

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

Trade Mark No. T1208273G
Hearing Date: 9 October 2018

**IN THE MATTER OF A TRADE MARK REGISTRATION IN THE NAME OF
FUNG SHING COMPANY LIMITED**

AND

**APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY
BITWAVE PTE LTD**

Hearing Officer: Ong Sheng Li, Gabriel
Principal Assistant Registrar of Trade Marks

Representation:

Ms Vicki Heng (Vicki Heng Law Corporation) for the Applicant

(The Registrant, Fung Shing Company Limited, filed its pleadings and its evidence. However, it did not appear at the hearing.)

GROUND OF DECISION

Introduction

1 This dispute concerns an application to have a registered trade mark declared invalid. The party seeking the declaration of invalidity is BITwave Pte Ltd (“Applicant”). The proprietor of the impugned trade mark is Fung Shing Company Limited (“Registrant”).

2 Initially, the Registrant took concrete steps to defend its registration: it filed its pleadings and its evidence. However, things later took an unusual turn. On the day of the hearing, the Registrant’s director, one Mr Hui Kwai Ming Clive (“Clive”), was supposed to present himself before this tribunal to be cross-examined by Applicant’s counsel. But, he did not appear. Neither the Registrant nor its trade mark agent on record—Messrs. W.S. Li—made any attempt to inform the other side (or the Registrar) of this beforehand. Given this, it would not surprise

the reader that the Registrant was unrepresented at, and absent from, the hearing. Even until today, no reasons have been put forward for Clive's absence (or that of the Registrant's agent).

3 Be that as it may, the legal burden of establishing that the impugned mark should be declared invalid lies on the Applicant. In the circumstances, I directed that counsel for the Applicant, Ms Vicki Heng, proceed with oral argument. In the course of her submissions, Ms Heng argued that an adverse inference should be drawn from Clive's unexplained absence from cross-examination. I must agree. This is not without precedent: in *Christie Manson & Woods Limited v Chrित्रs Auction Pte. Limited* [2016] SGIPOS 1, an adverse inference was also drawn against the party whose representative was supposed to attend cross-examination but was absent at the last minute and this tribunal was only informed when the hearing was just about to commence. In this case, this tribunal was simply not informed at all.

4 I will return to the topic of Clive's absence from cross-examination, and its effect, at various points of this decision.

MAIN DECISION

Subject Matter of the Dispute

5 The registered trade mark in issue is “**UCLEAR**” (TM No. T1208273G) in Class 9 (“Subject Mark”). It is registered for the following goods:

Apparatus for communication; Communications head sets; Helmet communications systems; Wireless communication apparatus; Wireless receiving apparatus; Wireless transmission apparatus; Apparatus for digital signal processing; Apparatus for processing digital video signals; Digital signal processing apparatus; Microphones; all included in Class 9.

The Subject Mark's date of registration was 8 June 2012.

Background

The Registrant

6 The Registrant is a limited company organised and existing under the laws of Hong Kong, S.A.R., China. It is in the business of producing and selling audio and audio-related products. As far as I can tell from the evidence, the Registrant's director, Clive, was its key decision maker. Clive gave evidence in these proceedings by way of a Statutory Declaration. However, as mentioned earlier, Clive failed to appear for cross-examination.

The Applicant

7 The Applicant is a technology company incorporated in Singapore specialising in the design and development of products in the field of communications. The Applicant's founder and Chief Executive Officer is Mr Hui Siew Kok (“SK”). It was SK who gave evidence, as well as evidence in reply, by way of Statutory Declarations filed on behalf of the Applicant. No attempt was made to challenge SK's evidence in cross-examination.

8 According to SK, the Applicant's business initially centred around the licensing of its patented technology to established companies. However, in or around 2008, the Applicant started to invest heavily into the research, development, and design of a Bluetooth-compatible product known as the "Helmet Communicator", the first model of which was designated as "HBC100". In brief, HBC100 was designed for motorcycle riders. It allows a biker to talk on his or her mobile phone, listen to music, and/or communicate with their pillion rider, all while on the move (which necessarily entails wearing a helmet). The Applicant initially intended to launch HBC100 under the trade mark "EXPedio", but for reasons I will come to later, the product was eventually launched under "UClear" in 2010. At all material times afterwards, "UClear" or a stylised variant thereof, was used in conjunction with HBC100.

