

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

Trade Mark No. 40201519134T

Hearing Date: 26 July 2018, 25 October 2018, 15 January 2019

IN THE MATTER OF A TRADE MARK APPLICATION BY

N.V. SUMATRA TOBACCO TRADING COMPANY

AND

OPPOSITION THERETO BY

CTBAT INTERNATIONAL CO. LIMITED

Hearing Officer: Tan Mei Lin
Principal Assistant Registrar


Representation:

Ms Gloria Goh and Ms Amanda Soon (Allen & Gledhill LLP) for the Applicant



Mr Lim Ren Jun and Ms Vivien Teo (Wong & Leow LLC) for the Opponent


GROUND OF DECISION

Introduction

1 CTBAT International Co. Limited (the “Opponent”) successfully revoked the registrations for the trade mark “” owned by N.V. Sumatra Tobacco Trading Company (the “Applicant”) in many jurisdictions¹. A few days after the Opponent

¹ Details at [26].

commenced proceedings to revoke “” in Singapore, the Applicant applied to register the following trade mark, which it refers to during cross-examination as an “*upgrade*” of “”:

Trade Mark	Endorsements on the Register	Trade Mark No.	Class No.	Goods	Date of Application
 <p>(the “Application Mark”)²</p>	<p>1. Application for a series of two marks.</p> <p>2. The transliteration of the Chinese characters appearing in the mark is “Fu” meaning “Happiness”, “Lu” meaning “Blessing” and “Shou” meaning “Long Life”.</p>	40201519134T	34	Cigarettes, cigars, tobacco, cigarette paper, lighters, matches, ashtrays (non-metal).	2 November 2015

2 This is an opposition against the registration of the Application Mark and the sole ground of this opposition is that the Application Mark was applied for in bad faith.

Procedural History

3 The Notice of Opposition was filed on 9 May 2016. The Applicant filed its Counter-Statement on 6 September 2016.

4 The Opponent filed its evidence in support of the opposition on 3 March 2017. The Applicant filed its evidence in support of the application on 26 July 2017 and 7 September 2017. The Opponent filed its evidence in reply on 13 December 2017. Following the close of evidence, the Pre-Hearing Review (“PHR”) was held on 10 January 2018.

5 On 24 January 2018, the Opponent requested for leave to cross-examine the Applicant’s witness, Yudiharto. Leave was granted on 7 March 2018.

² The Applicant’s witness, Yudiharto, gave oral evidence that the character in the centre of the mark is made up of three stylised versions of the Chinese character “喜” (Xi) meaning “Happiness”. The Chinese characters above it are “福” (Fu), “禄” (Lu) and “寿” (Shou) and the English words at the bottom of the mark are “Prosperity”, “Wisdom” and “Longevity”.

6 On 21 March 2018, the Applicant requested for leave to cross-examine the Opponent's witness, Chung Siu Hon on matters including but not limited to:

- (i) The Opponent's belief concerning the Applicant's positive duty to make inquiries into the bona fides of a mark before seeking its registration; and
- (ii) The Opponent's allegations that the Applicant has no bona fide intention to use the opposed mark.

Leave was not granted as the matters which the Applicant wanted to cross-examine the Opponent on did not relate to facts but the inferences to be drawn from those facts. For such inferences, cross-examination is unnecessary as they may be rebutted in submissions.

7 Cross-examination of Yudiharto took place on 26 July 2018. I will elaborate further on this in the "Main Decision" below.

8 On 7 August 2018, just two working days before the parties were due to file their written submissions and bundle of authorities, the Applicant requested leave to file further evidence – evidence which it always had in its possession. Leave was denied after an interlocutory hearing before me on 13 September 2018. I did not allow the new evidence to be admitted as the proceedings were at the tail end and considering the disruption that would be caused if the evidence was allowed in view that the Applicant's witness had already been cross-examined.

9 On 25 September 2018, the parties filed their written submissions (the "Opponent's WS" and "Applicant's WS", respectively). The Applicant's WS, however, referred to the substance of the evidence for which leave to file was denied. I therefore directed the Applicant to remove the references to those and to refile its written submissions. It did so on 18 October 2018.

