

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

Trade Mark No. T0805183J
16 November 2017

IN THE MATTER OF A TRADE MARK REGISTRATION

IN THE NAME OF

MONTFORT SERVICES SDN. BHD.

AND

APPLICATION FOR INVALIDATION AND REVOCATION THEREOF BY

USA PRO IP LIMITED

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

Ms Winnie Tham and Mr Nicholas Ong (Amica Law LLC) for the Applicants
Mr Mark Teng and Mr Lim Tianjun (Infinitus Law Corporation) for the Proprietors

GROUND OF DECISION

1 In the highly competitive commercial market place, what is acceptable (whether legally or morally)? And what is not? While the law in the area of bad faith is clear, the application of the law may not be so clear, and much depends on the actual circumstances of each case.

2 I have before me a series of three concurrent actions between the parties. USA Pro IP Limited (“Applicants¹”) initiated two post-registration actions, and one pre-registration action against Montfort Services Sdn Bhd (“Proprietors²”). I will consolidate and deal with the two post-registration actions in the current grounds of decision.

3 The subject matter of the post-registration actions is Trade Mark No. T0805183J for USAPRO (“**Subject Mark**”) in the following classes:

Class 18

Leather and imitation leather; bags, trunks and travelling bags; bags; valises, satchels, cases for travel kits (not fitted), vanity cases (not fitted), pouches, shoulder bag, Sports bags, other than adapted (shaped) to contain specific sports apparatus, rucksacks, shopping bags, beach bags, handbags, briefcases, wallets, key cases (leather wear), credit card cases, change purses, umbrellas, parasols; walking sticks.

Class 25

Articles of clothing, sports and leisure wear; footwear; headgear.

Class 28

Games and playthings; gymnastic, fitness and sporting articles and equipment.

(collectively, the "**Goods**").

4 I will first address the invalidation action (“**Related Invalidation**”) against the Subject Mark, before dealing with the revocation action (“**Related Revocation**”). The opposition against a related mark T1318929B (also for USAPRO mark applied for in the same classes in respect of similar goods) will be dealt with separately in another grounds of decision (“**Related Opposition**”).

5 However, it will quickly become apparent that all of the three actions are intertwined. Thus, where relevant, arguments and conclusions made in one action will be referenced in another accordingly.

INVALIDATION

6 On 9 July 2014, the Applicants filed an application for invalidation of the Subject Mark. The Proprietors filed their counter-statement on 6 November 2014³. The Applicants filed evidence in support of the application on 9 July 2015. The Proprietors filed evidence in support of the registration on 9 November 2015. The Applicants filed their evidence in reply on 8 June 2016⁴.

¹ Correspondingly, the opponents in a related opposition against T1318929B (“**Related Opposition**”).

² Correspondingly, the applicants in the **Related Opposition**.

³ The Proprietors raised Section 24 of the Trade Marks Act (Cap 332, 2005 Rev Ed) . However, it will become apparent later that it does not apply in the current case.

⁴ There were some procedural issues with regard to the request for an extension of time to file the evidence in reply by the Applicants. Suffice to say, these were resolved via a preliminary view dated 28 July 2016 and

7 On 27 October 2017, the Applicants requested for leave to file further evidence. There is no need to dwell into the details here⁵. Suffice to say, on 23 December 2016, the Applicants filed their further evidence which was rectified and re-filed on 7 February 2017.

8 At the Pre-Hearing Review (“PHR”) on 12 April 2017, the Registrar directed the parties to indicate their preference as to how to proceed with this matter in light of the two other related actions. At the PHR, the Proprietors sought leave to file a reply to the Applicants’ further evidence. On 20 June 2017, having regard to the Applicants’ objections furnished on 18 May 2017, the Registrar issued a preliminary view (“PV”) that he was not inclined to allow the reply evidence by the Proprietors. As the Proprietors did not object to the Registrar’s PV by the requisite deadline, the PV became final⁶.

9 Having regard to submissions made by both parties, on 20 June 2017, the Registrar directed that all three matters be heard together. The matter was eventually⁷ set down for a full hearing on 16 November 2017.

Grounds of Invalidation

10 The Applicants relied on Section 23 read with Section 7(6) and Section 8(7)(a) respectively of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“Act”).

Applicants’ Evidence for Invalidation

11 The Applicants’ evidence comprises:

- (i) a statutory declaration dated 3 July 2015 made by Mr David Michael Forsey, Director of the Applicants (“Applicants’ INV SD1”);
- (ii) a statutory declaration dated 6 June 2016 made by Mr Cameron Olsen, company secretary of the Applicants (“Applicants’ INV SD2”); and
- (iii) a statutory declaration dated 31 January 2017 made by the same Mr Olsen (“Applicants’ INV SD3”).

the Applicants’ evidence in reply was accepted. The Proprietors indicated on 16 September 2016 that they would not be filing a reply to the same.

⁵ The Applicants indicated that the Proprietors had objected to the request. However, the Registrar issued a preliminary view on 4 November 2016 that he was inclined to allow the request. Again the Proprietors objected to the same on 25 November 2016. On 5 December 2016, the Registrar directed that his preliminary view would become final unless the Proprietors request a hearing by 12 December 2016. In coming to this decision, the Registrar took into account the fact that the Proprietors did not proffer any reasons for objecting to the preliminary view.

⁶ See more on this issue under the portion on cross-examination.

⁷ The matter was originally set to be heard on 10 October 2017. However, on 22 August 2017, the Applicants sought to tender a South Korean decision via the bundle of authorities (rather than via further evidence) to save time. The Proprietors objected to the same on 29 August 2017. A case management conference was conducted on 6 September 2017 and parties ultimately agreed for the South Korean decision to be submitted via the bundle of authorities. As a result of this string of events, the hearing date of the matter was delayed.

Proprietors' Evidence for Invalidation

12 The Proprietors' evidence comprises a statutory declaration (SD) dated 2 November 2015 made by Mr Christopher McQuoid, Legal Director of the Proprietors ("Proprietors' INV SD").

Burden of Proof for Invalidation

13 Under Section 101(c)(i) of the Act, "the registration of a person as proprietor of a registered trade mark shall be *prima facie* evidence of the validity of the original registration". Thus the burden of proof lies with the Applicants to establish the grounds of invalidity on a balance of probabilities.

Background

14 The Applicants deposed ([4] and [5] of the Applicants' INV SD1) that they are in the business of manufacturing, distributing and promoting sporting wear and equipment under the mark USA PRO. Through the years, the Applicants have become recognised as a high quality brand providing an innovative range of fitness wear. Their products are sold across many countries worldwide.

15 The Proprietors did not provide any information as to their background, whether in the pleadings, evidence or written submissions.

16 Nonetheless, it is apparent from the evidence and submissions that parties were entangled in worldwide disputes pertaining to variants of the mark USA PRO. This will be discussed below.

Housekeeping Matters

17 For ease of reference, parties' written submissions will be referred to as follows:

- (i) Applicants' written submissions – AWS INV1;
- (ii) Applicants' reply submissions - AWS INV2; and
- (iii) Proprietors' written submissions – PWS INV.

18 Further, "the Applicants" and "the Proprietors" shall include all their predecessors, assigns and related entities. In particular:

S/N	Applicants	Proprietors
1	USA PRO Limited ⁸	Courtauds (UK) Limited ⁹

⁸ Exhibit F of the Applicants' INV SD1 at page 379. This is so except where it is necessary to differentiate the two in relation to the issue of the first user of the mark.

⁹ See [5] PWS INV.

2	UP BRANDS Limited ¹⁰	Dunlop Clothing & Textiles (ZhongShan) Ltd ¹¹
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19 Last but not least, for clarity, I will refer to all variants of the USAPRO mark, regardless of:

- (i) the goods / services in relation to which it is / was used;
- (ii) the state of registration;
- (iii) ownership;
- (iv) relevant jurisdictions,

as “Mark”.

MAIN DECISION FOR INVALIDATION

Ground of Invalidation under Section 7(6)

20 Section 7(6) of the Act provides that:

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

Decision on Section 7(6)

21 As a preliminary issue, the Proprietors submitted that the Registrar should be slow in making adverse findings against the Proprietors as the deponents¹² were not cross-examined.

22 The Proprietors relied on the decision of this Tribunal in *Fox Racing, Inc. v Fox Street Wear Pte Ltd* [2014] SGIPOS 13 (“*Fox Racing*”) at [46] and [47] (see [23] – [28] PWS INV):

[46] I will discuss some of the Opponents’ specific allegations below. Before doing so, it is necessary to consider how I should deal with the fact that there is substantial dispute between the parties on the evidence before me, and that none of the deponents of the various statutory declarations adduced in evidence have been cross-examined on their evidence.

[47] Parties have not drawn my attention to any local cases which have considered this issue nor addressed me on this issue either in their written or oral submissions. I note that the learned authors of *Kerly’s Law of Trade Marks and Trade Names*, (*Sweet & Maxwell, 15th Ed*) (“*Kerly’s*”) address this issue at [5-107] as follows:

¹⁰ Exhibit F of the Applicants’ INV SD1 at page 379.

¹¹ See [40] AWS INV1.

¹² The Applicants had two deponents (above).

In the cases of *Brutt Trade Marks* and *Pan World Brands Ltd v Tripp Ltd (Extreme Trade Mark)* Richard Arnold QC (as he then was) sitting as an Appointed Person gave guidance as to the circumstances when cross examination was appropriate in Registry proceedings. As stated by the Appointed Person in *Brutt Trade Marks* cross examination is not always necessary when evidence is to be challenged in Trade Mark Registry proceedings:

It is the function of cross-examination to assist the tribunal to resolve conflicts of evidence. I agree with the hearing officer in thinking that cross examination would have assisted him in the present case. *It does not follow, however, that cross-examination is essential in a case where bad faith is alleged or that the tribunal cannot assess evidence or make findings of fact in its absence.* Fairness requires that adverse findings should not ordinarily be made against a witness, such as a finding that he has acted in bad faith, without the witness having the charge put to him and being given an opportunity to answer it: see *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 A.L.R. 607 at 623. *It should be borne in mind, however, that in proceedings such as these evidence is served sequentially and that giving a witness a proper opportunity to deal with a point will not necessarily require cross-examination.* More importantly, perhaps, if the opportunity for cross-examination is passed up, the consequence is that the tribunal must assess the evidence on that basis rather than refraining from considering the evidence and reaching a conclusion.

Further as the Appointed Person made clear in *Extreme Trade Mark* the Registry is not obliged to accept a witness's evidence in the absence of cross examination if it is obviously incredible...