Applicant's use of UClear in Singapore

9 Although the "UClear" HBC100 was the Applicant's first "UClear" product, it was by no means the only one. The evidence clearly shows that the Applicant sold various other "UClear" products in Singapore as well as elsewhere including: "UClear HBC130 Bike", "UClear HBC200 Single Force", "UClear WT300 Spider", and newer versions of HBC100.

10 There is also ample documentary evidence which establishes that the Applicant's "UClear" products were sold in Singapore through its distributor, Hodaka Motoworld Pte Ltd, as far back as 2010. The earliest invoice recording a sale of UClear products (500 units of UClear HBC100 by the Applicant to its distributor) was dated 7 June 2010. There were also other invoices dated 2011 to 2016 which showed that Hodaka Motoworld Pte Ltd had continued purchasing "UClear" products from the Applicant over the years.

11 Of course, there were some areas in which the Applicant's evidence could have been better. For instance, there were no representatives from Hodaka Motoworld Pte Ltd to testify as to the sales and advertising of "UClear" products in Singapore. Nevertheless, I am satisfied on the basis of the evidence before me that the Applicant had indeed conducted business under and in connection with the "UClear" trade mark in Singapore since at least 2010.

Applicant's use of UClear abroad

12 It seems that the Applicant has enjoyed a measure of commercial success in the United States of America. The Applicant's UClear products are sold in the USA through its wholly owned subsidiary BITwave USA, which is incorporated in the state of Idaho.

13 On 24 May 2010, the Applicant applied for, and later obtained registration of, the trade mark "UCLEAR" (Trade Mark No. 3,916,570) in the USA. However, the Applicant did not apply to register "UCLEAR" (or a variant of it) in Singapore. The reason? According to SK, in early 2010, the Applicant had exhausted most of its funds in the design and manufacture of HBC100 as well as on patent protection and on various product technical tests. As such, in filing for trade mark protection, the Applicant decided to prioritise the USA, which SK described as the Applicant's "*biggest market*".

14 Apart from the USA, the Applicant also sells and markets its "UClear" products in various other countries including Australia, the European Union, Taiwan, Thailand, Korea and Israel. It does this through various product distributors.

Registration of the Subject Mark

15 On 8 June 2012, the Registrant applied to register, and subsequently obtained registration of, the Subject Mark in Class 9. The evidence shows that the Registrant also applied to register the same trade mark in Class 9 in various other countries or jurisdictions.

16 In 2014, the Applicant first became aware of the Registrant’s trade mark filings. This was because the Applicant’s own trade mark applications had faced citations premised on the Registrant’s registrations/applications. The Applicant was surprised by this, but in order to avoid confrontation, decided to register “UCLEAR DIGITAL” instead. However, this did not help as “UCLEAR” was also cited against “UCLEAR DIGITAL”.

17 A similar situation played out here in Singapore: on 12 May 2015, the Applicant applied to register “UCLEAR DIGITAL” (No. 40201513256W) in Class 9, and this application encountered a citation premised on the Subject Mark.

Application for a Declaration of Invalidity

18 On 4 October 2016, the Applicant filed the present action seeking a declaration of invalidity in respect of the Subject Mark.

Grounds and Scope of Invalidation

19 The pleaded grounds of invalidation under the Trade Marks Act (Cap. 332, Rev Ed. 2005) (“TMA”) are as follows.

- a. First, bad faith under Section 23(1) read with Section 7(6) TMA.
- b. Second, passing off under Section 23(3) read with Section 8(7)(a) TMA.
- c. Third, by virtue of an earlier right, in particular the law of copyright, under Section 23(3) read with Section 8(7)(b) TMA.

Section 23(1) read with 7(6) TMA

The law

20 The leading case on the Section 7(6) TMA ground is the Court of Appeal’s decision in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”). A restatement of the key principles in *Valentino* is set out below.

