

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

Trade Mark No. T1318929B
16 November 2017

IN THE MATTER OF A TRADE MARK APPLICATION

IN THE NAME OF

MONTFORT SERVICES SDN. BHD.

AND

OPPOSITION 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 Opponents
Mr Mark Teng and Mr Lim Tianjun (Infinitus Law Corporation) for the Applicants

GROUND OF DECISION

1 The subject of these opposition proceedings is Trade Mark No. T1318929B for USAPRO (“*Application Mark*”) in the following classes:

Class 18

Sports bags, other than adapted (shaped) to contain specific sports apparatus; athletic bags; backpacks; bags for use in sports for carrying sports clothing; duffel bags; gym bags; rucksacks; sport bags, other than adapted (shaped) to contain specific sports apparatus; waist bags; waist pouches

Class 25

Athletic clothing for women, namely, shirts, tank tops, bras, vests, pants, shorts, jackets and sweatshirts.

Class 28

Weights for physical exercise (other than adapted for medical use); bags adapted for sports implements; balls for playing sports; barbells; apparatus for gymnastics exercises; asymmetrical bars for physical exercise; exercise equipment, other than for medical rehabilitative purposes; machines incorporating weights for use in physical exercise; cases adapted for carrying skis; gloves for sporting purposes (specifically adapted for); shin guards (sports articles); protective paddings (parts of sports suits); exercise treadmills; weight lifting belts (sports articles); wrist guards (sports articles).

Related Invalidation and Revocation Matters

2 This case is related to the applications for invalidation and revocation against 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.

(“**Related Invalidation and Related Revocation**”). I have issued the grounds of decision for these cases on the same date as these grounds of decision.

3 There is much overlap with regard to the management of the cases as well as the grounds of objection, evidence and written submissions filed. USA Pro IP Limited, “the

Opponents” in this case, are the Applicants in the ***Related Invalidation / Revocation***. On the other hand, Montfort Services Sdn Bhd, “the Applicants” in this case, are the Proprietors in the ***Related Invalidation / Revocation***. In particular, the grounds of objection for the current opposition are identical to those relied on in the ***Related Invalidation*** while the issue of non-use (and whether there were proper reasons for non-use) in the ***Related Revocation*** is relevant for the objection of bad faith here¹.

4 In light of the above, most of the arguments by the parties and my findings in the ***Related Invalidation / Revocation*** are relevant and apply accordingly to the current opposition. Only where they are different, will they be detailed below. Further, all relevant defined terms in the ***Related Invalidation / Revocation*** will also correspondingly apply here.

5 On 22 May 2014, the Opponents filed a notice of opposition against the Application Mark. The Applicants filed their counter-statement on 18 July 2014. The Opponents filed evidence in support of the opposition on 27 February 2015. The Applicants filed evidence in support of the application on 27 August 2015. The Opponents filed their evidence in reply on 26 April 2016². All three matters were eventually heard together on 16 November 2017.

Grounds of Opposition

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

Opponents’ Evidence

7 The Opponents’ evidence comprises:

- (i) a statutory declaration dated 26 February 2015 made by Mr David Michael Forsey, Director of the Opponents (“Opponents’ SD1”);
- (ii) a statutory declaration dated 25 April 2016 made by Mr Cameron Olsen, Company Secretary of the Opponents (“Opponents’ SD2”); and
- (iii) a statutory declaration dated 31 January 2017 made by the same Mr Olsen (“Opponents’ SD3”).

Applicants’ Evidence

8 The Applicants’ evidence comprises a statutory declaration dated 19 August 2015 made by Mr Christopher McQuoid, Legal Director of the Applicants (“Applicants’ SD”).

¹ As well as for the ***Related Invalidation***.

² Save for minor procedural differences, which are not material, the procedure is similar to that for the ***Related Invalidation / Revocation***.

Burden of Proof

9 As the applicable law is the Act, there is no overall onus on the Applicants either before the Registrar or in opposition proceedings. The undisputed burden of proof in the present case falls on the Opponents.

