact that sometime around then, it was discovered that their distributors in Russia had started to use a different form of the jNBK mark. She said that she had enquired at IPOS to find out how she could update the mark to reflect the mark as the one that was in actual use and she was informed by IPOS that she had to “re-register” the mark. That was her version as to how the 2006 Mark came to be registered, also in her sole name.

76 From the evidence, it would appear that the parties fell out with each other from about late 2006. I will now turn to the facts surrounding the alleged “agreement to transfer the Subject Marks” after the split amongst the parties. On this, other than the fact of the existence of the 2 letters from M/s Tito Isaac & Co to JNBK Corporation dated 1 June 2007 and 7 June 2007, the evidence from both the Proprietor and the Applicant is sketchy and lacks any cogency. It is not possible to glean from the evidence whether there was any agreement or understanding reached with regard to the ownership of the Subject Marks or with regard to the transfer of ownership of the Subject Marks. There was also no submission from either counsel as to what inference or conclusions I should draw from these alleged events. From all of these, I am unable to conclude if there was any term of agreement reached concerning the ownership or transfer of the Subject Marks. In any event, these meetings occurred after the 2006 Mark had been registered and would not go towards assessing the Proprietor’s subjective state of mind at the time of the application for registration.

77 I will now briefly highlight the salient facts and principles laid down in the case of *Guy Neale* before I proceed with my finding with regard to the 2006 Mark.

78 In *Guy Neale*, there were 2 trade mark registrations for “Ku De Ta” in Singapore by Nine Squares (one was registered on 16 February 2004 and the other was registered on 30 June 2009, both referred to as the “Singapore Marks”). The appellants who were members of a partnership (“Partnership”) commenced an action in the High Court against Nine Squares seeking a declaration that the Singapore Marks were held by Nine Squares on trust for the Partnership and should be transferred to it; or alternatively, the registration of the Singapore Marks ought to be invalidated. On appeal, the Court of Appeal held that the evidence clearly pointed to the appellant’s contention that the Singapore Marks were held by Nine Squares on trust for the Partnership. The Court of Appeal further held that, in the alternative to the express trust argument, had Chondros (the key person acting on behalf of Nine Squares) caused the Singapore Marks to be registered in Nine Squares’ name for the purpose of exploiting these marks for his own benefit, then he would have acted in breach of his fiduciary duties by usurping, through Nine Squares, a corporate opportunity that belonged to the whole of the Partnership.

79 In this case, on the issue of bad faith, it is the alternative ruling of the Court of Appeal that holds relevance.

80 On the facts of *Guy Neale*, there was an email memorandum dated 6 July 2007 that showed that the Partnership, rather than Nine Squares or Chondros alone, owned the right to decide on the use of the “Ku De Ta” name in any future ventures, and that all the members of the Partnership had an entitlement to benefit from any arrangement that might be concluded to permit the licensing of the use of the “Ku De Ta” name. This position was clearly set out in the said email memorandum and Chondros did not respond to object to the said position.

Subsequently, the events that unfolded also led inexorably to the conclusion that in causing Nine Squares to register the Singapore Marks in its name, Chondros intended Nine Squares to hold the Singapore Marks on trust for the Partnership as a whole. Due to this finding, if indeed Chondros had intended to exploit the Singapore Marks for his own benefit, then he would have acted in breach of his fiduciary duties by usurping, through Nine Squares, a corporate opportunity that belonged to the whole of the Partnership. It is to be noted that the Court of Appeal did not have to make a ruling to invalidate the Singapore Marks registered in the name of Nine Squares on this basis because the said Singapore Marks were found to be held on trust for the rightful beneficial owners, the Partnership.

81 On the facts of this case, as stated above, whilst there appeared to have been some discussions in 2007 concerning the Subject Marks, there is no clear evidence as to whether there was any understanding or agreement reached concerning the issue of the Subject Marks. Like the facts in *Guy Neale*, these discussions occurred after the registration of both marks. In relation to the 2006 Mark, the registration procedure was completed on 27 May 2006 and the earliest instance (as can be gleaned from the evidence adduced) in which there was a discussion concerning the ownership of the Subject Marks was on 30 May 2007.