- a. Once bad faith is established, the application for registration of a mark must be refused (or in this context: the application for invalidation must be allowed) even though the mark would not cause any confusion. (*Valentino* at [20] referring to *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 at [29] and *Tan Tee Jim SC, Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell Asia, 2nd Ed, 2005) at para 5.71.)
- b. The legal burden of proof needed to substantiate an action on this ground lies on the party bringing the application (here: Applicant). (*Valentino* at [21] referring

to *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”) at [33].)

- c. 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. (*Valentino* at [28] referring to *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 at [48].)
- d. The test for determining the presence of bad faith is a “combined” one, in that it contains both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think). 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. (*Valentino* at [29] referring to *Wing Joo Long* at [105] – [117].)
- e. An allegation of bad faith is a serious claim to make and it must be sufficiently supported by the evidence, which will rarely be possible by a process of inference. (*Valentino* at [30] referring to *Nautical Concept Pte Ltd v Jeffery Mark Richard and anor* [2007] 1 SLR(R) 1071 at [15].) However, as observed in Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Second Edition) Sweet & Maxwell 2014 at [21.4.1] (“*Law of Intellectual Property of Singapore*”), footnote 109, this does not mean that there is an absolute prohibition against drawing inferences. (In support of this observation, Professor Ng-Loy cited the decision in *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 (“*Festina*”) at [115], where the High Court pointed out that a finding of bad faith was largely, if not invariably, based on circumstantial evidence.)

21 The general rule that bad faith can exist even where there is no likelihood of confusion does not mean that the issue of resemblance between the two competing trade marks is completely irrelevant in the bad faith inquiry. Resemblance between the marks has some relevance because the notion of bad faith cannot be decided in a vacuum; it has to be decided in the context of some link or nexus between the parties in dispute. (*Law of Intellectual Property of Singapore* at [21.4.7] citing *Festina* at [115].)

22 A relevant factor when determining whether there was bad faith is whether there has been a failure by the trade mark applicant (here: Registrant) to address the allegation of bad faith. (*Tan Tee Jim SC, Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell, Third Edition, Vol. 1, 2014) at para. 7.194, point (14).) For an example of a case where this factor, *inter alia*, was taken into account, see *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* [2010] 2 SLR 109 (“*PT Swakarya*”) at [90].

23 It is well established that the relevant time for determining whether there is bad faith is the time of filing the application for registration. (See *Leonid Kovalkov v Tan Siew Keng Angeline* [2016] SGIPOS 10 at [29], wherein the learned IP Adjudicator cited *Kerly’s Law of Trade Marks and Trade Names* (15th Ed) (Sweet & Maxwell, 2011) at [8-263], which referred in turn to the decision of the European Court of Justice in *Chocoladefabriken Lindt & Sprungli AG v Franx Hauswirth GmbH* (C-529/07) for this proposition.)

24 However, the rule that bad faith must be assessed as at the time of filing the application for registration does not exclude the consideration of matters which occurred after the date of application; they may assist in determining the applicant's state of mind at the date of registration. (*PT Swakarya* at [91] citing *Ferrero SpA's Trade Marks* [2004] RPC 29 and *Tesco Stores Ltd's Trade Mark Applications* [2005] RPC 17.)

The respective parties' cases

25 Turning to the facts, I start with what is essentially common ground: the parties were no strangers. Indeed, they had a commercial relationship in connection with the "UClear" trade mark. This is important, because it establishes a key nexus between the parties.

26 To trace how this relationship started, one must turn the clock back to January 2008, when Clive and SK met—for apparently the first time—at the CES trade show in Las Vegas, USA. It was through this first meeting that the Applicant learnt that the Registrant was in the business of supplying parts such as plastic casings, batteries and microphones. (It will be recalled that at around that time, the Applicant was starting to develop HBC100.) Since these parts (in particular, plastic parts) were required in the manufacture and assembly of the product, the Applicant placed orders for them with the Registrant. In addition, the parties also agreed that the Registrant would print the product packaging for the product.

27 While the Registrant did not dispute that it supplied parts and packaging to the Applicant, the main theme that ran across Clive's evidence was that the Registrant was more than a mere supplier. Clive claimed that the parties started developing products together in 2009 and that they had created "UClear" together. For this reason, or so Clive contended, "UClear" belonged to both parties. In addition, the Applicant further alleged that there was an agreement between the parties in respect of the "UClear" trade mark to the following effect: the Applicant would file for trade mark protection in the USA, whereas the Registrant would do the same in the European Union and in Asia. This—at least according to Clive—was why the Registrant registered the mark in the EU and elsewhere. Clive also said that the co-operation agreement between the parties was terminated in 2013 because the Applicant had developed new "UClear" products (containing the Registrant's parts) for sale in the USA and that it did these things without the Registrant's consent.

