

# Intellectual Property Office of Singapore Case Summary: Coinbase, Inc. v bitFlyer Inc. [2023] SGIPOS 9

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Two major cryptocurrency exchanges locked horns over a trade mark which is the name of one party, and, also allegedly used (but ultimately not proven) in the provision of a service by the other party.

Coinbase, Inc. (“Coinbase”) is a leading US platform for buying and selling bitcoin; and offers a pioneering end-to-end ecosystem which allows users to buy and sell bitcoin, and to access user wallets and merchant tools for e-commerce. The Japanese bitFlyer Inc. (“bitFlyer”) is its country’s largest cryptocurrency exchange and was the world’s largest bitcoin exchange in 2017. Coinbase applied for a declaration of invalidity against bitFlyer’s International Registration No. 1308248 (TM No. 40201614827X) for the mark “coinbase”.

Coinbase argued that the application to protect the “coinbase” mark was made in bad faith on the part of bitFlyer. The latter had known of Coinbase’s existence because two of its own press releases had referred to Coinbase as a notable virtual currency company. BitFlyer could not give a clear explanation on why and how it chose the “coinbase” mark but claimed to have used the mark on its blockchain explorer service. However, the evidence did not show the “coinbase” mark used in a trade mark sense to indicate origin from bitFlyer. Further, the alleged use took place in August 2018 after the relevant date (when bitFlyer sought protection for the mark in Singapore) and was not shown to have taken place in Singapore either. It also came after Coinbase’s first use of the “coinbase” mark in Singapore in September 2015. Coinbase is accordingly the owner of the “coinbase” mark in Singapore, and not bitFlyer.

Even though bitFlyer was aware of Coinbase and its “coinbase” mark at the time bitFlyer sought protection for the mark in Singapore, it nonetheless sought the protection of the mark, which is the name of its direct competitor, in Singapore without Coinbase’s consent or authority. Such conduct would be considered commercially unacceptable by reasonable and experienced persons in the financial market. As such, the application to protect the “coinbase” mark was made in bad faith across the entire scope of the specifications of services claimed.

Coinbase also succeeded on two other grounds of invalidation. The Principal Assistant Registrar found that bitFlyer did not intend to use the “coinbase” mark in respect of certain services in Classes 35 and 42 which are very far removed from bitFlyer’s cryptocurrency business. The legally inclined would be interested to observe how Section 7(6) of the Trade Marks Act 1998 was applied, such that the protection of “coinbase” in Singapore was invalidated “*to the extent that the application is made in bad faith*”.

Under yet another ground, it was found that the parties’ respective marks were identical, some of their goods and services were similar, and there was a likelihood of confusion arising from the identity of marks and similarity of goods and services.

The Principal Assistant Registrar granted a declaration of invalidity against the entirety of bitFlyer’s international registration (designating Singapore) for the mark “coinbase”. This means that “coinbase” is deemed never to have been a protected international trade mark in Singapore under International Registration No. 1308248 (TM No. 40201614827X).

*Disclaimer: The above is provided to assist in the understanding of the Registrar’s grounds of decision. It is not intended to be a substitute for the reasons of the Registrar. The full grounds of decision can be found at <https://www.ipos.gov.sg/docs/default-source/resources-library/hearings-and-mediation/legal-decisions/2023/coinbase-v-bitflyer-2023-sgipos-9.pdf>.*