Housekeeping Matters

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

- (i) Opponents' written submissions – OWS1;
- (ii) Opponents' reply submissions - OWS2; and
- (iii) Applicants' written submissions – AWS.

MAIN DECISION

Ground of Opposition under Section 7(6)

11 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)

12 As a preliminary issue, the Applicants submitted that the Registrar should be slow in making adverse findings against the Applicants as none of the Opponents' deponents were cross-examined. As explained in the ***Related Invalidation***, I agree with the Opponents that there is no necessity for cross-examination here. Accordingly, the fact that there was no request for cross-examination does not result in an adverse inference being drawn.

The combined test for bad faith

13 As alluded in the ***Related Invalidation***, the legal test for determining the presence of bad faith is fairly settled and is summarized in ***Valentino Globe BV v Pacific Rim Industries Inc*** [2010] 2 SLR 1203. The relevant date in the current opposition is the date of application of the Application Mark, which is ***21 November 2013*** ("***Relevant Date***"). Thus, bad faith is to be determined as at this date.

14 Again the Opponents' case is that ([14] OWS1):

- (i) The Applicants do not own the Application Mark but has applied for the same notwithstanding their knowledge that the Opponents are the true proprietor; and

- (ii) The Applicants have no *bona fide* intention to use the Application Mark in Singapore in relation to the goods concerned.

First user of the mark in Singapore

15 With regard to this issue, similar to my decision in the *Related Invalidation*, the Applicants were not the first user of the mark. Rather, the Opponents' predecessor (USA PRO Limited) was the first user of the Mark.

16 For this Opposition action, the Applicants also referred to the assignment in the USA on 8 April 2010³ ([58] AWS at Exhibit CMQ-13 of the Applicants' SD ("*US Assignment*"). At the oral hearing, the Applicants submitted that their claim to proprietorship of the Application Mark is bolstered by this *US Assignment* (since the *Relevant Date* is after the date of the *US Assignment*).

17 With regard to the above claim, the Opponents submitted ([23] OWS1) that:

[23]...We are instructed that [the Opponents] effected this [*US Assignment*] when an invalidation filed by [the Applicants] against the US Registration could not be defended. In exchange for [the Applicants] withdrawing [their] invalidation action, [the Opponents] assigned the US Registration so as to save costs. This is the only instance of any USA PRO marks being assigned to [the Applicants].

18 Crucially, as deposed by the Applicants *themselves* at [9] Applicants' 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 [8 April 2010]⁴. 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 [Applicants] continues to be the rightful proprietor of the Application Mark and the USA PRO Mark.

[Emphasis in italics mine]

19 In this regard, I refer to Exhibit H of the Opponents' SD1. Page 516 is a copy of a printout from TESS. The mark "USAPRO" of serial number 77685544 was indicated as "*DEAD*"⁵, with the "abandonment date" being 17 September 2013. Interestingly, the search report indicated that the prior registration was the trade mark registration number 2,950,676. This is the trade mark registration referred to above, which was ultimately cancelled as a result of *non-use*.

³ See page 485 of Exhibit CMQ-13 of the Applicants' SD which is an excerpt from the USPTO entitled *Trademark Assignment Abstract of Title*.

⁴ As above.

⁵ The owner was "Courtaulds Textiles America Inc Corporation".

20 Returning to the issue of the first user of the Mark, having regard to the circumstances above, I find that the Applicants were *not* the first user of the mark.

Conceptualisation of the mark

21 The Opponents argued ([21] – [23] OWS1) that the Applicants’ evidence of purported conceptualisation of the Application Mark does not assist as they appear to relate to the Applicants’ (via Courtaulds) plans to exploit their licence over the **US Registration**.

22 I have analysed the Applicants’ evidence in detail in the **Related Invalidation** and will not repeat my analysis here (the evidence tendered here is similar to that in the **Related Invalidation**). In short, the Applicants’ evidence does not assist as there were many references made to the *USA market*. Rather, taking the dates of the evidence into account (October 2010 – March 2012 / May 2014), they appear to coincide with purported preparations for the **US Registration** following the **US Assignment** (below).