82 In any event, the alleged discussions appeared to have been more on how to split the Subject Marks in relation to the split amongst the relevant shareholders of EPL rather than whether the Subject Marks were rightfully owned by the Proprietor. On this, it is clear to me that the fact that the registration of the Subject Marks was in the sole name of the Proprietor was an accepted reality by all relevant parties. Thus, the fact that the registration was in the Proprietor's sole name was never the issue, at least up until the split amongst parties. The intention of the parties had been clear right from the beginning: that the Subject Marks were for use by and for the benefit of EPL, the company. After the split amongst the parties, when it dawned on parties that EPL would no longer exist, the focus was on how to approach this issue of use of the Subject Marks. i.e., who or which entity can use the Subject Marks. Unfortunately, the discussions on this did not lead to any conclusive outcome. And that is why the parties have been in dispute over the JNBK mark since then.

83 It is to be noted the Applicant's case was not pleaded on the basis of the 2003 and 2006 Marks being held on trust for himself or for EPL. In fact, right up to the tail end of the hearing, the Applicant's case was premised on him being the rightful owner based on his version that he created the JNBK mark. As a result of this, both parties' evidence was primarily focussed on who first created the JNBK mark. The cross-examination of the witnesses was also focussed on this point of contention.

84 At the close of the hearing, when counsel for the Applicant applied for leave to make further submissions on the applicability of *Guy Neale* to the facts of this case, I had granted such leave and given directions on the filing of further written submissions and reply submissions purely as a matter of legal submissions and factual analysis based on the evidence that had been filed. It is clear to me that I have no jurisdiction to make a finding of constructive trust. It is also clear to me that this has not been pleaded in the Applicant's application for bad faith. In any event, such a finding as sought by the Applicant at the hearing is not possible as there had been no opportunity for either party to make submissions on this point or for either party to tender evidence in support of or against such a finding.

85 For the purpose of reaching my conclusion as to whether the 2006 Mark was registered in bad faith, I will first set out the undisputed facts which are as follows.

86 First, the Proprietor did not use the 2003 Mark and the 2006 Mark herself. Both the 2003 Mark and the 2006 Mark were registered for use by EPL and her intention for registering these two marks is clear, i.e., it is for the benefit of EPL which in her mind was equivalent to “*her husband’s business*”. The fact is that EPL was granted a “bare licence” to use the 2003 Mark and the updated 2006 Mark.

87 Second, it is important to note that at the point of registering the 2006 Mark, the Proprietor still did not have any intention to use the JNBK mark herself in the future. To her, the 2006 Mark merely updates the registration to the mark in actual use. Like the 2003 Mark, the 2006 Mark was clearly registered with the intention that EPL will continue to use the mark without any payment to the Proprietor and without the Proprietor benefiting personally from that use.

88 Third, whilst all relevant parties were aware of the registration of the 2003 Mark, the registration of the 2006 Mark was not made known to all relevant parties and there was no discussion prior to the registration. This fact is not disputed as the Proprietor did not aver to the contrary. Thus, the registration of the 2006 Mark in the sole name of the Proprietor was done without consultation with the rest of the directors and shareholders of EPL. Thus, at the time of the application for registration, the other directors and shareholders of EPL, in particular, the Applicant, was not aware of the 2006 Mark registration. The Proprietor had proceeded to register the 2006 Mark based on her own assumption that the registration should rightfully continue to be in her sole name.

89 Last but not least, the fact that there were discussions on how to split the use of the Subject Marks that occurred after the registration procedure for the 2006 Mark had already been completed is not disputed. These discussions were centred on how to split the Subject Marks amongst the relevant parties after the separation. At no point was there a discussion concerning the Proprietor herself using the Subject Marks after the separation. Thus, it was never envisaged that the Proprietor would herself be using the Subject Marks or benefit from the registration of the Subject Marks.

90 I note that, unlike the 2003 Mark, the registration of the 2006 Mark was not against any misconceived notion that the mark should not be registered in the name of EPL. It is important to note that by the time of the registration of the 2006 Mark, the JNBK mark had been in use by EPL in the course of EPL’s trade in relation to brake pads and brake shoes for close to 4 years. As the JNBK brand had by then become the main house brand of the company, a fair amount of goodwill had also accrued to EPL due to its use of the JNBK brand. In fact, one of the terms to be sorted out in the split amongst the directors and shareholders of EPL is the use of the JNBK brand and the working arrangements relating to this amongst the various parties.