10 On 24 October 2018, just one day before the hearing of oral submissions, the Applicant requested for an adjournment of the hearing, alleging among other things, that the opposition proceedings are in breach of certain agreements entered into between the Applicant and BATMark Limited (a wholly owned subsidiary of British American Tobacco ("BAT"), one of the shareholders of the Opponent). The adjournment was allowed for the Opponent's instructions to be taken and costs of the adjournment was ordered against the Applicant.

11 On 7 November 2018, the Opponent confirmed that it was proceeding with the opposition and the matter was ultimately heard on 15 January 2019.

Ground of Opposition

12 The sole ground of opposition in this case is that the application for registration of the Application Mark was made in bad faith contrary to Section 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed) (the "Act"). The discussion of the merits of the opposition takes place from [32].

Opponents' Evidence

13 The Opponent's evidence comprises the following:

- (i) First Statutory Declaration of Chung Siu Hon, Head of Legal of the Opponent, dated 1 March 2017 ("OSD1"); and
- (ii) Second Statutory Declaration of Chung Siu Hon, dated 11 December 2017 ("OSD2").

Applicants' Evidence

14 The Applicant's evidence comprises the following:

- (i) First Statutory Declaration of Yudiharto, International Marketing Manager of the Applicant, dated 20 July 2017 ("ASD1"); and
- (ii) Supplemental Statutory Declaration of Yudiharto dated 5 September 2017 ("ASD2").

Applicable Law and Burden of Proof

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

Background

The Opponent

16 The Opponent, incorporated in Hong Kong in 2012, is a joint venture between BAT and the China National Tobacco Corporation ("CNTC"). Both owners of the joint venture are major providers of tobacco products worldwide.


17 CNTC is a Chinese state-owned manufacturer and distributor of tobacco products, accounting for approximately 98% share of the Chinese tobacco market. It is also the world's single largest tobacco manufacturer³.

18 BAT is the world's second largest independent cigarette manufacturer and the most internationally recognised tobacco company. It has been engaged in the tobacco industry since 1902⁴.



19 The Opponent has the following registered trade marks in Singapore:

³ OSD1 at [6].







⁴ OSD1 at [7].

S/N	Trade Mark	Trade Mark No.	Class No.	Goods	Date of Registration
1		T1005078A	34	Cigarettes; Tobacco; Cigarettes containing tobacco substitutes, not for medical purposes; Cases (Cigarette-); Cigarette holders; Ashtrays for smokers; Matches; Lighters for smokers; Cigarette filters; Cigarette paper.	23 April 2010 ⁵
2	SHUANGXI	T1415649E	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles.	1 October 2014

20 The following trade marks were applied for by the Opponent and pending examination when the opposition was lodged on 9 May 2016 but were subsequently withdrawn.

S/N	Trade Mark	Trade Mark No.	Class No.	Goods	Date of Application	Date of Withdrawal
1		T1415648G	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	1 October 2014	13 November 2017
2		40201509662W	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	5 June 2015	31 October 2017

⁵ This was applied for in the name of China Tobacco Guangdong Industrial Co. Ltd but was assigned to the Opponent on 9 August 2013.


S/N	Trade Mark	Trade Mark No.	Class No.	Goods	Date of Application	Date of Withdrawal
3		T1415647I	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	1 October 2014	13 November 2017
4		T1415515D	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	26 September 2014	22 November 2017
5		T1416811F	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	20 October 2014	14 September 2017
6		T1417025J	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	23 October 2014	4 December 2017
7		T1416902C	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles	21 October 2014	23 October 2017
8		40201518471V	34	Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles.	26 October 2015	13 November 2017

21 The marks listed above all contain the element "囍" (read as "Shuangxi" and translated to mean "Double Happiness"), which is a ligature of the Chinese character "喜" (Xi), meaning "Happiness".

The Applicant

22 The Applicant is a company organised and existing under the laws of Indonesia. It was established in Indonesia in 1952. One of the main businesses of the Applicant is the manufacturing, marketing and sale of cigarettes and tobacco related products⁶.