[Emphasis in italics mine]

23 The key is whether the current case is one in which cross-examination is warranted. The Applicants' stance is that the instant case, unlike *Fox Racing*, does not require cross examination ([14] AWS INV2). In particular, the Applicants submitted that in *Fox Racing*, the Learned Principal Assistant Registrar ("PAR") was unwilling to make a finding of bad faith because there were substantial disputes on the evidence. However, in the instant case, there is no substantial dispute on the evidence. Here, parties are merely in dispute as to the *conclusions* that should be reached on the basis of the evidence as filed.

24 In particular, with regard to the negotiations between the parties that took place prior to 2010, the Proprietors did not raise any positive factual allegation that conflicts with the Applicants' account of the prior negotiations. The Applicants submitted that this can be seen when the proposed draft reply to the draft Applicants' INV SD3 only contained a bare denial ([16(b)] AWS INV2). In fact, it was for this very reason that the Registrar refused to grant leave for the Proprietors to file reply evidence ([27] AWS INV2).

25 In view of all of the above, I agree with the Applicants that there is no necessity for cross-examination in the current case. If so, the fact that there was no request for one should not result in any adverse inference being drawn. In any case, this is not the end of the matter and I will proceed to analyse the issue of bad faith.

The combined test for bad faith

26 The legal test for determining the presence of bad faith is fairly settled and is encapsulated in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203. The key principles were helpfully summarised by the PAR in *Christie Manson & Woods Limited v Chrित्रs Auction Pte. Limited* [2016] SGIPOS 1 (“**Christie Manson**”) at [166]:

[166(a)] “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].

[166(b)] The test for determining bad faith is the combined test of bad faith which contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). Thus, “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].

[166(c)] Once a *prima facie* case of bad faith is made out by the Opponents, the burden of disproving any element of bad faith on the part of the Applicants would arise: **Valentino** at [36].

[166(d)] 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 inference¹³: **Valentino** at [30]...[However] this is not an absolute prohibition...in **Festina** at [115]...the High Court pointed out that a finding of bad faith was largely, if not invariably, based on circumstantial evidence.

[166(e)] Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion: **Valentino** at [20].

27 In addition, *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 (“**Festina**”) provided at [100] and [115]:

¹³ See AWS INV2 at [44], referring to **Brutt Trade Marks** [2007] R.P.C. 19 at [30]:

[30]...An “inference” was defined by Street C.J. in *Gurnett v Macquarie Stevedoring Co Pty* (1955) 72 WN (NSW) 261 as, “a reasonable conclusion drawn as a matter of strict logical deduction from known or assumed facts.” Understood in this way, the drawing of inferences is a key mode of judicial reasoning. It is to be distinguished from mere conjecture or, as Street C.J. put it, a guess.

[100] Bad faith is to be determined *as at the date of application* and matters which occurred *after* the date of application which may assist in determining the applicant's state of mind as at the date of application can be taken into consideration...

[115] The categorisation by *Bently & Sherman* ([38] *supra*) as seen above hints that despite the broad nature of the notion of bad faith, one must show *some sort of nexus* between the parties in dispute. Otherwise, the notion of bad faith would have to be decided in vacuum...In other words, while the finding of bad faith is largely, if not invariably, based on **circumstantial evidence**, the party alleging bad faith needs to show some link between the parties, perhaps by way of a **pre-existing relationship** or some acts of association with the proprietor or some **nexus** between the two competing marks.

[Emphasis in bold mine]

In this case, the relevant date is *22 April 2008* ("**Relevant Date**").

28 The Applicants' case is that ([14] of AWS INV1):

- (i) The Proprietors do not own the Subject Mark but has registered the same notwithstanding their knowledge that the Applicants are the true proprietor; and
- (ii) The Proprietors have no *bona fide* intention to use the Subject Mark in Singapore in relation to the goods concerned.

29 I agree that the Applicants have met the high threshold to establish bad faith. In summary, my reasons are as follows:

- (i) The Proprietors had knowledge of the Applicants' right in the Mark on or before the Relevant Date;
- (ii) Despite such knowledge, the Proprietors proceeded to apply to register the Subject Mark;
- (iii) The Proprietors did not use the Subject Mark at all (this was conceded by the Proprietors in the *Related Revocation* below); and
- (iv) The Proprietors' actions in other jurisdictions¹⁴ support the proposition that they do not intend to use the Subject Mark at all.

I set out my detailed analysis below.

First user of the mark in Singapore

30 In support of their submissions ([16] AWS INV1), the Applicants argued that, generally, the first user of a mark in Singapore (in this case, themselves) is the true owner

¹⁴ This includes the abandonment of their own Marks and their inability to defend actions raised by the Applicants against the Marks based on non-use.

of such mark: *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 at [76] (“**Weir Warman**”) ([16] AWS INV1):

[76] The proposition that the first user of the mark in Singapore is the true owner of the mark is acknowledged in *Sifco Industries Inc v Dalic SA* [1997] 3 SLR(R) 930. In that case, Lim Teong Qwee JC held at [12]:

[I]n the case of a *used trade mark* the proprietor is *the person who first used it* in relation to goods or services for the purpose stated in the definition of ‘trade mark’ under the Act.

[Emphasis in italics mine]

31 The Applicants submitted ([17] AWS INV1), that the Applicants’ predecessor in title distributed goods under the Mark to retailers in Singapore from as early as 3 March 2005. This is evidenced by numerous invoices. The Applicants also referred to the assignment document dated 11 March 2008 between USA PRO Limited (assignor) and UP Brands Limited (assignee; an affiliated company of the Applicants)¹⁵ and submitted that the assignments included both the registrations of USA PRO in various jurisdictions and all other intellectual property rights, including unregistered trade marks (“**Assignment**”) ([19] AWS INV1). The Applicants argued that they were the first proprietor of the Mark from as early as 3 March 2005 since the Proprietors only applied to register the Subject Mark on the Relevant Date, that is, **22 April 2008** ([18] AWS INV1).

32 At the oral hearing, the Proprietors countered the Applicants’ claim that they were the owner via first use on several fronts:

- (i) the Proprietors argued that the **Assignment** does not pertain to any marks in Singapore.
- (ii) the Proprietors argued that it is unclear if the goods were sold in Singapore or merely imported into Singapore for re-exportation. In this regard, the Proprietors highlighted that there are some invoices where the delivery address is an address in the UK, even though the invoice was issued to an entity located in Singapore. Further, the local address appeared to be a residential address.
- (iii) the Proprietors also argued that there is nothing in the Applicants’ INV SD2 to show that the Marks were applied onto the goods. In particular, the Proprietors pointed out that there were minimal items which were indicated as “USA PRO” goods. One example is at page 4 where under “Tariff Code: 61169300” the item was described as “USA PRO Training Glove”. The above item is the only instance where a good was described as a “USA PRO” item. In total, there are only five instances of the item appearing for the period 2003 – 2005.

¹⁵ Exhibit F of Applicants’ INV SD1.

- (iv) the Proprietors also argued that *Weir Warman* pertains to unregistered rights while what is in contention here is the Act which established a first to file system.
- (v) Further, the Proprietors argued that the Applicants had abandoned any residual goodwill since there was no business conducted in Singapore for the period 2008 to 2014. In this regard, the Proprietors relied on *Star Industrial Co Ltd v Yap Kwee Kor (trading as New Star Industrial Co)* [1974 - 1976] SLR (R) 17.

33 It is observed that Recital (A) of the *Assignment* provides:

- (A) The Assignor is the registered proprietor of the Trade Marks particulars of which are set forth in Part I of the First Schedule hereto in respect of goods mentioned in the said Schedule in the countries therein mentioned (hereinafter referred to as “the *Trade Mark Registrations*”) and has made application for registration of the Trade Marks particulars of which are set forth in Part II of the First Schedule hereto in the countries therein mentioned (hereinafter referred to as “the *Trade Marks Applications*”). *The Trade Mark Registrations and the Trade Mark Applications shall together be referred to as “The Trade Marks”*.
- (B) It has been agreed between the parties that the *Trade Marks* and all other intellectual property rights *subsisting in or related to the Trade Marks* including... and trade marks whether registered or applied for by the Assignor or not (the *Other Intellectual Property*”) should be assigned by the Assignor to the Assignee for the consideration hereinafter mentioned.

[Emphasis in italics mine]

34 Crucially, the operative portion of the *Assignment* reads:

- (1) In pursuance of the said agreement and in consideration of the sum of €90,000...the Assignor hereby with full title guarantee assigns...unto the Assignee
 - (i) all the property, right, title and interest in the *Trade Mark Registrations*, together with the goodwill of the business relating to the goods in respect of which the *Trade Mark Registrations* are registered;
 - (ii) all the benefit of the *Trade Mark Applications* to the intent that upon such Trade Mark Applications or any of them being in order for registration this Assignment shall operate to vest the same or such of them as shall be accepted for registration in the Assignee together with the goodwill of the business relating to the goods in respect of which any such *Trade Mark Application* shall lead to a registration to hold the same onto the Assignee absolutely; and
 - (iii) all the property, right, title and interest in the *Other Intellectual Property* absolutely.[Emphasis in italics mine]

35 Thus the subject of the *Assignment* is encapsulated in the First Schedule. However, there was no reference to any marks in *Singapore* in either Part I or Part II of the First Schedule. Based on my reading of the *Assignment*, there was no transfer of any rights relating to Singapore. Thus, even if *USA PRO LTD* (the Applicants' predecessor) possessed the relevant goodwill during the period 2005 – 2008¹⁶ (more below), they did not assign the same to the Applicants.

36 On this issue, the Applicants referred to *Converse Inc v Southern Rubber Works Sdn Bhd* [2015] SGIPOS 11 at [18] at the oral hearing and submitted that:

[18]...There is no requirement that the Opponents must be the proprietor of the earlier marks they are relying on for these opposition proceedings...

I agree. The comments were made in the context of an opposition process. However, they apply here as well as it relates to the issue of reliance on an earlier mark for the purposes of an objection.

37 Thus, even if there was no proper assignment of the Marks from the Applicants' predecessor to the Applicants, the Proprietors were *not* the first user in time.

38 With regard to the Proprietors' submissions in relation to Exhibit CO1 of the Applicants' INV SD3, which contains samples of invoices in relation to the Applicants' use of the Mark in Singapore¹⁷ ([6] Applicants' INV SD2), I agree that:

- (i) Some of the invoices were issued to a Singapore entity (Bodyware) but the delivery addresses were UK addresses¹⁸;
- (ii) Others were issued and delivered respectively to UK addresses¹⁹;

Nonetheless there were invoices which were issued and delivered to local addresses²⁰. In this regard, I do not think it is crucial that the local addresses appeared to be residential addresses. Nor is it an issue if it was a distributorship arrangement²¹. The crux is that there was use of the mark in the local context before the Relevant Date.