28 A very different version of the facts was put forward by the Applicant. In his evidence, SK explained that Clive was interested in distributing HBC100 in Europe and China, and had projected huge sales in those markets. As the Applicant's focus at that time was on the USA, SK said that the Registrant could try selling in Europe and China as a distributor, and if it managed to match the Applicant's sales figures in the USA, an exclusive distributorship arrangement could be considered. It was in this connection that SK exhibited a copy of a draft Memorandum of Understanding ("Draft MOU") that the parties had drawn up. He explained that the Draft MOU was never finalised and signed because, in contrast with Clive's early representations, the Registrant's sales figures turned out to be negligible. As such, the Applicant did not want to enter into the Memorandum of Understanding.

29 As regards the origins and creation of the "UClear" trade mark, SK's evidence was that the Applicant initially planned to launch HBC100 under the trade mark "EXPedio", a trade mark that he had conceptualised. However, in December 2009, prior to the intended launch, it was discovered that "EXPedio" was being used by another entity in the USA. Consequently, a decision was made to rebrand. The parties then discussed various possible options; not because

the Registrant was to have any claim over the product, nor because it was developing the product together with the Applicant, but because the Registrant was responsible for printing the product packaging, which would include the relevant trade mark. While Clive did volunteer some options, SK maintained that it was he who picked “UClear”. Evidence was led that the initial stylised sketches of “UClear” were made by an employee of the Applicant. Although these sketches were sent to Clive, this was only so that the Registrant would have an idea of what to print on the product packaging.

30 On the topic of manufacturing, the Applicant’s case is that the Registrant was not privy to the core technology that went into the making of HBC100. As such, the Registrant did not have the necessary know-how or expertise to manufacture HBC100 on its own. In this connection, SK emphasised that HBC100 was essentially a highly technical product, several features of which were protected by patents that the Applicant owned. SK also provided a detailed explanation of how the Applicant safeguarded its technology by dividing the manufacture and assembly of the product amongst several parties in different countries. I will not go into the details, and it suffices to state that, according to SK, the Registrant’s role was limited to manufacturing and shipping the peripheral parts (as the outer plastic casing, clips and microphones) and packaging from China to Singapore in accordance with the orders that the Applicant placed. I should also add that the Applicant produced copies of technical test results and Bluetooth certification documents which bear the Applicant’s name but not the Registrant’s, and they support the contention that the Registrant was not involved in the actual development and manufacture of the product.

31 For completeness, I should also record that according to SK, the Registrant increased its prices over time. By the time 2013 came around, the Registrant proposed to charge triple of what the Applicant had initially paid. When asked why, it did not respond. Due to the rising costs, the Applicant gradually reduced its orders from the Registrant. And in or around 2014, it completely stopped ordering from the Registrant.

The documentary evidence

32 Exhibited to the Statutory Declarations from both sides were a number of documents (including email records) in support of their respective cases. I have looked through them as best as I can, and compared them as against the differing versions of the facts put forward by the parties. In the paragraphs that follow, I first describe the documentary evidence before setting out my findings in relation to the same.

33 There are no email records from 2008 (after their first meeting at the CES 2008 show). The earliest email in evidence is an email from Clive to SK dated 14 December 2009. It showed that Clive visited SK in Singapore. When Clive returned to Hong Kong, he took with him a mock (i.e. non-functioning) printed circuit board with a view to ensuring that the parts that were to be supplied by the Registrant would fit properly with the Applicant’s printed circuit board. In that email, SK assured Clive that the latter would be provided with a fully functioning printed circuit board in 2 to 3 weeks’ time, so that he could “*demo it*” (i.e. show it) at the upcoming CES show.

