

Nautical Concept Pte Ltd v Jeffery Mark Richard and Another
[2006] SGHC 239

Case Number : OS 1134/2006

Decision Date : 27 December 2006

Tribunal/Court : High Court

Coram : Tan Lee Meng J

Counsel Name(s) : Alban Kang and Joyce Ang (Alban Tay Mahtani & De Silva) for the appellant; Ng Chee Weng and Daryl Ong (Gateway Law Corporation) for the respondents

Parties : Nautical Concept Pte Ltd — Jeffery Mark Richard; Guy Anthony West

Trade Marks and Trade Names – Grounds for refusal of registration – Holders of "Jeffery-West" trade mark opposing registration of "JWest" trade mark by appellant-applicant – Whether application to register trade mark made in bad faith – Whether bad faith may be found where trade marks not identical – Section 8(6) Trade Marks Act (Cap 332, 1999 Rev Ed)

Trade Marks and Trade Names – Registration criteria – Conflicts with earlier marks – Holders of "Jeffery-West" trade mark opposing registration of "JWest" trade mark by appellant-applicant – Whether "Jeffery-West" mark and "JWest" mark confusingly similar – Section 8(2)(b) Trade Marks Act (Cap 332, 1999 Rev Ed)

27 December 2006

Judgment reserved.

Tan Lee Meng J

1 The appellant, Nautical Concept Pte Ltd ("Nautical"), which had sought to register the mark "JWEST" in class 25 of the International Classification of Goods and Services ("ICGS"), appealed against the refusal of the Principal Assistant Registrar of Trade Marks ("PAR") to allow it to do so. The respondents, Mr Mark Richard Jeffery ("Jeffery") and Mr Guy Anthony West ("West"), who had already registered their trademark "JEFFERY-WEST" in Singapore in class 25 of ICGS, had opposed the registration of "JWEST" as a trademark.

Background

2 Nautical is a Singapore company that is in the business of designing, distributing and selling footwear and leather accessories. The respondents, who are based in Northampton in England, are the co-founders and directors of Jeffery-West & Co Ltd, an English company in the business of designing and evolving footwear. They have been selling and exporting products bearing their mark "JEFFERY-WEST" to many countries since the 1980s. This mark, which was coined from the surnames of the two respondents, is registered not only in Singapore but also in the United Kingdom, the European Community, the United States, Malaysia and Indonesia. The global sales figures for the respondents' goods rose from S\$3.6m in 1998 to S\$5.6m in 2002.

3 In the early 1990s, Nautical's managing director, Mr Edison Lee Soon Ann ("LSA") worked for BigCity Fashion Ltd ("Bigcity"), which introduced the respondents' JEFFERY-WEST shoes to the Singapore market. Subsequently, the respondents' shoes were sold at CK Tang, a well known store in Orchard Road.

4 In 1994, LSA incorporated Nautical, which became the respondents' agents in Singapore for footwear for ladies that were sold under the brands "JEFFERY-WEST" and/or "JW".

5 In 1997, Nautical attempted to file an application to register "JEFFREY-WEST" and "JW" as its own trade marks in Singapore without the respondents' consent. As the material time, the respondents' shoes were still being sold at CK Tang. This blatant attempt to take advantage of the respondents' marks was subsequently aborted.

6 In early 1999, the respondents complained that Nautical used the names "Jeffrey-West London" or "Jeffrey-West of London" in Singapore for its shoes without their consent. The respondents tried to arrange for a licensing agreement with Nautical. However, the negotiations between the parties were not fruitful.

7 In 2000, the respondents' investigations revealed that Nautical was selling "Jeffrey-West" and "JW" shoes and "Jeffrey West" wallets at a heavily discounted price.

8 In 5 June 2002, the respondents lodged their application for the mark "JEFFERY-WEST" in Class 25 of the ICGS under Trade Mark Number T02/08210F. The JEFFERY-WEST mark was registered without opposition for "articles of clothing, footwear and headgear".

9 Shortly thereafter, on 26 August 2002, Nautical filed an application to register "JWEST" as a trademark in Class 25 of the ICGS. This mark was intended for its shoes, boots, slippers, sandals, sports shoes, sports boots, gymnastic shoes, athletics shoes, sneakers, shoes and boots for walking and climbing; socks, stockings and soles for footwear.