23 Prior to the application for registration of the Application Mark, the Applicant had the following trade mark registered in Singapore:

Trade Mark	Trade Mark No.	Class No.	Goods	Date of Registration
 <p>Tri Happiness</p> <p>("Old Tri-Happiness Mark")</p>	T0721237G	34	Tobacco, cigarettes, cigarette paper, cigars, lighters for smokers, matches and ashtrays for smokers.	1 November 2007

24 The Old Tri-Happiness Mark was however not used in Singapore and on 23 October 2015, the Opponent applied for the mark to be revoked. The Applicant did not resist the application and accordingly on 15 March 2016, the mark was revoked with effect from 25 September 2014⁷.

25 On 2 November 2015, nine days after the revocation application was filed, the Applicant filed for the registration of the Application Mark in Singapore. I will refer to this again below.

26 The Applicant's registrations for the Old Tri-Happiness Mark in Japan and South Korea were also successfully revoked by the Opponent. In Brunei, Cambodia and Laos, the Opponent's revocation actions are pending as of 11 December 2017.

Tri Happiness

27 The Applicant also has registrations for the trade mark "囍" in Indonesia and the European Union. The application in Indonesia was filed on 13 June 2011 and the application in the European Union was filed on 20 July 2011.

⁶ ASD1 at [5].

⁷ The Applicant's registrations for the Old Tri-Happiness Mark in Japan and South Korea were also successfully revoked by the Opponent. The Opponent's revocation actions in Brunei, Cambodia and Laos were pending as of 11 December 2017.

MAIN DECISION

Ground of Opposition under Section 7(6)

28 Section 7(6) of the Act reads:

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

The law

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

- (i) 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] referring to *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 (“*Maycolson*”) at [29] and Tan Tee Jim SC, *Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell Asia, 2nd Ed, 2005) at para 5.71.)
- (ii) The legal burden of proof needed to substantiate an action on this ground lies on the party bringing the application. (*Valentino* at [21] referring to *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”) at [33].)
- (iii) Bad faith embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve no breach of any duty, obligation, prohibition or requirement that is legally binding upon the registrant of the trade mark. (*Valentino* at [28] referring to *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 (“*Weir Warman*”) at [48].)
- (iv) The test for determining the presence of bad faith is a “combined” one, in that it contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). Bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case. (*Valentino* at [29] referring to *Wing Joo Long* at [105] – [117].)
- (v) An allegation of bad faith is a serious claim to make and it must be sufficiently supported by the evidence, which will rarely be possible by a process of inference. (*Valentino* at [30] referring to *Nautical Concept Pte Ltd v Jeffery Mark Richard and anor* [2007] 1 SLR(R) 1071 at [15].) However, as observed in Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore*

(Second Edition) Sweet & Maxwell 2014 at [21.4.1], footnote 109, this does not mean that there is an absolute prohibition against drawing inferences. (In support of this observation, Professor Ng-Loy cited the decision in *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 at [115], where the High Court pointed out that a finding of bad faith was largely, if not invariably, based on circumstantial evidence.)

Decision on Section 7(6)

30 The Opponent's case of bad faith is pleaded as follows:

9. *The Applicant has a track record of applying for registration of other proprietors' marks for tobacco products. Examples of such bad faith applications are set out below:*