39 With regard to the issue of whether the Marks were applied onto the goods, the Applicants relied on *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] SGCA 39 ("*Caesarstone*") ([81] of the AWS INV2) at [106]:

¹⁶ Specifically, 30 March 2005 – 14 February 2008; this is the date range of the invoices in Exhibit CO1 of the Applicants' INV SD2.

¹⁷ The invoices were issued by USA PRO Limited.

¹⁸ Pages 11 and 14 of Exhibit CO1 of the Applicants' INV SD3.

¹⁹ Page 28 of Exhibit CO1 of the Applicants' INV SD3.

²⁰ Pages 4 and 16 of Exhibit CO1 of the Applicants' INV SD3.

²¹ Page 21 of Exhibit CO2(c) of the Applicants' INV SD3 (email dated 30 January 2007 - more below), there is a list entitled "*USA PRO Distributors*" and one of the references is to: Singapore – *Bodyware*, 28 Tomlinson Road, #05-30, Kum Hing Court, 247854.

[106] Moreover, while there is some merit in Mr Singh’s submissions concerning the state of the evidence, we are mindful that the evidence was ultimately given in the form of a statutory declaration, which would have been given on oath or affirmed. We are therefore prepared to accept that: (a) the invoices relate to the use of the Appellant’s CAESAR Mark in Class 19; and (b) the Singapore sales figures set out in the table above are accurate...

40 For my purposes, that fact remains that there were goods which were indicated to be “USA PRO” items. The focus here is simply whether the Proprietors were the first user of the Mark and not the substantiality of such use.

41 Finally, I agree with the Proprietors that the registration system provided under the Act is a first to file system. Nonetheless, it is clear that such a system runs *concurrently* with the common law system with regard to unregistered rights. Section 4 of the Act provides:

4.—(1) A registered trade mark is a property right obtained by the registration of the trade mark under this Act and the proprietor of a registered trade mark has the rights and remedies provided by this Act.

(2) No proceedings shall lie to prevent or recover damages for the infringement of an unregistered trade mark as such; *but nothing in this Act shall affect the law relating to passing off...*

[Emphasis in italics mine]

42 In addition to initiating an action for passing off under common law, a party can also initiate an opposition / invalidation action on the basis of Section 8(7)(a) of the Act. A contender can do so on the basis of an earlier unregistered right²². Thus, USA PRO Limited’s use of the Mark in Singapore can be taken into account.

43 The above concludes this issue²³. Thus, the Proprietors are *not* the first “user” of the mark.

Conceptualisation of the mark

44 The Applicants also sought to argue that the Proprietors’ evidence of purported conceptualisation of the Subject Mark does not assist as the evidence:

- (i) post-dates the date of application of the Subject Mark ([21] AWS INV1); and

²² See Section 2 of the Act which defines an “earlier mark” to include an earlier unregistered right.

²³ There is no need to look into the issue of abandonment of goodwill. In any case, there were no substantial submissions in relation to the same (where there was no positive decision made to abandon goodwill, the question of whether any residual goodwill survives is a *question of fact* (see *Kerly’s Law of Trade Marks and Trade Names*, (Sweet & Maxwell, 15th Ed) (“*Kerly’s*”) at [18-060]).

- (ii) appears to relate to the Proprietors’ (via Courtaulds) plans to exploit their licence over the US registration of the Mark, that is, US trade mark registration 2,950,676 (“*US Registration*”) ([23] AWS INV1).

45 The date of application of the Subject Mark was **22 April 2008**. On the other hand, the string of emails tendered by the Proprietors (below) were dated during the period October 2010 – March 2012 / May 2014:

Exhibit No ²⁴ .	Comments ²⁵
<i>Internal discussion pertaining to the launch of the Mark</i>	
CMQ-2	<ul style="list-style-type: none"> ▪ Page 181 - email of 27 October 2010²⁶ discussed the types of products to be sold under the Mark, specifically shapewear for women.
	<ul style="list-style-type: none"> ▪ Page 189 - email of 24 November 2010 discussed the logo for the Mark, including showing it to students at the “<i>American University</i>” who suggested keeping the logo “less American”.
	<ul style="list-style-type: none"> ▪ Page 191 - email of 17 December 2010 where an employee who has “worked hard this year on getting to know the <i>US market</i>” was asked to join the discussion about the Mark.
	<ul style="list-style-type: none"> ▪ Page 192 - email of 16 December 2010 where the content read: <p style="margin-left: 40px;">Tony, when your [sic] next in London – Mark & I would appreciate an hour of your time for us to show you USAPRO. This is a <i>license</i>²⁷ we hold and are planning to re-launch in the <i>US market</i> over the course of the next year to 18 months...”</p> <p style="text-align: center;">[Emphasis in italics mine]</p>
<i>Investment of resources to conduct market research</i> ²⁸	
CMQ-3	<ul style="list-style-type: none"> ▪ Pages 193 – 196 - market research questionnaires pertaining to type of sports apparel.
	<ul style="list-style-type: none"> ▪ Pages 197 – 198 - document titled “Sports & Active Research”. Research with regard to the popularity of the different types of sports, eg, participation or competitive sports in the <i>US</i>.
	<ul style="list-style-type: none"> ▪ Pages 199 – 200 - survey as to the likability of the proposed Mark. 6 out of the 15 people surveyed were from the <i>US</i>.

²⁴ All exhibits are those referred to in the Proprietors’ INV SD.

²⁵ Only the more pertinent emails will be highlighted here.

²⁶ This date clearly runs counter to the Proprietors’ claim regarding the date of conceptualization of the Subject Mark ([3] Proprietors’ INV SD);

[3] The Respondents...*created the [Subject Mark] in or around 2008...*

[Emphasis in italics mine]

²⁷ At the oral hearing, the Proprietors argued that it was a scenario of a licensor exploiting a licence and not an owner using a mark. Regardless, it is clear that the evidence as a whole does not pertain to the Subject Mark.

²⁸ Although there was one email dated 22 March 2011 at page 211 of Exhibit CMQ-4 which pertained to marketing issues.

	<ul style="list-style-type: none"> ▪ Pages 203 – 205 - email dated 21 October 2010 pertaining to <i>US market</i> competition in sporting goods and <i>US competition price points</i>.
CMQ-4	<ul style="list-style-type: none"> ▪ E-mails dated April to March 2011 relating to the market research questionnaire. At page 207 (the email of 29 March 2011) there is a reference to US stores: <p style="margin-left: 40px;">Thanks for the good feedback...We are planning next week to go out to the stores <i>Dick's and Sports Authority</i>²⁹ if they allow us to talk to their customers, the plan is to advise MGR that we are from one of their current vendors and are trying to improve on the apparel selection...</p> <p>[Emphasis in italics mine]</p>
CMQ-5	<ul style="list-style-type: none"> ▪ Pages 217 – 256 - documents which appear to be the results of some marketing surveys. It is observed that the surveys were all conducted in <i>US states</i>: <ul style="list-style-type: none"> ▪ Pages 217 – 222 - results from Arizona; ▪ Pages 223 – 229 - results from Illinois; ▪ Pages 230 – 238 - results from New Jersey; ▪ Pages 239 – 246 - results from California; ▪ Pages 247 – 255 - results from Colorado.
<i>Development of a marketing plan</i>	
CMQ-6	<ul style="list-style-type: none"> ▪ PowerPoint presentation dated 22 November 2011 ([4(e)] Proprietors' INV SD) makes multiple references to the <i>US market</i>: <ul style="list-style-type: none"> ▪ Page 259: reference was made to the US market being dominated by several brands ▪ Page 262: in the context of “Threats & Opportunities”, one of the threats was: <ul style="list-style-type: none"> ▪ Reaction of the <i>US market</i> to same name brand with different logo sold in other countries. ▪ Page 265: in the context of distribution, reference was made to “top level”: <ul style="list-style-type: none"> ▪ department stores such as <i>Saks Fifth Avenue and Nordstrom</i>³⁰; ▪ sports department stores such as <i>Dick Sporting Goods and Sports Authority</i>³¹

²⁹ These are US stores then existing, namely, Dick Sporting Goods and Sports Authority (which filed for bankruptcy in 2016, as reported by CNBC on 2 March 2016).

³⁰ Both are US department stores.

³¹ See footnote 29.

	<ul style="list-style-type: none"> ▪ Page 267: in the context of sales strategy, reference was made to: <ul style="list-style-type: none"> ▪ the consultation with a buyer from a <i>US sporting store like Dick's</i> to assist the launch into the <i>US market</i> ▪ the appointment of sporting sales representatives <i>in the US to cover all 52 states</i> ▪ Page 268: in the context of marketing goals, reference was made to: <ul style="list-style-type: none"> ▪ capture sporting apparel market share <i>in the US</i> ▪ Enter into long term contracts with <i>Dick's Sporting Goods</i>
<i>Conceptualisation of the Mark and its variants</i>	
CMQ-7	<ul style="list-style-type: none"> ▪ Document titled “USAPRO/Key Considerations” (undated). ▪ The Proprietors deposed ([4(f)] of Proprietors’ INV SD): <p style="margin-left: 40px;">This document lists categories of considerations for brand identity, competitor companies, retail stores that do business <i>in the USA</i>, and various versions of the [Subject] Mark alone and in connection with various articles of clothing.</p> <p>[Emphasis in italics mine]</p> ▪ Page 270 of the document made reference to US sales outlets, <i>Dick's and Sports Authority</i>³²
CMQ-8	<p>Sketches and descriptions of the proposed range of clothing ([4(g)] of Proprietors’ INV SD). These clothing appear to be intended for sale in the Autumn-Winter 2011 season.</p> <ul style="list-style-type: none"> ▪ See, for example, pages 297, 300, 302 – 307. This seems to suggest that they were not targeted at the Singapore market since Singapore is in the tropics.
CMQ-9	<ul style="list-style-type: none"> ▪ E-mail correspondence dated November 2010 - March 2011 relating to the design of the various permutations of the Mark. ▪ In particular, see page 340 which is an email dated 14 March 2011 where, the deponent himself, Chris McQuoid stated: <p style="margin-left: 40px;">...There are a fair few inverted V's or tripod like marks, the closest two examples of which are attached. Both are English based businesses and, objectively, should be readily distinguishable. The next logical step would be to carry out a similar search <i>in the US</i>...</p>

³² See footnote 29.