10 On 26 November 2003, the respondents filed an opposition to the registration of the "JWEST" Mark. They argued in their Notice of Opposition that Nautical's mark should not be registered because of:

- (i) Section 7(6) of the Act as it was made in bad faith;
- (ii) Section 8(2)(a) and (b) of the Act because the applicant's mark is confusingly similar to their mark;
- (iii) Section 8(3) of the Act by virtue of the law of passing off; and
- (iv) Section 7(1)(a) and (b) of the Act.

11 The PAR found that the Opposition succeeded but only on two grounds. First, Nautical's application to register the "JWEST" mark was made in bad faith. Secondly, the two marks were confusingly similar.

12 As the appeal against the PAR's decision was filed by Nautical, only her decision in relation to bad faith under section 7(6) of the Act and confusing similarity between the two marks under s 8(2) (b) of the Act require consideration.

Bad faith

13 Whether Nautical's application to register "JWEST" as a trade mark was made in bad faith will be considered first. Section 7(6) of the Act provides as follows:

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

14 Section 8(6) of the Act elaborates as follows:

In deciding whether any such application was made in bad faith, it shall be relevant to consider whether the applicant had, at the time the application was made, knowledge of, or reason to know of, the earlier trade mark.

15 An allegation that a trade mark has been applied for in bad faith is a serious one. In *Royal Enfield Trade Marks* [2002] RPC 24, it was held (at [31]) that:

a plea of fraud should not be lightly made ... and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1887-78) LR 7 CH D 473 at 489). In my judgment precisely the same considerations apply to an allegation of ... bad faith made under section 3(6). *It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly provided and this will rarely be possible by a process of inference.* [emphasis added]

16 The above passage was approved by the Court of Appeal in *McDonald's Corp v Future Enterprises* [2005] 1 SLR 177 at 199.

17 In *Gromax Platiculture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, 379, Lindsay J outlined the boundaries of bad faith when he stated as follows:

Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area of trade being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short as to amount to bad faith is a matter best left adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material circumstances.

18 In paragraphs 9 to 13 of their notice of opposition, the respondents listed the following grounds for alleging that Nautical had acted in bad faith:

9 The Opponents' Marks have also acquired extensive goodwill and reputation in relation to the Opponents' Marks and the associated common law rights in the Opponents' Marks in Singapore and worldwide.

10 The Applicants in choosing to register the word JWEST are seeking to take advantage of the Opponents' rights and reputation in the Opponents' Marks and therefore the Applicants' Mark was not chosen in good faith.

11 In early 1999, the Opponents and/or their representatives and the Applicants corresponded with each other and the Applicants were therefore made aware of the Opponents' rights to the Opponents' marks.

12 It was also made aware to the Applicants in March 1999 during the meetings that the Opponents were going to use a variation of the JEFFERY-WEST mark "J-W" in the future. Therefore, it is submitted that the Applicants had knowledge about the Opponents' marks and rights as early as 1998, which is 4 years before application date of 26 August 2002.

13 The use or intended use likewise of the Applicants' Mark is not in good faith and the Applicant cannot therefore validly claim to be the bona fide proprietor of the Applicants' Mark. Registration of the Applicants' mark, if allowed, would therefore be contrary to Section 7(6) of

the Act.

19 If bad faith is established, the application to register the trade mark in question will not be allowed even if the mark does not cause any confusion or breach of duty. That bad faith must be kept distinct from a breach of duty was stressed in *Demon Ale Trade Mark* [2000] RPC 345 at 356 by Hobbs QC, who explained that the expression "bad faith" has "moral overtones which appear to make it possible for an application for registration to be rendered invalid ... by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant".