- a) *China Tobacco Hunan Industrial Co. Ltd is the proprietor of "BAISHA" and "GOLDEN DRAGON" marks in Hong Kong. The "BAISHA" mark was registered in 2005 and the "GOLDEN DRAGON" mark was registered in 1950. The Applicant owns a Singapore registration for "BAISHA 白沙" in Class 34 obtained in 2008, and registrations for the "GOLDEN DRAGON" mark in Cambodia (later obtained in 1994) and in Indonesia (later obtained in 1976), both in Class 34.*
- b) *Imperial Brands PLC, a British multinational tobacco company, is the proprietor of the "DAVIDOFF", "FINE", "STYLE" and "WEST" cigarette and cigar brands. The Applicant owns registrations for "DAVIDOFF" and "FINE", both published in 1994, in Class 34 in Cambodia. The Applicant also owns registrations for "STYLE" in Australia, Brunei, Laos, Macau, New Zealand, Philippines, Thailand and Vietnam for "STYLE" in Class 34, all obtained later during 2007 to 2012. The Applicant also owns registrations for "WEST" and "WESTERN" in Indonesia in Class 34 obtained later during 1983 to 1989.*
- c) *Souza Cruz, a Brazilian tobacco company and a subsidiary of British American Tobacco, is the proprietor of the "HOLLYWOOD" and "FREE" cigarette brands. The "HOLLYWOOD" brand is the oldest brand sold in Brazil and was introduced in 1931. The "FREE" brand was launched in 1984. The Applicant owns registrations for "HOLLYWOOD" in Class 34 in Cambodia, Indonesia, Lebanon, Myanmar, Nepal, Nigeria, OAPI, Pakistan, Uganda and Zimbabwe, all obtained later during 1993 to 2010. The Applicant also owns registrations for "FREE" in Class 34 in Cambodia and Indonesia, all obtained later during 1985 to 1994.*
- d) *Hongta Tobacco (Group) Co., Ltd. is the proprietor of the "HONGMEI brand", and owns a registration for this brand in Class*

34 in Hong Kong since 1994. The Applicant owns a registration for "HONGMEI" in Class 34 in Myanmar. This application was published later in 2009.

10. In applying for registration of these marks, the Applicant has failed to discharge the affirmative positive duty to make inquiries into the bona fides of a mark before seeking its registration, especially given the similarity in the marks and the overlap of goods, i.e. no attempt was made to determine if there were any other registered mark that was similar to the mark the Applicant was seeking to apply to register. In fact, there is clear trend of the Applicant not being concerned with conducting investigations into the bona fides of a mark before seeking registration demonstrated all around the world.

11. The Applicant must have known of such third party registrations and use in Singapore prior to applying for registration of the Application Mark. To nevertheless proceed with the application for registration of the Application Mark, as with several other marks all around the world, is akin to a total disregard for the sanctity of the trade mark register and its system of registration. This would essentially undermine the protection offered to registered marks under the Singapore trade marks regime, which the Applicant has already done in other countries in the world.

12. Further, the Applicant appears to have no present or fixed intention to use the marks registered in Singapore, and has simply registered these marks in order to stockpile them for use at some indeterminate time in the future.

13. Given the Applicant's apparent absence of any trading activities in Singapore, we had applied for revocation of the Applicant's registration for the "Tri Happiness" in Class 34 under Singapore Trade Mark No. T0721237G. The Applicant chose not to respond to or defend the revocation application. The registration was therefore deemed to be revoked with effect from 25 September 2014. We have also successfully revoked their registrations for the "Tri Happiness" mark in Class 34 in Japan and Singapore.

31 I will therefore consider the Opponent's pleaded case of bad faith under each of these heads:

- (i) The Applicant has no bona fide intention to use the Application Mark in Singapore;
- (ii) The Applicant's "track record of applying to register other tobacco proprietors' trade marks";
- (iii) The Applicant did not discharge its duty to investigate into the bona fides of the Application Mark before seeking registration; and
- (iv) The Applicant's knowledge of third party registration and use of similar marks.

The Applicant has no bona fide intention to use the Application Mark in Singapore

32 The Opponent accuses the Applicant of applying to register the Application Mark with no bona fide intention to use the mark in Singapore. In support of this allegation, the Opponent relies on the fact that the Applicant does not have any trading activities in Singapore and the fact that although the Old Tri-Happiness Mark was registered since 2007, it was not put to genuine use for more than eight years, resulting in its revocation in 2015.

33 The Opponent further alleges that the small gap between the lodgement date of the revocation action and the filing date of the Application Mark indicates that the Application Mark was “filed as a counter-action to the revocation application, rather than as a commercial need arising from a genuine intention to use” the Application Mark⁸.

34 I have no doubt that making a new application of a mark that has just been revoked for non-use is a relevant factor in considering bad faith but I do not think that that fact alone, by itself, is sufficient to establish bad faith. There is no general rule that a repeat filing must be one that is made in bad faith. All the surrounding circumstances must be considered to determine if the repeat filing is justified by the facts.