23 In addition, the Opponents argued that on or before the Relevant Date, the Applicants were aware that the Opponents were the proprietor of the Mark in the UK and other countries around the world ([61] OWS1). This knowledge stemmed from:

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

Prior Negotiations

24 As with the **Related Invalidation**, the Opponents submitted that ([62] OWS1), in or around 2008, the Opponents entered into discussions with the Applicants. However, the negotiations were unsuccessful and no agreement arose as a result. Again, I will not repeat my analysis with regard to the Opponents’ evidence (that is, Opponents’ SD3, dated during the period December 2006 - April 2008) to support the above contention.

25 The Opponents submitted that the negotiations eventually fell through from April 2008 onwards and the Applicants began applying to register the Mark worldwide ([68] OWS1). Further, as alluded to above, there was a **US Assignment** effected on 8 April 2010.

26 With regard to their worldwide reputation, the Opponents submitted the Applicants (via Courtaulds, a long-established UK company) would have been aware that the Mark belonged to the Opponents in the UK in light of the Opponents’ substantial reputation in the UK and other countries ([70] OWS1). Specifically, the Opponents submitted that both parties are in the same apparel industry, wherein it is very common for companies to do research on their competitors ([71] OWS1). In support, the Opponents referred to Exhibit CMQ-2 Applicants’ SD.

27 The Applicants sought to attack the evidence above on several fronts ([31] – [32] OWS1), including that:

- (i) the main evidence (emails) is hearsay; and
- (ii) any discussion which took place, if any, were at best only preliminary in nature, and thus knowledge of the same was limited to the few individuals involved and cannot be imputed to the Applicants.

28 As per the ***Related Invalidation***, I am mindful that it is necessary to exercise caution as bad faith is a serious claim to make and must be sufficiently proved. However, having regard to the Trade Mark Rules (Cap 332, 2008 Rev Ed) (“Rules”),⁶ case law⁷ and HMD Circular No. 3/2015, I am of the view that the evidence tendered by the Opponents is of sufficient probative value and should not be discounted. Due weight will be accorded as appropriate.

29 Further, as indicated in the ***Related Invalidation***, I agree with the Opponents that the negotiations involved upper management of, in particular, the Applicants, which formed the “mind or will” of the company. With the amount⁸ at stake, it was unlikely that there was no upper management involved at the Applicants’ end. Similarly, it is observed that the management team from the Opponents was involved. The key issue is not how many individuals from the Applicants’ end were involved but rather, whether such individuals hold key positions in relation to the Applicants.

30 Finally, the fact that most of the emails appeared to be internal does not detract from the fact that there was a (purported) negotiation between the parties.

*No bona fide intention to use the Subject Mark*⁹

31 The Opponents’ case is that there was no *bona fide* intention by the Applicants to use the Application Mark.

32 The Opponents submitted ([97] OWS1) that the Applicants had applied for the Application Mark with no intention of using it in Singapore, despite making a statement in their application to that effect¹⁰. The Opponents submitted that the Applicants’ sole intention appeared to be to prevent the Opponents from using the Mark in Singapore.

⁶ Rule 69(1B).

⁷ ***FMTM Distribution Ltd v Tan Jee Liang Trading as Yong Yew Trading Company*** [2016] SGIPOS 9.

⁸ The negotiations related to two major deals (see the Opponents’ SD3 at [8]). The deal as outlined was €2m for 50% shares in USA PRO Limited.

⁹ As indicated in the ***Related Invalidation***, “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 and 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).

¹⁰ Section 5(2) of the Act.

33 The Opponents also submitted that the evidence for the **Related Revocation** is relevant¹¹ ([99] OWS1). Notably, the Applicants *conceded* at the oral hearing for the **Related Revocation** that *there was no use* of the Subject Mark. The fact that the Applicants conceded that there was no use of the Subject Mark shed light as to the likely intention of the Applicants. This is especially so since the Applicants relied on the *same* evidence here to buttress their argument that they had every intention to use the Application Mark.