34 On 16 December 2009, SK sent Clive what he described as “*sale material*”, and asked the latter to make all changes he deemed necessary. The sale material in question was a product information leaflet for the “*EXPedio HBC100*”. SK stated, quite unequivocally in that email, that EXPedio HBC100 would be the name of the product. The next day (17 December 2009),

the parties again exchanged emails. It is clear from these emails that the Registrant was supposed to handle the packaging of HBC100 as well as provide an update on certain other deliverables. SK also asked Clive to explore whether the Hong Kong and mainland Chinese police would be interested in the product.

35 On 21 December 2009, Clive emailed SK asking about the meaning of EXPedio. Interestingly, he also asked whether they were to “*own and create this brand “EXPedio” together*”, and whether they should “*register this name worldwide*” and “*share the cost and register it together*”. As far as I can tell, this is the first time that the issue of trade mark ownership and potential registration was ever raised. It also seems that Clive is well versed in the importance of trade mark ownership and protection.

36 Now, it seems that SK did not directly reply to the abovementioned email. But, in a separate email chain (where they discussed the readiness of various product parts), SK returned to the topic, saying: “*About the fee for the trade mark, we will see which country both of us want to file and [then] share the cost equally... I will check out the Singapore filing first and let you know the cost. You can do the same for HK*”. Other emails were exchanged, and it was in a later email dated 22 December 2009 that Clive returned to the topic of the “EXPedio” trade mark. On this, Clive said that he thought that it is necessary to register it “*in HK, Singapore and over the world*”. He also mentioned that he would be “*going to invest on website, advertising video and marketing materials... [and] would like to seek your advices whether we should register a web domain www.expedio-dsp.com*”. SK replied saying that “*Yes, we should setup a website for EXPedio*”, and asked Clive “*what budget you have in mind for this website so that I can budget for it*”, and added further that “*I suppose we will share 50/50*”. However, there is no evidence that these preliminary discussions ever led to any concrete agreement.

37 On 29 December 2009, Clive wrote to SK around noon saying that he “*found someone has used “expedio” as a [Bluetooth] headset. If this is the case, I think we need to think about another name*”. SK replied to acknowledge this, saying that “*OK, we will come up with a new one today*”. It seems that when SK did not send a follow up email after about 9 hours, Clive sent a chaser asking about the new name and providing a suggestion of his own: STORMeye. He urged them to reply soon since he needed confirmation by 30 December 2009. After a few more emails (where Clive’s other suggestions were not accepted by SK), SK on 30 December 2009 wrote stating quite firmly: “*We have decided to use “UClear” and I hope it is also acceptable to you*”. Clive then replied confirming that “*OK I will use UClear*”. It is obvious that the decision to use “UClear” was entirely SK’s.

38 It appears that not long after, Clive flew off to attend CES 2010. It seems that the parties’ intention was to debut the UClear HBC100 at CES 2010. SK did not attend CES 2010 and instead focused on ironing out some of the remaining issues with the product. Thus, he had to rely on Clive to provide the Applicant with updates. Notably, in one of Clive’s updates (sent to SK on or around 10 January 2010), he said: “*I am quite confident to build up the channels with our own brand UClear*”. SK replied to thank Clive for the update and said, among other things, that “*It is our brand (BITwave && FSC) so we have to try our very best*”. In that same email, SK also touched on the issue of the website, saying: “*About the website, we can talk about how to do it when you are back*”.

39 From the photographs that the Registrant adduced in evidence, it seems that it did indeed exhibit the Helmet Communicator at CES 2010, or at least a prototype of it, together with some

posters/advertising material at its booth (under Fung Shing Co. Ltd.). According to SK, the posters were older material from the time when it was still known as “EXPedio”.

40 On 18 January 2010, Clive wrote to SK via email under the subject heading “Partnership”. It is not necessary to go into the specifics, and the long and short of it is that he proposed a “*joint venture to build up the brand Uclear together*”. However, there is no evidence that SK replied to this email or that any joint venture was entered into. There is also no indication in the evidence that they came to any sort of landing on the proposed website.

41 It seems that the topic of a formal joint venture was left by the wayside as the parties turned to discuss other more pressing matters arising in relation to bringing HBC100 to the market. From January 2010 to March 2010, Clive and SK exchanged a number of other emails relating to other material (such as posters) and the issue of how “UClear” should appear on the product packaging. Drafts were exchanged. These culminated in SK’s email to Clive dated 15 March 2010 which stated simply: “*We spoke; see attached*”. The attachment, which was exhibited in evidence, contained the image below (apparently the final version of the mark) which was prepared by the Applicant’s employee.



