

When is a trade mark registered in bad faith?

By **Nathanael Chua**



In the recent case of *Valentino Globe BV v Pacific Rim Industries Inc* [2010] (the Valentino case), the Singapore Court of Appeal considered the issue of how to determine whether a mark is registered in bad faith.

Pacific Rim Industries had applied to register “Emilo Valentino & V Device” (the Application Mark) as a trade mark. Valentino Globe BV was the proprietor of several trade marks known as the Valentino Marks – which included word marks such as “valentino garavani” – and sought to oppose the registration of the Application Mark on the grounds that it was registered in bad faith. Section 7(6) of the *Trade Marks Act* provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith.

The Principal Assistant Registrar (the Registrar) of the Registry of Trade Marks held that the Application Mark was not registered in bad faith, and on appeal the High Court upheld the Registrar’s decision. Neither the Registrar nor the High Court stated the test which was to be applied, but merely said that the use of a common name – in this instance, “Valentino” – by itself did not amount to bad faith.

Valentino Globe BV then appealed to the Court of Appeal, which considered which test should apply when determining if a sign was registered in bad faith. The Court of Appeal cited another case, *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009], as establishing the appropriate test to apply when deciding if a mark was registered in bad faith:

“The test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in Harrison v Teton Valley Trading Co Ltd [2004] 1 WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):

The words ‘bad faith’ suggest a mental state. Clearly when considering the question of whether an application to

register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (id at [25]) as the “combined” test of bad faith, contains both a subjective element (viz, what the particular applicant knows) and an objective element (viz, what ordinary persons adopting proper standards would think).”

The test for bad faith in Singapore is therefore both a subjective and objective test – whether the applicant knew that what he was doing would be regarded as being in bad faith by persons adopting proper standards. “Bad faith” does not only encompass dishonesty, but also dealings which are considered unacceptable by reasonable commercial persons. Such dealings do not need to involve any breach of duty or obligation in order to amount to bad faith.

Therefore the Court will consider the knowledge of the applicant in the transaction, and all other relevant matters, and consider whether in light of that knowledge, the applicant’s conduct was in bad faith. The applicant’s own standards of morality or honesty are not relevant to this test.

In opposing any trade mark application on the ground of bad faith, trade mark proprietors should obtain evidence to establish relevant knowledge of the applicant – for example, that the application copied the sign from another trade mark proprietor – as well as evidence that such conduct is considered unacceptable by persons with proper standards.

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