35 In this particular case, the Applicant has been using the Application Mark in Indonesia since 2011. This fact is supported by evidence of the following:

- (i) Copies of the Applicant’s packaging bearing the Application Mark;
- (ii) Photos of the Applicant’s products bearing the Application Mark, as distributed in Indonesia, Laos and Cambodia;
- (iii) Copies of advertisements for the Applicant’s goods bearing the Application Mark, which were published in the Indonesian newspaper Analisa, dated 11 and 12 June 2011;
- (iv) Copies of advertisements for the Applicant’s goods bearing the Application Mark which were published in international trade magazines, Tobacco Journal (dated June-July 2016), Tobacco Asia (dated May/June 2016) and Tobacco Pebio (No. 3 of 2016)⁹;
- (v) Photographs of various promotional items and merchandise bearing the Application Mark, such as polo t-shirts, umbrellas, caps, banners and table advertisements. These promotional items and merchandise are distributed to the Applicant’s customers as gifts during the Applicant’s promotional events;

⁸ OSD2 at [15].

⁹ The advertisements state at the bottom right hand corner, “For further information, please contact International Sole Agent: UNICO TRADING PTE. LTD Singapore, Sales Marketing Department, Tel. 65-633-72981, Fax. 65-633-46839, E-mail: unicotrdsg@gmail.com.”

- (vi) Photographs from an event organised by the Applicant to promote its cigarettes bearing the Application Mark;
- (vii) Copies of invoices showing amounts that the Applicant has spent on advertisements in international trade magazines Tobacco Journal (issue no. 03 of 2016), Tobacco Asia (issue no. 16-I2) and Tobacco Pebio (August 2016 issue).

36 I also accept the Applicant's explanation that it had plans to launch its Tri-Happiness cigarettes in Singapore since 2012 but it is "investing much strategy, consideration and preparation and is observing market demand and timing before it decides on when it would be most advantageous to launch its product in Singapore"¹⁰. During cross-examination, Yudiharto gave evidence as to the numerous steps that have to be undertaken before the Applicant could launch its products in Singapore. These include:

- (i) Change the die cut to comply with health warning regulations in Singapore. This involves drawing the die pattern, ordering the die pattern from overseas, sending the die pattern to the Applicant's suppliers, testing the die pattern, confirming that there are no obstacles during mass production, and if all goes well, ordering the die cut for mass production. This process requires more than 4-5 months, and could take more than one year;
- (ii) Change the pictorial warning on the cigarette pack;
- (iii) Change the cigarette pack from loose pack to compressed pack. This includes compressing the cigarette diameters;
- (iv) Ensure that the limitations on tar and nicotine in Singapore are complied with;
- (v) Use a specific machine for the printed tipping of the cigarettes;
- (vi) Change the packaging type to a round corner packaging;
- (vii) Submit applications to Health Sciences Authority and for Singapore Duty-Paid Cigarette marking.

37 In light of the above, I am not satisfied that the Opponent has shown that the Application Mark was filed as a mere counter-action to the revocation application. On the contrary, it appears to me that the Applicant has a reasonable commercial justification for applying to register the Application Mark in Singapore.

The Applicant's "Track Record of Applying to Register Other Tobacco Proprietors' Trade Marks"

38 The Opponent accuses the Applicant of having a "track record of applying to register other tobacco proprietors' trade marks". In support of this accusation, the

¹⁰ ASD1 at [7].

Opponent lists some nine trade marks¹¹ applied for or registered by the Applicant (in various jurisdictions) claiming that they are “bad faith applications”. These marks are listed below together with the names of whom the Opponent contends is the “genuine owner” of the mark:

	Mark the Applicant Filed / Registered	Jurisdiction	Genuine Owner of the Mark
a)	BAISHA 白沙	Indonesia, Cambodia, Malaysia, Laos, Singapore	China Tobacco Hunan Industrial Co. Ltd.
b)	GOLDEN-DRAGON / GOLDEN DRAGON	Cambodia, Indonesia	Nanyang Brothers Tobacco Company
c)		Cambodia	Imperial Brands PLC
d)	FINE	Cambodia	Imperial Brands PLC
e)	STYLE	Australia, Brunei, Cambodia, Laos, Macau, Malaysia, New Zealand, Philippines, Singapore, Thailand, Vietnam	Imperial Brands PLC
f)	WEST / GOLDEN WEST / MIDWEST	Indonesia	Imperial Brands PLC
g)	HOLLYWOOD	Cambodia, Indonesia, Malaysia, Singapore	Souza Cruz
h)	FREE	Indonesia	Souza Cruz
i)	HONGMEI	Myanmar	Hongta Tobacco (Group) Co., Ltd.