42 On 24 March 2010, SK gave Clive the following instructions via email: “*For the coming 100 units, please print the UClear logo onto the housing. We have to treat this as final production units*”, to which Clive replied: “*We just try to do the printing. Please kindly give comments and confirm whether you need to print red colour for the U*”.

43 It is here that the email record ends, but in other ways this was but the beginning.

44 Although the parties did not enter into any agreement concerning the trade mark, the Registrant proceeded to make the following trade mark applications:

| Date | Country, territory or jurisdiction | Trade Mark |
|-------------|---|------------|
| 2 Nov 2010 | European Union | |
| 17 Apr 2012 | China | |
| 8 Jun 2012 | Singapore (Note: this is the Subject Mark) | |
| 11 Jun 2012 | Taiwan | |
| 4 Oct 2012 | Australia | |
| 11 Jun 2014 | China | |

45 Abroad, the Applicant has sought to contest the registration of some of the trade marks above. There was some evidence concerning this, but it is not necessary to go into the details.

46 On 26 July 2012 the Registrant took over the domain name “uclear.com” from the former owner, Accelerated Promotions. The contact person was listed as “Clive Hui”. And on 19 April 2014 the proprietor of the domain name was recorded as “UCLEAR Electronics Ltd”, although the contact person remained as “Clive Hui”.

47 There are no emails (or other written correspondence) in evidence which touch on the termination of the commercial relationship between the parties. But, it is reasonably clear that the Applicant continued to place orders with the Registrant throughout 2010 to early 2013. These orders were fulfilled by the Registrant and payment was made by the Applicant to the Registrant. But after 2013, the document trail ends.

48 Exhibited to Clive’s Statutory Declaration are photographs of various products bearing the trade mark “UCLEAR”, including the “Commander Bluetooth Headset”, the “DUO Noise Cancelling Bluetooth Headphone”, and some stereo headphones. According to SK, the Applicant never made any such products. In other words, it did not authorise the use of “UCLEAR” in relation to these products, and in any event, it is unclear whether such products were in fact sold to the public. Looking at the documents for myself, I agree.

49 On 29 April 2015, an email was sent from ada@fungshing.com to the Applicant’s distributor, Hodaka Motoworld (sale@motoworld.com.sg). The email carried the following subject heading “*Infringement of UCLEAR Trademark*”. Clive (clive@fungshing.com; clive@uclear.com) was copied on that email. I reproduce the content of the email, in material part, below:

“This is to inform you that we are the trademark owner of “UCLEAR” in Singapore since 8 June 2012. It has come to our attention that your company is selling products using the mentioned trademark in Singapore which infringe our “UCLEAR” trademark registration. We request your company to stop selling any products using the UCLEAR trademark immediately.

Hereby we attached the official trademark certificate for your reference. If we don’t receive your confirmation by 10 May 2015. We will take all the necessary legal actions to stop such infringement and request for compensations for all related lost.”

A similar email was sent to some of the Applicant’s distributors in Europe (attaching a copy of the trade mark registered in the European Union).

Evaluation

50 I shall now summarise my findings and apply the relevant legal principles to them.

51 For the most part, the statements made in Clive’s Statutory Declaration—especially where they differed from SK’s evidence—were inconsistent with the documentary record. Moreover, Clive failed to attend cross-examination and gave no reasons for this absence. This cast serious doubt on the credibility of his evidence. I reject his version of the facts insofar as they conflict with SK’s account (which I accept) and the documentary record.

52 In the early days (in or around early 2010), the parties were actively collaborating with each other with a view to successfully launching HBC100. It is true that at various points in his correspondence with Clive, SK referred to “UClear” as “*our brand*”. But such statements, without more, does not a trade mark ownership agreement make. In the world of commerce, it is quite common for businesspeople to use inclusive words like “*we*” and “*our*” when they are working together towards a common goal. For instance, a manufacturer might say to its supplier or distributor: “Please do such-and-such so that *we* can sell as much of *our* product as possible!” They might even discuss the possibility of sharing the costs of trade mark registration in certain countries or territories, or talk about setting up local versions of product websites (perhaps in different languages). Nevertheless—although everything depends on the specific context—it does not necessarily mean that the parties have entered into any agreement as to ownership of the trade mark in question.