	[Emphasis in italics mine]
<i>Communication with manufacturers with regard to products under the Mark</i>	
CMQ-10.	<ul style="list-style-type: none"> ▪ Proprietors’ INV SD at [4(i)]: <p style="margin-left: 40px;">E-mail correspondences dated around July 2011 to February 2012 with China-based manufacturers (Pacific Dunlop Clothing & Textiles (ZhongShan) Ltd) with regard to obtaining samples of clothing and heatseal labels, and which discuss the specific placement of the heatseal on certain articles of clothing, along with sketches and photographs of the samples.</p>
CMQ-11.	<ul style="list-style-type: none"> ▪ Depictions of various labels and heat seals of the Mark together with an arrow device; most of these documents were dated around 2011³³.
<i>Discussions with potential distributors for products under the mark.</i>	
CMQ-12	<ul style="list-style-type: none"> ▪ A letter dated 30 May 2014 to one Hanro USA Inc. The subject header of the letter states “Re: Distribution agreement for USAPRO in North America” and the letter reads: <p style="margin-left: 40px;">We would like to thank you for your interest in becoming a distributor for our brand USA PRO <i>in the US</i>...</p> <p>[Emphasis in italics mine]</p>

46 In short, the above do not assist the Proprietors since the Subject Mark was sought to be registered on the Relevant Date in Singapore (i.e. 22 April 2008). It is not possible to *conceptualise* a mark *after* the registration date. Instead, the emails appear to coincide with purported preparations for the **US Registration** which was assigned to the Proprietors in March/April 2010, which is sometime after the Relevant Date (more below)³⁴.

47 In addition, the Applicants argued that on or before the Relevant Date, the Proprietors were aware that the Applicants were the proprietors of the Mark in the UK and other countries around the world ([61] AWS INV1). This knowledge stemmed from:

- (i) Prior negotiations between the parties in or around 2008;
- (ii) The reputation of the Applicants’ Marks in the UK and other countries.

Prior Negotiations

48 The Applicants submitted ([62] AWS INV1) that in or around 2008, the Applicants entered into discussions with the representatives of the Proprietors (via Courtaulds) with a

³³ Although there were also some variations; see pages 460 – 461 which appear to be an attachment to an email dated sometime in October 2010.

³⁴ Accordingly, any efforts with regard to the “development” of the “Subject Mark”, whether via market research or exploration of the variants of the “Subject Mark” can only be understood in this light ([56] and [57] PWS INV).

view to having the Proprietors manufacture garments bearing the Mark on behalf of the Applicants and for the Proprietors to acquire a stake in the Applicants. The negotiations were unsuccessful and no agreement arose as a result (see also [11] and [12] Applicants' INV SD1).

49 In support of their contention, the Applicants tendered Applicants' INV SD3 as evidence of the same. The Applicants deposed ([5] of the Applicants' INV SD3) that the emails pertain to discussion with a view to:

- (i) Have the Proprietors manufacture garments bearing the USA PRO mark ("Manufacturing Deal"); and
- (ii) The Proprietors acquiring a stake in USA PRO Limited ("Acquisition Deal").

In summary, the evidence consists of emails and letters during the period *December 2006 - April 2008*:

Exhibit No ³⁵ .	Description of Emails
CO2(a)	<ul style="list-style-type: none"> ▪ Page 7 - email dated 14 December 2006 entitled "Courtaulds final costings for VS". Part of the email read: <p style="text-align: center;">...I have asked <i>David Reay (Courtaulds)</i> for some possible meeting dates prior to [Christmas] in order that we can <i>present the brand ...</i></p> <p>[Emphasis in italics mine]</p>
CO2(b)	<ul style="list-style-type: none"> ▪ Page 9 - email dated 30 January 2007, where the first paragraph reads: <p style="text-align: center;">I had a good meeting with...Pacific Dunlop ("PD") group yesterday, they are very impressed with our product and the <i>brand positioning and are interested in taking 50% of the equity and becoming a partner in the business...</i> PD are a 220m group predominantly in the garment supply business, Robert NG founder and principle shareholder has 9 factories in China ... he <i>recently acquired Courtaulds</i> from Sarah Lee...</p> <p>[Emphasis in italics mine]</p>
CO2(c)	<ul style="list-style-type: none"> ▪ Page 10 - <i>external</i> email dated 30 January 2007, addressed to amongst others, a Mike Ellis at Courtaulds thanking the addressees as to the <i>meeting</i> conducted on 29 January 2007. The Applicants deposed at [7(b)] of the Applicants' INV SD3 that Mike Ellis was a director of Courtaulds at that point in time³⁶.

³⁵ All exhibits are those which were attached to Applicants' INV SD3.

³⁶ At Annex 4 of AWS INV2, the Applicants tendered copies of Annual Returns filed by Courtaulds (UK) Limited over the years. The Applicants sought to bolster their argument that Mike Ellis was a director at Courtaulds (UK) Limited then. While this information was not tendered via evidence, it is noted that the

	<ul style="list-style-type: none"> Crucially, this one external email <i>included the “USA PRO” Brand Vision³⁷ as well as information about the Applicants’ Singapore Distributor³⁸</i>
CO2(d)	<ul style="list-style-type: none"> Page 22 - email dated 31 October 2007, where there was an update pertaining to the potential tie up with Courtaulds: <p style="text-align: center;"><i>We had a good meeting with Courtaulds...and the deal is outlined as €2m for 50% share...</i></p> <p>[Emphasis in italics mine]</p>
CO2(e)	<ul style="list-style-type: none"> Page 23 - email dated 31 October 2007, an update that Mike Ellis of Courtaulds would like to meet up, specifically at “11.15am Thursday”, in order to, amongst others, understand the store format and model and to look at and understand the organisation chart, amongst others.
CO2(f)	<ul style="list-style-type: none"> Page 24 - email dated 27 February 2008, updating that they just met up with Mike Ellis and Chris McQuiod (deponent of several of the Proprietors’ evidence) that afternoon. The Applicants deposed (at [10] of the Applicants’ INV SD3) that it is from this point onwards that the negotiations started to break down.
CO2(g)	<ul style="list-style-type: none"> Amongst others, at page 25, an email dated 28 February 2008 officially stated that the Courtauld’s Acquisition deal is “a no goer”.
CO2(h)	<ul style="list-style-type: none"> Page 27 - email dated 11 March 2008 - there was a discussion as to the content of an upcoming meeting with Courtaulds on 13 March 2008 in relation to the Manufacturing Deal. Specifically, this was with regard to the possible manufacture of “AW08” and “SS09” which referred to “Autumn Winter 2008” and “Spring Summer 2009” ([11] of the Applicants’ INV SD3).
CO2(i)	<ul style="list-style-type: none"> Page 28 - email dated 14 March 2008, which was a follow on from the above.
CO2(j)	<ul style="list-style-type: none"> Page 30 - email dated 19 March 2008, which was an update that, amongst other issues, the Applicants were awaiting costings from Courtaulds before announcing the availability of certain sports bras ([12(a)] of the Applicants’ INV SD3).
CO2(k)	<ul style="list-style-type: none"> Page 32 - email dated 31 March 2008, which was a discussion as to how the production of certain sports bras might interest Courtaulds ([12(b)] of the Applicants’ INV SD3).
CO2(l)	<ul style="list-style-type: none"> Page 34 - email dated 9 April 2008, which included an attachment where reference was made to how the Applicants would be able to

specific information forms part of the public record. Based on my cursory search, *Michael Ellis was a director of Courtaulds (UK) Limited for the period 7 June 2006 to 31 January 2009.*

³⁷ See pages 11- 20.

³⁸ Page 21. At the oral hearing, the Applicants argued that knowledge of the Applicants’ use in Singapore can therefore be imputed to Courtaulds and thus the Proprietors (since the **Relevant Date** is *after* the date of the email).

	improve delivery due to sourcing of fabric from Courtaulds ([13] of the Applicants' INV SD3).
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50 The Applicants submitted that, from April 2008 onwards, the negotiations eventually fell through and the Proprietors began applying to register the mark USA PRO worldwide ([68] AWS INV1). Interestingly, the application for the Subject Mark in Singapore was filed on **22 April 2008** which is only about *13 days after* the date of the last email above (Exhibit CO2(l) of Applicants' INV SD3).

51 The Applicants also explained ([23] AWS INV1) that they assigned the **US Registration** to the Proprietors in *April 2010* ("**US Assignment**")³⁹. The **US Assignment** was effected when an invalidation filed by the Proprietors against the **US Registration** could not be defended. In exchange for the Proprietors withdrawing the invalidation action, the Applicants assigned the **US Registration** so as to save costs ([23] AWS INV1).

52 The Applicants submitted that the evidence tendered by the Proprietors to support their contention that they had conceptualised the Subject Mark would appear to be contemporaneous with the **US Assignment**. As indicated above, the string of emails was made during the period October 2010 – March 2012 / May 2014. Further, as observed above there were many references to the US market.

53 With regard their worldwide reputation, the Applicants submitted that they had grown a substantial reputation in the UK and other countries in relation to the Mark. The Proprietors (via Courtaulds, a long-established UK company) would have been aware that the Mark belonged to the Applicants in the UK ([70] AWS INV1).

54 The Applicants further submitted that both parties are in the same apparel industry, wherein it is very common for companies to do research on their competitors ([71] AWS INV1). In support, the Applicants referred to Exhibit CMQ-2 of the Proprietors' INV SD. In an email dated 27 October 2010, the writer Natalie Paul of Courtaulds made reference to doing research and coming across women's toning products (eg Reebok, Fila etc). This research was part of the discussion pertaining to the types of products to be sold under the Mark, specifically shapewear for women (above).

55 The Proprietors sought to attack the evidence above on the basis that ([31] and [32] PWS INV):

- (i) the above evidence has limited probative value since, strictly speaking, such evidence is hearsay such that the Registrar should be extremely wary of according too much weight, if any at all, to this evidence;

³⁹ See CMQ-13 of the Proprietors' INV SD at page 483 (signature page of the **US Assignment**) and page 485 (copy of the Trademark Assignment Abstract of Title from the United States Patent and Trademark Office pertaining to the **US Registration**). Assignment 2 indicated that the execution date of the **US Assignment** was **8 April 2010**.

- (ii) even if any discussion had taken place, they were at best only preliminary and cursory in nature, and knowledge of the same was thus limited to the few individuals involved; and
- (iii) the knowledge of these few individuals cannot simply be imputed and/or attributed to the Proprietors.