39 I have some difficulties with the Opponent’s case under this pleading.

40 Firstly, the issue I have to decide is whether application for registration of the Application Mark is made in bad faith. The pleading mentions bad faith in relation to other trade mark applications but no allegation is made against the Application Mark.

41 Secondly, even if I am prepared to consider the Opponent’s case under this pleading, the Opponent produced no evidence to support its allegation. No evidence was adduced to show that the “genuine owners” have objected to or are objecting to the Opponent’s applications or registrations of those marks. The Opponent has an initial evidential burden of presenting a *prima facie* case of bad faith. In order to establish a *prima facie* case, the Opponent should at the very least, obtain some evidence to show that the applications were unauthorised. No such evidence was produced¹². In the

¹¹ OSD1 at [12].

¹² I also note that Yudiharto stated during cross-examination that the Davidoff trade mark was obtained by assignment and the WEST trade mark was obtained “by agreement”.

premises, I find that the Opponent has not made out a *prima facie* case and the burden has not shifted to the Applicant to explain its basis for filing those applications.

42 Thirdly, even if there is evidence that the Applicant has acted in bad faith in relation to some other trade mark or trade marks, it does not necessarily mean that I can safely conclude that the application for registration of the Application Mark must similarly be made in bad faith as well. It is more important for me to look at the facts of the present case and the circumstances surrounding the present application before deciding what weight, if any, to accord to the evidence of past behaviour. On the present facts, given that the Applicant has used the Application Mark in Indonesia since 2011, and plans to launch its products in Singapore, it does not seem to me that it is inappropriate for the Applicant to apply to register the Application Mark to protect its business interest in Singapore.

The Applicant did not discharge its duty to investigate into the bona fides of the Application Mark before seeking registration

43 The Opponent contends, citing *Maycolson*, that a trade mark applicant bears a positive duty to investigate into the *bona fides* of a mark before seeking registration. The Opponent accuses the Applicant of not discharging this duty in relation to the Application Mark. The Opponent states at [138]-[139] of the Opponent’s WS as follows:

138. The fact of the matter is that the Applicant failed to conduct trade mark searches to inquire into the *bona fides* of the Application Mark, although suspicious circumstances existed as to the *bona fides* of the mark.

139. Such suspicious circumstances arise from the Applicant’s knowledge of the proprietor Nanyang Brothers Tobacco Company and its Shuangxi (喜喜) trade marks, which the Applicant admits. In ASD1, the Applicant reproduced a table showing the “DOUBLE HAPPINESS” or “SHUANGXI” marks being owned by Nanyang Brothers Tobacco Company Limited.

44 I am unable to agree with the Opponent.

45 Firstly, ASD1¹³ does not support the Opponent’s contention that the Applicant was aware of Nanyang Brothers Tobacco Company’s “Shuangxi” marks at the relevant date. ASD1 was sworn on 20 July 2017; while it may show that the Applicant knew about the “Shuangxi” marks as at that date, there is nothing in it to suggest that such knowledge existed as at the Application Date.

46 Secondly, even if the Applicant knew about Nanyang Brothers Tobacco Company’s “Shuangxi” marks at the relevant date, the Application Mark is neither “Shuangxi” nor “Double Happiness”.

47 Thirdly, whether or not the Applicant knew about the “Shuangxi” marks at the Application Date, there is no duty imposed on a trade mark applicant to conduct trade

¹³ At [25], in particular.

mark searches before registration. While it is a good practice to conduct such searches, failure to do so does not render the application to register as one that is made in bad faith.