53 On the facts of this case, and as Clive was not prepared to undergo cross-examination to defend his version of events, I find that there was no agreement between the parties as to the ownership of the “UClear” trade mark (let alone one that would carve up the world in a way that would give the Applicant trade mark rights in the USA and the Registrant in Europe and Asia). If there had been some sort of agreement to that effect, Clive would have surely exhibited evidence of it in his Statutory Declaration. But he did not, which strongly points towards the conclusion that it did not exist.

54 As detailed earlier, bad faith is not just about actual dishonesty but also involves dealings which would be considered as commercially unacceptable by reasonable and experienced persons in the trade. It is both subjective and objective in that sense, and it is also context dependent. Having looked through the material very carefully, I think that it is clear that the Subject Mark was applied for in bad faith. In addition to my findings above, I think it is worthwhile to emphasise the following points of significance.

- a. First, Clive was no stranger to the importance of trade mark registration; it was he who first mooted to SK the proposal of registering “EXPedio” in various countries together and sharing the costs of doing so. In other words, he knew exactly what he was doing.
- b. Second, Clive knew that “UClear” was created by SK for the Applicant for use in connection with HBC100 (for which the Registrant supplied product parts and packaging). Clive also took instructions from the Applicant in printing the product packaging, and would have known that the stylised “**UCLEAR**” was designed by the Applicant (or more specifically, one of its employees).
- c. Third, the Registrant was never involved in the actual manufacturing of the Applicant’s “UClear” HBC100 (or any one of the Applicant’s other “UClear” products, for that matter). Its role was limited to fulfilling the Applicant’s orders for parts and packaging. It never had any share of the revenue or profits from the Applicant’s “UClear” products. The primary function of a trade mark is that it indicates trade origin, and the Registrant obviously knew that it (i.e. the Registrant) was not the trade source of the “UClear” products in the market.
- d. Fourth, as stated at various points above, the parties never entered into any agreement concerning the use and/or registration of “UClear” (or any variant of

the mark). Despite this, without the Applicant’s consent or knowledge, the Registrant applied to register the Subject Mark in Singapore and equivalent “UCLEAR” trade marks elsewhere. It also purchased the domain name “uclear.com”. Objectively speaking, these actions would not be considered commercially acceptable by reasonable and experienced persons in any trade.

- e. Fifth, there is no evidence that the Registrant has ever sold any products in Singapore under the Subject Mark corresponding to the description of goods in Class 9 for which the Subject Mark is registered (in essence: wireless communication devices and apparatus for digital signal processing). On the other hand—and this is a critical point that I will return to again in the context of passing off—from 2010 (that is to say, before the Subject Mark was applied for) until 2016 (when the evidence was filed) the Applicant sold products bearing the “UClear” trade mark *in Singapore* through its distributor Hodaka Motoworld Pte Ltd. Although his Statutory Declaration does not touch on this point, I find it difficult to believe that Clive was wholly unaware of this.
- f. Sixth (and this is parallel to the fifth point), there is no evidence that the Registrant’s “UClear” Commander Bluetooth Headset, “UClear DUO” or “UClear stereo headphones” were ever sold in Singapore. The pictures of packaging and one product (stereo headphones) and advertising material tell me nothing about whether this was used in Singapore or sold in this country. All it tells me is that the Registrant might have had plans to use the exact same mark that the Applicant had been using (right down to the stylised *U* in the colour red) in relation to communication devices. If it had done so, it would, at least in this jurisdiction, amount to a misrepresentation to consumers that the goods are from the Applicant or that the Registrant is somehow commercially linked to the Applicant.

55 For the reasons above, I find that the ground of bad faith has been made out. I would therefore make a declaration of invalidity in respect of the Subject Mark under Section 23(1) read with Section 7(6) TMA.