91 Based on all the undisputed facts and the difference in the circumstances surrounding the 2003 Mark and those surrounding the 2006 Mark as stated above, I will now look at the subjective knowledge of the Proprietor and judge that against the objective standard to determine if the Proprietor’s act of registering the 2006 Mark had fallen short of the objective standard.

92 I am of the view that, unlike the 2003 Mark, at the time of applying for registration of the 2006 Mark, the Proprietor had known that the JNBK mark had been in use by EPL. By

the time of the 2006 Mark registration, there was no longer any reason for the mark to remain being registered in the sole name of the Proprietor as the business of EPL with the use of their house brand, JNBK, had taken off. It is clear from the evidence that there was never the intention for the Proprietor to use the JNBK mark or to benefit from the registration of the JNBK mark. The Proprietor herself has conceded to this fact.

93 Given these circumstances, when judging the Proprietor's knowledge of the circumstances (being that the JNBK mark has always been intended to be used and has indeed been used by EPL and that EPL has gained substantial goodwill therefrom) against the objective standard of what would be commercially acceptable by persons adopting proper standards, the answer is different from that for the 2003 Mark. By that time, there was no longer any excuse for the mark not to be registered in the name of EPL. Further, by then, the JNBK mark had become EPL's house brand and the goodwill in the mark undoubtedly belonged to EPL. In my view, the proper standard based on an objective test would have been to surface the ownership of the JNBK mark for a discussion and for a proper company resolution thereto. If this had been carried out, the ownership of the JNBK mark would have been properly resolved, not just for the 2006 Mark but also for the 2003 Mark. This would have been the expected acceptable behaviour based on an objective standard. As stated in the test for bad faith above, I would reiterate that 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."*" (emphasis mine).

94 Against the background that the JNBK mark has been used by EPL and the knowledge that the goodwill in the mark belongs to EPL, in failing to raise and resolve the matter of ownership through the proper channels, (i.e., by a decision of the relevant parties in EPL), and in registering the 2006 Mark without consultation and without the knowledge of the other directors and shareholders of EPL, except for Ong who is the Proprietor's husband, the Proprietor had acted in a manner that fell short of the commercially acceptable standard that would be adopted by reasonable and experienced persons in the trade and has thus acted in bad faith.

95 In conclusion, in relation to the 2006 Mark, I find that the application for registration is made in bad faith and the application for invalidation is therefore successful.

96 Will the different conclusions I have reached with regard to the 2003 Mark and the 2006 Mark result in one party having an advantage over the other? I will just make my broad observations on this based on the evidence before me. The fact remains that in reality, EPL was the rightful owner of the JNBK mark. However, given that EPL is no longer in existence, and assuming that there has been no change in the state of affairs since the dispute over the registrations was brought before IPOS, at the current point in time, neither the Applicant nor the Proprietor nor any entity either is associated with can assert better rights to the JNBK mark than the other. The 2003 Mark, though not invalidated and still in the Proprietor's name, may nonetheless be vulnerable to revocation for non-use, as there is no evidence that it has been used by the Proprietor nor any other entity other than EPL (which is no longer a going concern for more than five consecutive years) with her consent. And in my view, neither can the Proprietor now commence use of the 2003 Mark without potential issues of breach of fiduciary duty as well. The foregoing are just some broad and preliminary comments to assist the parties' understanding with regard to the different conclusions I have

made in relation to the 2003 Mark and the 2006 Mark. However, these comments do not affect the issues in dispute in the present case.

Conclusion

97 The ground of invalidation on Section 7(6) therefore fails in relation to the 2003 Mark but is successful in relation to the 2006 Mark. In relation to the application for invalidation of the 2003 Mark, the Proprietor is entitled to costs to be taxed, if not agreed and in relation to the application for invalidation of the 2006 Mark, the Applicant is entitled to costs to be taxed, if not agreed.

Dated this 28th day of October 2016

Lee Li Choon

Intellectual Property Adjudicator
Intellectual Property Office of Singapore