48 A duty to investigate or inquire was imposed on the applicant in the case of *Maycolson*. The Court in *Weir Warman*, examined the facts and reasoning in *Maycolson* to understand the ambit and boundaries of this “duty to inquire” and concluded at [89]:

The duty to inquire in *Maycolson* only arose in relation to a registrant feigning ignorance of facts that would have negated its right to register. In contrast, where one does not deny awareness of material facts surrounding the registration of a trade mark, and relies instead on an independent right to register, as in the present case, there should not be any basis for creating a broad and general “duty to disclose” on the registrant. Such a duty, besides being difficult to define, would create uncertainty as to the relevant circumstances that must be disclosed on registration. Thus, so long as the facts and circumstances required by the trade mark registration form are disclosed fully and accurately, and where one has the right to register the trade mark, it goes too far, in my opinion, to require the registrant to additionally disclose any other circumstances that may be relevant.

49 In the present case, it is clear that the Applicant is relying on its independent right to register the Application Mark. In Yudiharto’s words, the Applicant is the “*sole proprietor*” and “*inventor*” of the Application Mark.

50 I therefore reject this claim by the Opponent.

The Applicant’s knowledge of third party registration and use of similar marks

51 The Opponent alleges that the Applicant must have known of third party registrations and use in Singapore of similar marks and to nevertheless proceed with the registration of the Application Mark is bad faith.

52 It is well established that knowledge of a trade mark belonging to a third party *per se* is not sufficient in and of itself to constitute bad faith. In Ng-Loy Wee Loon, ***Law of Intellectual Property of Singapore*** (Second Edition) Sweet & Maxwell 2014 at [21.4.5], the learned author noted that:

One of the facts often relied upon to make out a case of bad faith is the knowledge of the trade mark applicant that there existed another trade mark belonging to the party opposing the application or to a third party. This knowledge is certainly a relevant fact in the bad faith inquiry...It should be noted, however, that this knowledge *per se* does not amount to bad faith. Whether there is bad faith in a case where the trade mark applicant possesses this knowledge depends on the broader question of whether, in the light of all the other circumstances in the case, an ordinary, honest person possessing this knowledge would have considered it appropriate to apply to register the trade mark.

53 I also reject this claim by the Opponent.

Conclusion on Section 7(6)

54 The ground of opposition under Section 7(6) therefore fails.

Cross-examination

55 Before I conclude, I should mention briefly about the cross-examination that took place. The Opponent urged me to give little weight to Yudiharto's evidence saying that he was an evasive and inconsistent witness who refused to even answer simple straightforward questions. These are some snippets of the cross-examination:

Opponent's Counsel ("OC"): *So we have been talking a lot about the old mark and the new mark for Singapore.*

Yudiharto, the Applicant's witness ("W"): *Yes.*

OC: *Okay? You can see that both marks have three Chinese words "Xi". This one also. 1, 2, 3.*

W: *No. It doesn't. It is a heavily stylised version of 3 Chinese characters.*

OC: *The Chinese character "Xi", correct?*

W: *Heavily stylised Chinese character of "Xi".*

...

OC: *Would you agree with me that for your old and your new marks, the biggest words would be your heavily stylised version of the Chinese words "Xi"?*

W: *I don't understand your question.*

OC: *Size. I am talking about size. How big. So you compare "Xi" and "Tri-Happiness" in terms of size?*

W: *We call it as -- we call it as a distinctive mark.*

OC: *Please answer the question. Is it bigger? Yes?*

W: *Is -- is it bigger?*

OC: *Yes.*

W: *Can you -- can you just -- uh, look it by yourself and decide whether it is?*

OC: *I think it is. What do you think?*

W: *If it is bigger? Yes, it is bigger.*

56 While I agree that the witness could have been more forthcoming in answering the questions of the Opponent's counsel, I note that this is not a case where the Opponent has presented any evidence to contradict the evidence of the Applicant. Instead the Opponent sought to rely on demeanour to say that the evidence of the Applicant should be given little weight. I do not see it appropriate for me to make any findings on the witness's demeanour in the present case. This is so for the following reasons.