Section 23(3) read with 8(7)(a) TMA

56 My decision that the Subject Mark was registered in bad faith makes it unnecessary for me to decide on whether the ground of passing off under Section 23(3) read with 8(7)(a) TMA has been made out. Be that as it may, since I would have allowed the application under this ground without any hesitation whatsoever, I am compelled to offer a few brief remarks.

57 Section 8(7)(a) TMA provides that a trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented “*by any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade*”. The basic elements of passing off are trite. Three must be established in turn: (a) goodwill, (b) misrepresentation, and (c) damage. The fundamental principles relating to each element are set out in the Court of Appeal’s decision in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86.

58 Under the first element, the essential issue is whether the Applicant enjoys goodwill in Singapore in its business as a whole. The Applicant is incorporated here in Singapore and sells

its “UClear” goods through its distributor Hodaka Motoworld Pte Ltd. According to the figures provided by SK (supported by random invoices that were exhibited in evidence), the Applicant’s sales in Singapore for products bearing the “UClear” trade mark for the period of 2011 to 2016 were as follows:

| Year | Estimated Sales (S\$) |
|------|-----------------------|
| 2011 | 130,400 |
| 2012 | 105,900 |
| 2013 | 50,600 |
| 2014 | 95,100 |
| 2015 | 112,900 |
| 2016 | 207,000 |

59 The invoices show the following sales from the Applicant to its distributor Hodaka Motoworld Pte Ltd: (a) Jun 2010: 500 pieces of “UClear” HBC 100; (b) May 2011: 100 pieces of “UClear” SPKAP100 Speaker Kits; (c) Jan 2012: 36 pieces of “UClear” HBC100 reworked headsets and 1 warranty replacement; (d) Feb 2012: 24 pieces of “UClear” HBC100 reworked headsets and 200 “UClear” HBC130 Bike; (e) March 2012: 300 pieces of “UClear” HBC130 and 200 pieces of “UClear HBC100 (new packaging); (f) April 2012: 50 pieces of “UClear HBC100 (new packaging). These numbers may be modest, but they are more than sufficient to establish that the Applicant enjoyed at the relevant date (that is: 8 June 2012, being the date of registration of the Subject Mark), and indeed continues to enjoy, goodwill in Singapore.

60 Under the second element, the essential issue is whether misrepresentation has been made out. I find that the trade mark “UClear” was, as at the relevant date, distinctive of the Applicant’s communications devices. I also hold that the Registrant’s Subject Mark is, for all intents and purposes, identical (or at least very similar) to the Applicant’s “UClear”. In my judgment, the relevant segment of the public is likely to be deceived or misled into thinking that goods sold under the Subject Mark are, or originate from a source that is linked to, the Applicant. The fact that there is no evidence this has in fact happened is neither here nor there: after all, there is no evidence that the Registrant has sold goods bearing the Subject Mark (or simply “UClear”, for that matter) in Singapore.

61 Under the third element, the question is whether there is damage, or the likelihood thereof. The classical situation where damage will, or is likely to, result is where the parties are in direct competition. Here, the Applicant’s various “UClear” products can be said to be the same as, or at least very closely similar to, the specification of goods under the Subject Mark, namely: “*Apparatus for communication; Communications head sets; Helmet communications systems; Wireless communication apparatus; Wireless receiving apparatus; Wireless transmission apparatus; Apparatus for digital signal processing; Apparatus for processing digital video signals; Digital signal processing apparatus; Microphones; all included in Class 9*”. I would have no trouble finding that this element is established as well.

62 For the above reasons, if it had been necessary to decide the issue, I would have allowed the application for a declaration of invalidity under Section 23(3) read with 8(7)(a) TMA.

Section 23(3) read with 8(7)(b) TMA

63 The Applicant also relied on copyright under Section 23(3) read with 8(7)(b) TMA as one of the grounds of invalidation. I have great difficulty with the argument that the Subject

Mark “**UCLEAR**”, which is essentially a single word mark with minor stylisation, could enjoy copyright protection as an artistic work. But, since I do not need to decide the point, I will not comment any further.

Conclusion

64 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the invalidation succeeds under Section 23(1) read with 7(6)

TMA. I therefore declare the registration for **UCLEAR** (TM No. T1208273G) in Class 9 invalid. The Applicant is entitled to the costs of this action.

Date of issue: 17 December 2018