34 Further, as alluded to in the **Related Invalidation**, at least three Marks in the USA¹² and Canada¹³ were abandoned. This includes the **US Registration** which the Applicants *themselves* deposited was cancelled due to failure to file a declaration of use.

35 Last but not least, on a plain reading of [14] of Opponents' SD1, the Opponents successfully enforced three out of four overseas actions against the Applicants all based on non-use.

36 I am mindful of the territoriality issue since the Application Mark was sought to be registered in Singapore¹⁴. However, parties being multi-national companies, actions in other jurisdictions pertaining to a similar mark throw light as to their strategy in relation to the brand, including the Application Mark in Singapore¹⁵.

Conclusion

37 I am reminded 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.

38 The bad faith inquiry is a multifactorial one. Based on all of the above, the following narrative emerges from the Opponents' submissions¹⁶:

- (i) The Opponents were the owners of the Mark in several countries since as early as 1994.
- (ii) The Opponents' predecessor, USA PRO Limited were the first user of the mark in Singapore.
- (iii) The Applicants' attempt to acquire the Opponents turned sour during the period 2006 – 2008. This suggested a pre-existing relationship between the parties.

¹¹ The intention of having all the related actions being heard at one sitting is so that relevant issues can be cross referred. It is observed that the Registrar found that there were no proper reasons for non-use as well.

¹² US trade mark number 77685544 (above).

¹³ Canadian trade mark number 1454804.

¹⁴ The **US Registration** was also only cancelled in 2014 which is after the **Relevant Date**.

¹⁵ The Applicants themselves referred to the **US Assignment** to bolster their claim to proprietorship of the Application Mark.

¹⁶ For the avoidance of doubt, it is not in dispute that the Mark, Application Mark and Subject Mark are similar.

- (iv) There was no use of the Subject Mark by the Applicants (Proprietors). This was conceded by the Proprietors in the **Related Revocation**.¹⁷
- (v) Curiously, Marks sought to be registered by (or transferred to) the Applicants *themselves*, were also taken off the register, whether as a result of non-use or other reasons¹⁸ (above).
- (vi) In line with their worldwide registrations (above), the Opponents successfully enforced several actions against the Applicants on the basis of non-use.

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

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

40 Having regard to all of the above, I am of the view the objection of bad faith has been made out as:

- (i) The Applicants had knowledge of the Opponents' right in the Mark on or before the Relevant Date;
- (ii) Despite such knowledge, the Applicants proceeded to apply to register the Application Mark¹⁹;
- (iii) The Applicants (Proprietors) did not use the Subject Mark at all (this was conceded by the Applicants (Proprietors) at the **Related Revocation**); and
- (iv) The Applicants' actions in other jurisdictions (even if after the Relevant Date) support the proposition that they do not intend to use the Application Mark at all. In particular, this includes the abandonment of their own Marks²⁰.

41 Thus, the ground of objection under Section 7(6) succeeds.

¹⁷ And there were also no proper reasons for such non-use.

¹⁸ In total there were three actions, one of which occurred after the Relevant Date.

¹⁹ As alluded to in the **Related Invalidity**, 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(1) of Applicants' INV SD3, which is the last email found pertaining to the purported negotiation between the parties, dated 9 April 2008.

²⁰ As well as their inability to defend enforcement actions raised by the Applicants against the Marks based on non-use.

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

42 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)

43 The relevant law pertaining to this ground has been summarised in the ***Related Invalidation*** and I will not repeat it here. The only point to note in the current case is that the date to assess passing off is the Relevant Date as defined in this case, that is, ***21 November 2013***.

44 Similar to the ***Related Invalidation***, in light of my conclusion in relation to bad faith, there is no need for me to look into this ground of objection.

Conclusion

45 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the Opposition succeeds under Section 7(6). The Opponents are awarded costs to be taxed if not agreed.

Date of Issue: 12 February 2018