57 Firstly, observations as to a witness's demeanour and behaviour on the witness stand should seldom be the sole basis on which the credibility of a witness and the veracity of his evidence is determined. This point was made by the Court of Appeal in *Sandz Solutions (Singapore) Pte Ltd and others v Strategic Worldwide Assets Ltd and others* [2014] SGCA 27:

Reliance on the demeanour and recollections of witnesses

42 At this juncture, we think it apposite to also say a few words about the dangers of relying excessively on the demeanour of witnesses and/or taking issue with witnesses' faulty recollections in assessing the veracity of their evidence. We think it would be helpful to make some observations on these problematic issues which judges have to address in almost every trial, including the trial below for that matter (see [76] below).

43 Findings on demeanour often relate to the fluency (or hesitation) of a witness, his steady or shifting gaze, his body language and the like. *A great deal of caution should be exercised by the trial judge when placing reliance on these factors alone to find a witness untruthful.* In this regard, it is important to remember the context in which evidence is given in court – the witness is under the intense scrutiny of the judge and is also under pressure to answer counsel's questions; even truthful witnesses may wilt and display discomfort in such circumstances. As Alan E Morrill recognised in his seminal article "Enter – The Video Tape Trial" (1970) 3 J Marshall J Prac & Proc 237 in the context of jury trials (at p 245):

... To testify in a courtroom before a jury can be a pretty unnerving experience for almost everyone. To some of our more timid citizens, the mere thought of it produces a cold sweat. A witness answering this description may erroneously give an impression to the jury that he is unsure of his testimony. ...

These observations are applicable to all manner of trials.

44 A witness's non-verbal expressions of nervousness are not infrequently perceived as deceitfulness. In her article "Nonverbal Communication in the Courtroom: Attorney Beware" (1984) 8 Law & Psychol Rev 83, Elizabeth A LeVan cited a study on hand movements conducted by Ekman and Friesen (see Ekman & Friesen, "Hand Movements" (1972) 22 J Com 353 at p 362), which revealed that people who observed a subject's body thought that the person was lying if he exhibited many of the self-adapters associated with nervousness. These self-adapters occur when a person touches a part of his body with his hands, and include behaviour like picking at one's fingernails, grabbing one's knees, digging into one's palms, and scratching the nose or chin: see Ekman & Friesen, "Nonverbal Leakage and Clues to Deception" in *Nonverbal Communication: Readings with Commentary* (S Weitz ed) (1974) 269 at p 281; see also McClintock & Hunt, "Nonverbal Indicators of Affect and Deception in an Interview Setting" (1975) 5 J Appl Soc Psychol 54 at p 64.

45 Put simply, therefore, the demeanour of a witness on the witness stand is not invariably a conclusive indicator of deception. Even if it were, experts have found that judges (amongst others) "did no better than chance" (see Paul Ekman, *Telling Lies* (W W Norton, 1992) at p 285) in assessing whether people were lying. More troubling, perhaps, is the finding that most of them did not even know that they could not detect deceit from demeanour.

...

56 The above is meant to highlight the danger of over-reliance on the recollection of witnesses in the witness stand. Conversely, a witness should not be found to be less credible merely because of gaps in his memory, particularly where a long period of time has passed since the occurrence of the events in question. We reiterate that ultimately, the trial judge has to consider the totality of the evidence in determining the veracity, reliability and credibility of a particular witness's evidence. This includes contemporaneous objective documentary evidence.

58 Secondly, it is ultimately more important to look at the independent objective evidence rather than just demeanour of the witness. In this regard, having considered the totality of the evidence and bearing in mind that the burden of proof is on the Opponent to establish a prima facie case of bad faith, I am not satisfied that the Opponent has discharged this burden. As a result, there is no case for the Applicant to answer and even if I am minded to accord little or no weight to Yudiharto's evidence (which I am not), the Opponent's case would still fail.

Conclusion

59 Having considered all the pleadings and evidence (including evidence given during cross-examination) and the submissions made in writing and orally, I find that the opposition fails. The Application Mark will proceed to registration. The Applicant is also entitled to costs to be taxed, if not agreed.

Date of Issue: 10 April 2019