56 In particular, the Proprietors highlighted that bad faith is a serious claim to make and must be sufficiently and distinctly proved by the Applicants, and this can rarely be done through a process of inference ([39] PWS INV).

57 At the outset, I note that the Learned PAR in *FMTM Distribution Ltd v Tan Jee Liang Trading as Yong Yew Trading Company* [2016] SGIPOS 9 (“*FMTM*”) has opined, albeit *obiter*⁴⁰:

[52] In summary, my provisional views are as follows:

- a. SDs filed for the purposes of IPOS proceedings are not subject to Parts I, II and III of the EA. (See [41] – [50] above.)...

58 Further, as acknowledged by the Proprietors themselves ([36] PWS INV), HMD Circular No. 3/2015 provides that statutory declarations before the Registrar “need not necessarily contain only such facts as the deponent is able of his own knowledge to prove, but also may contain statements of information or belief with the sources or grounds thereof.” (HMD Circular No. 3/2015 at Part A). Last but not least, the Trade Mark Rules (Cap 332, 2008 Rev Ed) provides:

69.— (1B) Despite paragraph (1A), any statutory declaration used in any proceedings before the Registrar may contain statements of information or belief with the sources and grounds thereof.

59 The Proprietors submitted that notwithstanding the above ([37] PWS INV), “the Registrar must not ignore the well-established principle that the probative value of such hearsay evidence is extremely limited and outweighs the prejudicial effect it has on the Proprietor.”

60 Where there are no specific provisions as to how a particular issue is to be dealt with, the Registrar does look to general practice for guidance where appropriate. However, here, the reason for the departure from the general practice has been explained in HMD Circular No. 3/2015, that is, so as “to manage costs before a low cost administrative tribunal”.

61 The Proprietors also referred to *Lejzor Teper v The Queen* [1952] AC 480 at 486 ([38] PWS INV) that:

It is not the best evidence and it is not delivered on oath. The truthfulness and accuracy of the person whose words are spoken to by another witness cannot be

⁴⁰ See also AWS INV2 at [74] where the Applicants also referred to *FMTM*.

tested by cross-examination, and the light which his demeanour would throw on his testimony is lost.

Firstly, as the Applicants submitted ([76] AWS INV2), the above is a criminal case. In any event, as submitted by the Applicants at [77] AWS INV2, having regard to the clarification above (as to the standard of evidence before this tribunal), the case does not assist.

62 Crucially, as submitted by the Applicants, the Proprietors themselves are also relying on a string of emails which were not made by their deponent (above) to support their contention that they had conceptualised the Subject Mark and had all the intention to use the same. This necessarily means that the Proprietors' criticism of the Applicants' evidence applies to their own evidence.

63 I am reminded once again of the Proprietors' caution ([39] PWS INV) that, "circumspection is...necessary because [b]ad faith...is a serious claim to make and must be sufficiently and distinctly proved...and this can rarely be done through a process of inference."

64 Having regard to all of the above, the key is what weight, if any, should be accorded to the evidence above and, if so, whether it is sufficient to establish an action based on bad faith.

65 With regard to the Proprietors' argument that the knowledge was limited to a few individuals and as such cannot be attributed to the Proprietors, the Applicants referred to *Williams v Canaries Seaschool SLU* [2010] R.P.C. 32, where the rules of attribution in connection with the bad faith ground were discussed ([86] AWS INV2) and extrapolated it to the current case (see [91] – [94] AWS INV2):

[91] Whilst in *Williams v Canaries Seaschool SLU* they were the same person, we see no reason why bad faith cannot also be established where the person having the relevant knowledge is different from but connected to the person(s) in the applicant company involved in the application in question, such that the applicant company can also be said to have acted with the same knowledge.

[92]...We suggest that one important factor to this inquiry would be the likelihood that such knowledge would be communicated by the first person to the person(s) in the applicant company involved in the application in question.

[93] In the instant case, the persons from [the Proprietors] having direct knowledge of the prior negotiations would be at least the following people:

- (a) ...
- (b) Representatives from the Pacific Dunlop Group (which acquired Courtaulds in 2006);
- (c) Mike Ellis, at the time a director of Courtaulds...

[94] From the foregoing, it is clear that negotiations involved upper management from both Courtaulds as well as its parent company Pacific Dunlop Group. This is hardly surprising given that the negotiations pertained to two very major deals⁴¹...

66 I do not think it is necessary to dwell on this issue. Suffice to say, I see no reason why there cannot be any attribution if upper management of the company is involved.

67 The Proprietors submitted themselves (at [48] PWS INV):

[47] As Lord Denning MR had said in *HL Bolton (Engineering) Co Ltd v TJ Graham & Sons Ltd* [1957] 1 QB 159 at 172:

A company may in many ways be likened to a human body. It has a brain and nerve centre which controls what it does. It also has hands which hold the tools and act in accordance with directions from the centre. *Some of the people in the company are mere servants and agents who are nothing more than hands to do the work and cannot be said to represent the mind or will.*

[Emphasis in the original]

Such upper management would constitute the “mind or will” of a company.

68 Similarly, it is observed that the writers of the email were part of the management team of the Applicants. For example:

- (i) Kevin Jarvis was the managing director of the Applicants (see, for example, Exhibit CO2(f) of the Applicants’ INV SD3 at page 24); and
- (ii) Zoe Woolnough was the sales and marketing director of the Applicants (see, for example, Exhibit CO2(j) of the Applicants’ INV SD3 at page 31).

69 The issue is not how many individuals from the Proprietors’ end were involved. Rather, the key is whether the individuals held principal positions in relation to the Proprietors such that they were the “mind or will” of the Proprietors. Knowledge held by the upper management of a company could and should be imputed to the company.

70 I accept that most of the emails, except for one (Exhibit CO2(c) of the Applicants’ INV SD3), appear to be internal emails. However, I do not think that it detracts from the fact that there was a purported negotiation between the parties. As alluded to above, the management teams from both parties were involved.

71 With regard to the Proprietors’ claim that the negotiations were cursory in nature, they did not elaborate how this conclusion was drawn. It is observed, based on the Applicants’ INV SD3, that the purported negotiations proceeded for about one year from end 2006 to early 2008. There were also a fair amount of details discussed, including how the production of certain sports bras might interest the Proprietors (Exhibit CO2(k) of the

⁴¹ See Exhibit CO2(c) and (d) of Applicants’ INV SD3, above.

Applicants' INV SD3) and how the Applicants would be able to improve delivery due to sourcing fabric from the Proprietors (Exhibit CO2(1) of the Applicants' INV SD3). In my view, the above indicate that the purported negotiations were fairly advanced before they broke down.

72 In relation to the Applicants' reputation, it is noted that the Applicants have been in the industry for some time. In this regard, the Applicants deposed that their Marks were registered in the UK as early as in 1994 ([7] Applicants' INV SD1). Further, I agree that it would be normal for companies to do a scan of the relevant industry to be apprised of their competitors' businesses. Interestingly, the Applicants relied on the Proprietors' evidence to support this argument (above).

*No bona fide intention to use the Subject Mark*⁴²

73 In this regard, the Proprietors submitted ([54] PWS INV):

[54] It is trite law that the fact that an applicant knows or should know that a third party is using a similar or identical sign is not sufficient in itself to permit the conclusion that the applicant is acting in bad faith.

The Proprietors relied on *Malaysia Dairy Industries Pte Ltd v Ankenaevnet for Patenter og Varemaerker* (C-320/12) and *Chocoladefabriken Lindt & Sprungli AG v. Franz Hauswirth GmbH* (Case C-529/07) ("**Lindt**") to support their proposition above.

74 The Applicants refuted the applicability of the decisions above, on the basis that the factual context in the cases were different to the instant case ([101] – [103] of AWS INV2):

[101] Firstly, we note that both of these decisions were decided in the unique context of the EU...the dual system of trade mark protection...

[102] It is plain that this unique context played an important role in *Lindt* (which was cited in *Yakult*), wherein the ECJ stated:

...the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.

⁴² Professor Susanna Leong in her textbook on *Intellectual Property Law of Singapore* (Academy Publishing, 2013) at [28.262] helpfully points out that "bad faith" cases may be broadly categorised into two groups: (a) ownership of the trade mark and knowledge of third-party claims; and (b) intention to use the trade mark and width of specification of goods and services. For clarity, the discussion of the Proprietors' intention to use the Subject Mark under this sub-heading is not in the context of establishing an independent basis for bad faith under category (b). Instead, it is only one of the elements in a multifactorial inquiry into the bad faith objection in the current case under category (a).

[103] In making this observation, the ECJ had to address the tension between protecting, on the one hand, national rights acquired in member states, and on the other hand, the ability for EU entities to secure Union-wide trade mark protection...

[104] In the instant case, there is no such interplay of national-level rights on the one hand, and Union-level rights on the other. The ECJ's observation, that knowledge of a third party's use in another member state is insufficient in itself, is therefore of limited relevance.

[The Applicants' emphasis as underlined]

I see no reason to disagree with the Applicants' analysis. However, the above factor is not the only consideration taken into account in *Lindt*, some of which are relevant here (discussed below).

75 It is the Applicants' case that there was no *bona fide* intention to use of the Subject Mark by the Proprietors. At the oral hearing for the ***Related Revocation***, the Proprietors *conceded that there was no use* of the Subject Mark⁴³. There is no need to go further into the ***Related Revocation*** for the purposes of this action, except to note that the Proprietors attempted to explain that there were proper reasons for non-use and that they had every intention to use the Subject Mark but were prevented from so doing as a result of the Applicants' actions. In support, the Proprietors tendered the *same* evidence above. These were rejected by the Registrar who found that there were no proper reasons for non-use⁴⁴.

76 Further, with regard to the ***US Registration***, it is interesting to note that the Proprietors *themselves* deposed at [9(a)] of the Proprietors' INV SD:

[9(a)]...annexed herewith in Exhibit CMQ-13 is a copy of the Trademark Assignment Abstract of Title which shows that the assignment of the USA trade mark registration no. 2,950,676 "USA PRO" mark was recorded with the United States Patent and Trademark Office...on or around 14 September 2010. While this trade mark registration has since been *cancelled due to the absence of a declaration of use being filed* on or before 21 January 2014, the Registrant continues to be the rightful proprietor of the Registration Mark and the USA PRO Mark.

[Emphasis in italics mine]

77 In this regard, I refer to Exhibit H of the Applicants' INV SD1. Page 399 is a copy of a printout from Trademark Electronic Search System ("TESS") from the United States Patent and Trademark Office ("USPTO"). The mark "USAPRO" of serial number 77685544 is indicated as "*DEAD*"⁴⁵. The date of abandonment was 17 September 2013. Interestingly, the search report indicated that the prior registration was trade mark

⁴³ The concession was made at the ***Related Revocation***, however, the precise intention of having all the related actions heard at one sitting is so that relevant issues can be cross referred.

⁴⁴ See ***Related Revocation*** below.

⁴⁵ The owner was "Courtaulds Textiles America Inc Corporation".

registration number 2,950,676. As mentioned above, it was cancelled as a result of *non-use*.

78 Aside from USA, Exhibit H of the Applicants' INV SD1 at pages 397 and 398 also contained a trade mark search report from the Canadian Intellectual Property Office (page 397). Trade mark number 1454804 encompassing the word USA PRO was also abandoned as at 3 September 2013.

79 Last but not least, as indicated in the Applicants' INV SD1 at [14], the Applicants successfully enforced several overseas actions against the Proprietors.⁴⁶ On a plain reading, out of the four successful actions, three of them were based on *non-use*⁴⁷.

80 I am mindful that the events above occurred after the Relevant Date⁴⁸ and in overseas jurisdictions. However, they shed light as to the Proprietors' overall intention with regard the Mark. It would appear that the Proprietors were not interested to use the Mark at all.

Conclusion

81 I am cognisant that I need to proceed with caution with regard to an objection based on bad faith. However, as the Applicants emphasized, while there is a need for cogent evidence having regard to the severity of the claim, the standard of evidence remains that of a balance of probabilities (AWS INV2 at [44]):

[44] In *Brutt Trade Marks*, Arnold QC explained Thorley QC's reasoning as follows:

I agree...that an allegation of bad faith is a serious allegation which must be distinctly alleged and which should not be made unless it can be properly pleaded. I also agree that it must be distinctly proved: as discussed above, the standard of proof is on the *balance of probabilities*, but *cogent evidence is required* due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith...

[Emphasis in italics mine]

82 I agree with the Proprietors that the bad faith inquiry is a multi-factorial one (see [108] AWS INV2). In *Kerly's Law of Trade Marks and Trade Names*, (Sweet & Maxwell, 15th Ed) at [8-264] – [8-265], the learned authors garnered the following considerations, amongst others, from *Lindt*:

⁴⁶ These were for “near-identical mark USAPRO” ([14] Applicants' INV SD1).

⁴⁷ On 29 July 2016, the Applicants filed a non-certified translation of Exhibit G of the Applicants' OPP SD1 (which is identical to Exhibit G of the Applicants' INV SD1).

⁴⁸ See above. *Festina* at [100]) provided that matters which occurred *after* the date of application which may assist in determining the applicant's state of mind as at the date of application can be taken into consideration.

- (i) A presumption of knowledge may arise from *inter alia* general knowledge in the economic sector concerned of such use and that knowledge can be inferred from *inter alia* the *duration* of such use. The more that use is *longstanding*, the more probable it is that the applicant will, when filing the application, have knowledge of it.
- (ii) The fact that the applicant knew or must have known of the third party use in at least one member state of a similar sign for a similar product capable of being confused with the sign for which registration is sought is *not sufficient, in itself*, for a conclusion that the applicant was acting in bad faith.
- (iii) Consideration must also be given to the applicant's intention at the time of filing the application for registration. This is a *subjective* factor which must be determined by reference to the *objective* circumstances of a particular case.
- (iv) The intention to prevent a third party from marketing a product may, in certain circumstances, amount to bad faith. This would be so when it becomes apparent subsequently that the applicant applied for a mark *without intending to use it*, his sole objective being to prevent a third party from entering the market.
- (v) The fact that the third party has *long used a sign for a similar product capable of being confused* with the mark applied for and that that sign *enjoys some degree of legal protection* is one of the factors relevant to the determination. In such a case, the applicant's sole aim in applying for the mark might be to compete unfairly with the competitor.

83 From the above, the following narrative emerges from the Applicants' submissions⁴⁹:

- (i) The Applicants were the owners of variants of the Mark in several countries, *since as early as 1994* ([7] Applicants' INV SD1).
- (ii) The Applicants' predecessor, USA PRO Limited were the *first* user of the mark in Singapore.
- (iii) The Proprietors' attempt to acquire the Applicants turned sour during the period 2006 – 2008. This suggested a *pre-existing relationship* between the parties.
- (iv) There was *no use* at all of the Subject Mark by the Proprietors – this was *conceded* by the Proprietors in the ***Related Revocation*** action (below)⁵⁰;
- (v) Curiously, Marks⁵¹ sought to be registered by (or transferred to) the Proprietors *themselves*, were also *taken off the register*, whether as a result of non-use or not (above).

⁴⁹ For the avoidance of doubt, it is not in dispute that the Mark and the Subject Mark are similar.

⁵⁰ And there were also no proper reasons for such non-use.

⁵¹ Two in US (trade mark numbers 2,950,676 and 77685544) and one in Canada (trade mark number 1454804).

- (vi) In line with their worldwide registrations (above), the Applicants *successfully enforced* several actions against the Proprietors on the basis of *non-use* of the Mark.

84 As the Applicants submitted ([56] AWS INV2), the evidence adduced is sufficient to shift the burden of proof onto the Proprietors (above *Christie Manson*). The Applicants further referred to *Pavel Maslyukov v Diageo Distilling Ltd and Diageo Scotland Ltd* [2010] EWHC 443 (Ch) at [66] (see [66] AWS INV2):

[66] On appeal, the High Court stated:

It seems to me that the hearing officer fell into the trap I identified when sitting as the Appointed Person in *Pan World Brands Ltd v Tripp Ltd (EXTREME Trade Mark)* [2008] R.P.C. 2 :

[36] Where...evidence is given in a witness statement filed on behalf of a party to registry proceedings which *is not obviously incredible* and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then...it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

[Emphasis in italics mine]

85 In light of the above, I am of the view that the Applicants had tendered evidence which *is not obviously incredible* and which is sufficient to shift the burden of proof onto the Proprietors. The Proprietors *failed to discharge* this burden of proof for the following reasons:

- (i) The Proprietors failed to raise any positive factual allegation that conflicts with the Applicants' account of the prior negotiations; and
- (ii) The Proprietors failed in their justification with regard to the conceptualisation of the Subject Mark as the documents appear to relate to the *US Assignment* instead:
 - (a) The emails were dated during the period October 2010 – March 2012 / May 2014 which is a few months after the *US Assignment* date of 8 April 2010; and
 - (b) There were many references to the USA market in the emails.

86 As alluded to at the beginning, in light of all of the above, I am of the view the objection of bad faith has been made out as:

- (i) The Proprietors had knowledge of the Applicants' right in the Mark on or before the Relevant Date;

- (ii) The Proprietors proceeded to apply to register the Subject Mark despite such knowledge⁵²;
- (iii) The Proprietors did not use the Subject Mark at all (this was conceded by the Proprietors at the ***Related Revocation*** below); and
- (iv) The Proprietors' actions in other jurisdictions support the proposition that they do not intend to use the Subject Mark at all. In particular, this includes the abandonment of their own Marks⁵³.

87 Thus, the ground of invalidation under Section 7(6) succeeds.

88 For completeness, following my conclusion, Section 24 of the Act⁵⁴, as alleged by the Proprietors at [14] of the counter-statement, does not apply here.

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

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

8. —(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade.

Decision on Section 8(7)(a)

90 In relation to this ground, there are three elements to be established:

- (i) Goodwill;
- (ii) Misrepresentation; and
- (iii) Damage.

⁵² As alluded to above, it is also observed that the application for the Subject Mark in Singapore was filed on **22 April 2008** which is only about *13 days after* the date of the email in Exhibit CO2(I) of Applicants' INV SD3, which is the last email found pertaining to the purported negotiation between the parties, dated 9 April 2008. At the oral hearing, the Proprietors submitted that this is a case of concurrent creation of the same mark. I agree that this may be possible in some cases. But here the circumstances were curiously intertwined. In this regard, I also clarify that the current case is not, as submitted by the Proprietors at the oral hearing (applying ***Weir Warman***), a case of marks in "non-exclusive territories". There was no evidence of any agreement between the parties suggesting this.

⁵³ As well as their inability to defend enforcement actions raised by the Applicants against the Marks based on non-use.

⁵⁴ Section 24 provides:

24.—(1)(a) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of 5 years in the use in the course of trade of a registered trade mark in Singapore, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right to apply for a declaration that the registration of the later trade mark is invalid...*unless* the registration of the later trade mark was applied for in bad faith.

91 In light of my conclusion in relation to bad faith, there is no need for me to look into this ground of objection.

Conclusion on Invalidation

92 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 of the Act read with Section 7(6). The Applicants are awarded costs to be taxed if not agreed.

REVOCAATION

93 On 24 August 2015, the Applicants filed an application for revocation of the Subject Mark on the grounds of non-use. The Proprietors filed their counter-statement to resist revocation on 21 December 2015. The Applicants filed evidence in support of the application on 18 August 2016. The Proprietors filed evidence in support of maintaining the registration on 24 February 2016. The Applicants did not file any evidence in reply. Thereafter, the procedure is similar⁵⁵ to that for the *Related Invalidation* and this matter was eventually heard together with the other related cases on 16 November 2017.

Grounds of Revocation

94 The Applicants relied on Section 22(1)(a) and (b) of the Act.

Applicants' Evidence for Revocation

95 The Applicants' evidence comprises a statutory declaration dated 12 August 2016 made by Mr Cameron Olsen ("Applicants' REV SD").

Proprietors' Evidence for Revocation

96 The Proprietors' evidence comprises a statutory declaration dated 19 February 2016 made by Mr Christopher McQuoid ("Proprietors' REV SD").

Burden of Proof for Revocation

97 Unlike the *Related Invalidation* above, for a revocation action, under Section 105 of the Act, the Proprietors have the burden of showing that use has been made of the Subject Mark.

Housekeeping Matters

98 For ease of reference, parties' written submissions will be referred to as follows:

- (i) Applicants' written submissions – AWS REV1;

⁵⁵ Save for some minor procedural differences, which are not material for the purposes of this case.

- (ii) Applicants' reply submissions - AWS REV2; and
- (iii) Proprietors' written submissions – PWS REV.

MAIN DECISION FOR REVOCATION

Ground of Revocation under Section 22(1)(a) and (b)

99 Section 22(1)(a), (1)(b), (6) and (7) of the Act reads:

22.—(1) The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use...

(6) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(7) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from —

(a) the date of the application for revocation; or

(b) if the Registrar or the Court is satisfied that the grounds for revocation existed at an earlier date, that date.

Relevant Dates

100 The Proprietors submitted that the relevant date is as follows ([7] PWS REV):

- (i) The period 30 March 2010 – 30 March 2015, which is five years subsequent to 30 March 2010 (the date of completion of registration) following Section 22(1)(a) of the Act; and
- (ii) The period 24 August 2010 – 24 August 2015, which is five years prior to 24 August 2015 (the date of filing of the revocation application) following Section 22(1)(b) of the Act.

As there is an overlap in the two periods above, for convenience and as nothing turns on it, the relevant period is computed as 30 March 2010 to [24 August 2015], which is slightly over five years (the “***Relevant Period***”).

101 As provided in *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 [145] ([11] AWS REV1):

[145]...it may be inferred that Parliament’s intention is that there is to be *no residual discretion* for the Registrar of Trade Marks and the court not to grant relief where the grounds for revocation or the grounds for invalidation have been established.

[Emphasis in italics mine]

102 At the oral hearing, the Proprietors *conceded that there was no use* of the Subject Mark. Therefore the only issue left to be determined is whether there are proper reasons for such non-use.

103 The law pertaining to the element “proper reasons for non-use” has been expounded by the High Court in *Nation Fittings (M) Sdn Bhd v Oystertec plc* [2006] 1 SLR(R) 712 at [129]⁵⁶ ([19] AWS REV1):

[129] Were there, however, “proper reasons” within the meaning of s 22(1) for the non-use of the respective trade marks by the plaintiff? The applicable principles of law here seem to me to be clear. The onus to show that it had proper reasons for not using the trade marks concerned during the relevant period is on the proprietor of the mark. If obstacles to use existed, these must have arisen *independently of the will of the said proprietor and ordinary commercial delays in producing a new product bearing the trade mark in question would not constitute a valid excuse*...Indeed, in...*INVERMONT Trade Mark*, Mr M J Tuck pertinently observed thus (at 130):

As can be seen in any English dictionary, ‘proper’ is a word with many meanings. But bearing in mind the need to judge these things in *a business sense*, and also bearing in mind the emphasis which is, and has always been placed on the requirement to use a trade mark or lose it, I think the word proper, in the context of section 46 [s 22 of the TMA] means:- *apt, acceptable, reasonable, justifiable* in all the circumstances.... I do not think the term ‘proper’ was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover *abnormal situations* in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor’s business. Normal delays occasioned by

⁵⁶ See also Article 19 of the Agreement On Trade-Related Aspects Of Intellectual Property Rights (“TRIPS Agreement”) ([23] AWS REV1):

19(1)...Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use...

some unavoidable regulatory requirement, such as the approval of a medicine, might be acceptable *but not, I think, the normal delays found in the marketing function. These are matters within the businessman's own control and I think he should plan accordingly.*

[Emphasis in italics mine]

104 Thus, the issue to be decided is whether the reasons proffered by the Proprietors qualify as “proper reasons for non-use”. The Proprietors’ case ([9] and [10] of the Proprietors’ REV SD) is that:

[9] *In light of the numerous actions taken out by the [Applicants] around the world to oppose and cancel the [Proprietors’] applications and registrations for the [Subject Mark] and its variants, the [Proprietors] has had no alternative but to incur considerable time and financial resources to defend and protect its intellectual property rights in the [Subject Mark]. The [Proprietors’] ability to launch its products under the [Subject Mark] has, as a consequence, suffered immensely as a result of the incessant financial bullying by the [Applicants]. This has diverted the [Proprietors’] focus, manpower and funds away from the conceptualisation and development of the product line to be used with the [Subject Mark]. As a result, this has caused serious disruptions to the rollout programme pertaining to the launch of the product line using the [Subject Mark].*

[10] It has been *conclusively shown* in [4] above that the *[Proprietors have] every intention of using the [Subject Mark]*. The delay in the launch of the product line bearing the [Subject Mark] has been caused by events which are beyond the control of the [Proprietors].

[Emphasis in italics mine]

105 The Proprietors alluded to the many applications and registrations for the Mark across many jurisdictions, as referred to in Exhibit CMQ-1 of the Proprietors’ REV SD ([3] of the Proprietors’ REV SD). In particular, they highlighted Exhibit CMQ-13 of the Proprietors’ REV SD which is “[a] list of countries where [the Applicants] had taken out opposition and cancellation proceedings against the registrations and applications of the [Mark]” (see [23] PWS REV and also [6] of the Proprietors’ REV SD).

106 The Proprietors submitted at [22] and [23] PWS REV:

[22] In light of the multitude of opposition, revocation, cancellation and invalidation proceedings that were taken out by the [Applicants] against the [Proprietors] *across the world*, the [Proprietors] cannot be expected to incur significant costs to use the [Subject Mark] or sell [their] products in Singapore under the [Subject Mark], *until the above trade mark proceedings are finally resolved.*

[23] It is clear...that the [Proprietors were] uncertain as to the legal status of [their] brand in the *global context* and wanted to have the pending actions determined *before* proceeding to use the [Subject Mark] *in Singapore and elsewhere...*

[Emphasis in italics mine]

107 At the oral hearing, the Proprietors explained that as part of the operation of a multi-national company (or MNC), there is a need to synchronise business strategy across different jurisdictions, and thus the need to wait for the resolution of all global actions before launching the Subject Mark.

108 The Proprietors also drew attention to the Applicants' "unmeritorious" opposition against the Proprietors' trade mark application in the USA, which was launched even though the Applicants had already assigned their registration and goodwill in the USA to the Proprietors in 2010 (*US Assignment*) ([27] PWS REV).

109 In relation to Singapore, the Proprietors laid out the timeline as follows ([38] PWS REV):

- (a) **22 April 2008** – the Proprietors applied for the Subject Mark;
- (b) **27 February 2009** – the Subject Mark was published;
- (c) **23 April 2009** – the Applicants filed their notice of opposition against the Subject Mark which ultimately failed⁵⁷. However the Proprietors claimed that "there were many concurrent pending matters in other jurisdictions" ([38(c)] PWS REV);
- (d) **30 March 2010** – Completion of registration procedure and start of Relevant Period for the purposes of this revocation;
- (e) **9 July 2014** - the Applicants applied for invalidation of the Subject Mark (above);
- (f) **24 July 2015** – End of relevant period for the purposes of this revocation;
- (g) **24 August 2015** – the Applicants initiated this revocation against the Subject Mark as part of three concurrent actions against the Proprietors.

110 The Proprietors submitted that as can be seen from the timeline set out above, the Proprietors' ability to launch their products under the Subject Mark has, as a consequence, suffered immensely. While they had every intention of using the Subject Mark, the delay in the launch of the product line bearing the Subject Mark has been caused by events which were beyond their control ([41] PWS REV).

111 On the other hand, the Applicants claimed that the actions brought by the Applicants against the Proprietors were the result of the Proprietors' own actions.

⁵⁷ The Opponents wrote to the Registrar on 23 February 2010, informing that they were not proceeding with the opposition. This was after the filing of the Counter-Statement and before the filing of the evidence by the Opponents.

112 To support their argument that trade mark proceedings are not regarded as an obstacle for the purposes of a non-use action, the Applicants referred to *Naazneen Investments Ltd v OHIM* T-250/13 [2015] E.T.M.R. 21 (“*Naazneen GC*”) ([38] – [40] AWS REV1). Naazneen owned the EU registration for the mark SMART WATER. In 2011, on application by Energy Brands Inc, the Cancellation Division of OHIM revoked the mark for non-use. This was appealed to the General Court. One of Naazneen’s arguments was that it had a proper reason for non-use because of revocation proceedings launched by a third party in 2008. The General Court observed:

[70]...According to the applicant, while revocation proceedings were pending against the mark and its validity was called in question, it would have been unreasonable to make additional investments, or to carry out marketing or sales activities and negotiations with interested business partners or potential licensees or sub- licensees.

[71] It must be pointed out, first, that the fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it.

[72] Secondly, it is indeed always possible that, should such revocation proceedings lead to the revocation of the mark, an action for damages might be instituted. However, an order to pay damages is not a direct consequence of the revocation proceedings.

...

[74] Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the revocation proceedings brought...by a third party did not constitute a proper reason for non-use of the mark at issue.

113 *Naazneen GC* subsequently appealed to the ECJ (see *Naazneen Investments Ltd v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-252/15 P [2016] E.T.M.R. 29 (“*Naazneen ECJ*”)), which declined to overrule the General Court’s decision ([39] AWS REV):

[98] In [71] and [72] of the judgment under appeal, the General Court stated that that was not the case in this instance, since the fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it and that, although it is always possible that, should such revocation proceedings lead to the revocation of that mark, an action for damages might be instituted, an order to pay damages is not a direct consequence of the revocation proceedings.

[99] Clearly, although purporting to complain that the General Court erred in law as to the interpretation of the term “unreasonable”, the appellant is, in fact, seeking by its argument to call in question those factual appraisals. Such appraisals, save where the facts are distorted, which has not been alleged, fall outside the jurisdiction of the Court of Justice in an appeal.

114 I do not think that the Applicants' actions can be said to be a result of the Proprietors' actions, as contended by the Applicants. Having said that, as supported by *Naazneen ECJ*, I am of the view that such actions constitute ordinary commercial delays and cannot be regarded as a valid excuse for non-use.

115 In coming to this conclusion, there is a need to take into account the vagaries of the commercial world. As mentioned above, the word 'proper' must be assessed in a *business sense* such that it would not cover routine difficulties in the business world, such as normal delays found in the marketing arena. Parties would or should be aware of possible actions likely to be brought against their marks.

116 As argued by the Applicants at the oral hearing, the Proprietors' argument (that an MNC can wait for *all* global disputes to be resolved before initiating the use of a mark) is not commercially reasonable. Perhaps there is a need for some coordination but I do not think it extends to ensuring *all* global disputes are resolved before initiating use of a mark.

117 At the oral hearing, the Proprietors also countered that the observations in *Naazneen GC* were *obiter dicta*. However, the Applicants submitted otherwise. I agree. It is plain that the holding of the case pertaining to the issue of "*Existence of proper reasons for non-use*" is found at [H20] – [H24]:

[H20] Only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be regarded as "proper reasons for non- use" of that mark.

...

[H23] Naazneen is wrong to claim that it had no choice other than to stop using the mark at issue or to put consumers' health in danger. This is because further products could have been manufactured and placed on the market within a reasonable period. The additional economic investments necessary for the manufacture of further products form part of the risks that an undertaking must face.

[H24] *The fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it.*

[Emphasis in italics mine]

118 Even if I am wrong, and such a reason is acceptable as an excuse for non-use, I agree with the Applicants that the Proprietors' evidence in this regard is sorely lacking in details. The Applicants submitted that there are several crucial deficiencies in the Proprietors' evidence ([30] AWS REV1), including:

- (i) There were no dates provided by the Proprietors for the alleged opposition and cancellation proceedings such that it is entirely possible that all or most of them were launched after the Relevant Period.
- (ii) There were no particulars as to any supporting documents e.g. notices of opposition that establish the existence of such alleged actions⁵⁸.
- (iii) There were no specifics provided as to how such proceedings could have prevented the genuine use of the Subject Mark in Singapore, in particular, how the proceedings have impaired the Proprietors' financial ability⁵⁹ to launch their products.

119 I agree with the Applicants that both Exhibits CMQ-13 and CMQ-1 of the Proprietors' REV SD are lacking in specificity as to the alleged actions brought by the Applicants against the Proprietors. The information provided by the exhibits are as follows:

S/N	Exhibit CMQ-13 ⁶⁰	Exhibit CMQ-1 ⁶¹
Details provided		
1	Trade mark	Trade mark
2	Country	Country
3	Classes	Registration number and date
4	Status (whether the mark is pending or registered).	Application number and date
5	NA	Status (whether the mark is pending or registered)
6	NA	Proprietor

120 With regard to the Applicants' argument that there are no details of the alleged proceedings, at the oral hearing, the Proprietors argued that their deponent made a sworn statement with regard the actions taken by the Applicants against them ([6] and [7] Proprietors' REV SD):

[6] The worldwide launch of the range of sportswear using the Trade Mark has been unduly delayed due to the numerous opposition and cancellation proceedings taken out by the Applicant worldwide...Annexed herewith and marked CMQ-13 is a list of countries where the Applicant has taken out opposition and cancellation proceedings...

⁵⁸ The Applicants also argued that the evidence provided below, that is, CMQ-1 and CMQ-13 of the Proprietors' REV SD, appeared to be all internal documents such that little weight should be accorded to them.

⁵⁹ See the Proprietors' arguments with regard the Applicants' "financial bullying" at [104] above.

⁶⁰ Exhibits are those in the Proprietors' REV SD.

⁶¹ As above.

[7] In Singapore alone⁶², the Applicant has commenced multiple proceedings against the Trade Marks...

I agree that the above statements were made on oath. However, without corroborating details, they are just bare statements such that the weight accorded to them, if any, would be low.

121 It is to be recalled that the burden of proof is on the Proprietors to show that they were prevented to use their marks as a result of the Applicants' actions. Thus, it would be reasonable to expect the Proprietors to provide sufficient details to show how they were prevented from using the Subject Mark.

122 For example, with regard to the Proprietors' claim that the actions by the Applicants have "diverted the Respondent's focus, manpower and *funds* away from the conceptualisation and development of the product line to be used with the [Subject Mark]", the Proprietors could have provided details such as their financial circumstances and the costs incurred from defending the alleged proceedings ([30(c)] AWS REV).

123 Based on all of the above, the Proprietors' excuse(s) for non-use is far from satisfactory.

124 Before I leave this issue, a word in relation to the Proprietors' contention that the Applicants launched an "unmeritorious" opposition against the Proprietors' trade mark application in the USA.

125 Firstly, it is noted that the *US Assignment* is confined only to the *US Registration*.⁶³ Secondly, with regard to the "unmeritorious" opposition⁶⁴, it is noted that:

- (i) the USPTO document appended at Pages 487 – 503 of Exhibit CMQ-14 of the Proprietors' INV SD⁶⁵ is a summary judgement (page 488 of Exhibit CMQ-14 of Proprietors' INV SD) and is not regarded as a precedent of the Trademark Trial & Appeal Board (see page 487 of Exhibit CMQ-14 of Proprietors' INV SD).
- (ii) The summary judgment was allowed on the basis that there was sufficient evidence to show that the applicants (Proprietors in this case) had sufficient intention to use the mark in the US as at the relevant date of 14 November

⁶² The Proprietors also referred to trade mark application number T1414363F and claimed that the Applicants tried to appropriate the Mark in Singapore such that the Proprietors could not be expected to initiate use of the Subject Mark in the current situation ([34] PWS REV). However, the application was only filed on 8 September 2014.

⁶³ See Page 500 of Exhibit CMQ-14 of the Proprietors' REV SD. In addition, as alluded to above in the *Related Invalidation*, in the end, the *US Registration* was eventually *cancelled* due to the *absence* of a declaration of *use* being filed on or before the deadline.

⁶⁴ The Applicants deposed ([34]) of the Applicants' REV SD) that there was a valid basis for the challenge in that the filing was made on an incorrect basis.

⁶⁵ As alluded to above, the intention of having all the related actions being heard at one sitting is so that relevant issues can be cross referred.

2012⁶⁶, which was the application date of the mark in issue. In particular, it was found that the evidence (which is similar to what has been tendered by the Proprietors here) was sufficient to support the conclusion of an intention to use as there was *sufficient connection* with the US. One example was that there were responses by consumers in the US in the market research (page 501 of Exhibit CMQ-14 of Proprietors' INV SD).

126 It is for the same reason that the evidence tendered appeared to be *geared for the US market* that it was rejected as evidence of purported creation and preparation work for the launch of the Subject Mark (above).

127 Last but not least, the Proprietors relied on two cases to buttress their argument.

128 The first is *Worth Trade Marks* [1998] R.P.C 875 (“**Worth**”) ([30] PWS REV) where Worth BV’s application for the revocation of the proprietor’s registered mark was dismissed because the continuous threat of rectification faced by the proprietor was such that it was unreasonable to expect the proprietor to use his registered mark, i.e. these were proper reasons for the non-use of the registered mark.

129 However, the Applicants argued ([7] – [10] AWS REV2) that **Worth** can be distinguished as there were negotiations between the proprietor and one Mr McCarthy that continued throughout the period during which the registrations had been under threat. Crucially, Mr McCarthy had affirmed a statutory declaration describing the negotiations between himself and the proprietor. Mr McCarthy had been interested in acquiring an interest in the marks, but a licensing arrangement could not be settled due to the applicant’s various actions against the marks.

130 The Proprietors also relied on *Chronopost (Société par actions simplifiée) v DHL Express (France) SAS* (Case R 2425/2013-4) (“**Chronopost**”) ([35] and [36] PWS REV) where the proprietor owned the community trade mark for WEBSHIPPING from 18 October 2000. Since September 2004, the proprietor and the applicant had been involved in a dispute wherein the proprietor sued the applicant for extensive infringement of the mark. Given that there was no use by the proprietor of the mark, the Board of Appeal had to consider whether the applicant’s extensive infringement was a proper reason for non-use.

131 It was found to be unreasonable to expect Chronopost to use its registered mark as Chronopost would be “*indirectly subsidising its own competitor*” ([36] PWS REV).

132 The Applicants submitted that the cases were comparatively more dated and less authoritative⁶⁷ ([5] and [6] AWS REV2). Importantly, they do not assist the current case in light of their peculiar circumstances:

⁶⁶ Page 487 of Exhibit CMQ-14 of the Proprietors’ INV SD.

⁶⁷ **Worth** (decision of the Trade Mark Registry) was decided in 1998 while **Chronopost** (a Board of Appeal decision) was dated 28 January 2015. In contrast, **Naazneen GC** was decided in 18 March 2015 while **Naazneen ECJ** was issued on 17 March 2016.

- (i) In *Worth*, amongst others, the threat of proceedings meant that the proprietors could not use the mark by licensing it to Mr McCarthy ([11(a)] AWS REV2).
- (ii) In *Chronopost*, there was the unlawful exploitation of the mark by the applicant which would cause confusion in the marketplace and indirectly create additional demand for the applicant's wares if the proprietor had used the mark ([16] AWS REV2).

I agree.

133 The above is sufficient to conclude that the Proprietors have not discharged their burden of showing that there were proper reasons for non-use.

134 However, the Proprietors went further and deposed that the Proprietors conceptualised and developed the Subject Mark (and had every intention to use the same but for the Applicants' actions ([3] and [4] Proprietors' REV SD)):

[3] The [Proprietors]...*created the [Subject Mark] in or around 2008*⁶⁸...the [Proprietors]...proceeded to embark on an ambitious global trade mark registration programme to protect their intellectual property rights in the [Subject Mark] worldwide...

[4] The *conceptualization* and development of the [Subject Mark]...continues to this date...A huge amount of work has gone into the conceptualization and development of the [Subject Mark], including but not limited to the conducting of comprehensive market research...creation of a marketing plan, and negotiations with potential distributors...

[Emphasis in italics mine]

135 And the Proprietors emphasized at [10] of PWS REV:

[10] It is clear that the Proprietor *did conceptualise* and develop the [Subject Mark] as a brand for the Proprietor's range of sportswear. The evidence proves that a huge amount of work had gone into the *conceptualisation* and development of the [Subject Mark]...

[Emphasis in italics mine]

136 I have already analysed the Proprietors' evidence under the *Related Invalidation* and will not repeat my analysis here. In summary, having regard to:

- (i) the dates of the emails (for the period 2010 – 2012 / May 2014); and

⁶⁸ See [25] of PWS REV:

It is *undeniable* that the *Proprietors had in fact created the [Subject Mark] in or around 2008*...
[Emphasis in italics mine]

(ii) the many references made to the *USA market*,

the evidence above does not assist the Proprietors at all. The Subject Mark was sought to be registered in *Singapore in April 2008*.⁶⁹

137 It is not possible to conceptualise a mark after the registration date and neither were the USA market conditions relevant to such an exercise. Rather, as alluded to above, the emails appear to coincide with purported preparations for *US Registration* which was assigned to the Proprietors in March/April 2010.

Conclusion on Revocation

138 Having regard to all of the above, I am of the view that the objections under Section 22(1)(a) and (b) have been made out.

139 Accordingly, had I not invalidated the Subject Mark, I would have revoked the registration of the Subject Mark with effect from 31 March 2015. This is the earliest possible date following the 5-year period of non-use from the date of completion of registration, as pleaded at [7] of the statement of grounds attached to the application for revocation filed on 24 August 2015. The Applicants are also entitled to costs to be taxed, if not agreed.

Date of Issue: 12 February 2018

⁶⁹ The *Relevant Date* was 22 April 2008.