20 In *Harrison's Trade Mark Application* [2005] FSR 10, Sir William Aldous, with whom Arden and Pill LJ agreed, stated at [26] that the words "bad faith" suggested a mental test and the court must decide whether the applicant's knowledge was such that his decision to apply for registration of his mark would be regarded as bad faith "by persons adopting proper standards". In this case, the applicant attempted to register the trade mark "Chinawhite" for "beers, mineral and aerated waters and other non-alcoholic drinks, fruit drinks and fruit juices; syrups and other preparations for making beverages in class 32, and alcoholic beverages (except beers) including cocktails in class 33. The opponent was the owner of a night club called "Chinawhite", whose bar manager had approached the applicant, saying that he had developed a cocktail called "China White" and that a derivative of the cocktail was to be served at the nightclub. He claimed that he was not bound by any confidentiality agreement that precluded him from disclosing the recipe for the cocktail when this was not the case. The English Court of Appeal noted that the applicant knew of the club "Chinawhite" and that a cocktail called "Chinawhite" was being served there. In these circumstances, it held that a person in the applicant's position, adopting proper standards, would not have applied for a monopoly of the proposed mark so as to prevent the opponents from being in a position of selling their "Chinawhite" cocktail and drinks even if they had believed the bar manager. As such, the applicant had acted in bad faith when they applied for the registration of the mark.

21 Another case in which there was a finding of bad faith is *Travelpro Trade Mark*. [1997] RPC 864. In this case, the applicant sought to invalidate the registered proprietor's mark "Travelpro & luggage device" on the ground that the registration had been made in bad faith. Evidence was tendered to the effect that the applicant's goods had been sold in the United Kingdom under the "Travelpro" mark for more than two years before the registered proprietor was appointed as distributor of "Travelpro" products and that the registered proprietor had proceeded to register the "Travelpro & luggage device" mark without its knowledge. The hearing officer ruled that the registration of the mark in question had been made in bad faith and that the application to invalidate it succeeded.

22 Admittedly, in the present case, the applicants had not sought to register an identical mark such as "Chinawhite" and "TravelPro". However, bad faith has been found even where marks were not identical. In a recent local case, *Rothmans of Pall Mall Limited v Maycolson International Ltd* [2006] 2 SLR 551 ("*Rothmans*"), Lai Siu Chiu J stated that the court is entitled to make a finding of bad faith even if the marks in question are not so similar as to cause confusion. She referred to *Law of Trade Marks and Passing Off in Singapore*, 2nd ed, 2005, where the author, Mr Tan Tee Jim SC, stated at para 5.71 as follows:

Once bad faith is established, the application will be refused, even though the offending conduct *does not cause confusion* or breach of any duty, obligation, prohibition or other legally binding requirement. [emphasis added]

23 In *Rothmans*, the well-known tobacco company, Rothmans, registered a number of trade marks

in Singapore in class 34 of the ICGS in relation to its cigarettes. The marks consisted of a dark blue background framed by a gold/yellow border, a crest device at the top, and a banner at the bottom of the dark blue background. Subsequently, in January 2003, Maycolson, a private company, and a licensee of Axel and Klaus Hertlein (the "Hertlein brothers"), whose business includes the distribution of "Fairlight" cigarettes in Arab countries and East Africa, sought to register a mark containing the word "Fairlight" on a blue hexagon-shaped background under class 34 of the ICGS. Prior to this, the Berlin District Court had granted an interim injunction in October 2002 to restrain the manufacturing, marketing and/or exporting of cigarettes bearing the "Fairlight" mark. The Hertlein brothers were subsequently subject to a Europe-wide injunction preventing them from using the "Fairlight" mark or packaging. Proceedings against the Hertlein brothers had also been commenced by Rothmans in Austria before Maycolson tried to register the "Fairlight" mark in Singapore. The judge found that Maycolson's attempt to register its mark was a blatant attempt to ride on the goodwill and reputation of the Rothman trade marks. In her view, the company had a duty to inquire into the origins of the "Fairlight" mark and the intentions of the Hertlein brothers since the use of similar marks has been plagued by litigation overseas. She thus held that Maycolson's mark should not be registered because of the presence of bad faith.

24 In the present case, it cannot be overlooked that Nautical had ample knowledge of the respondents' mark because its managing director, LSA, has had a long history of dealings with the respondents and their goods. As has been mentioned, LSA, who, together with his wife, are the only shareholders of the Nautical, worked in the early 1990s for BigCity, which introduced JEFFERY-WEST shoes to the Singapore market. After LSA set up Nautical, he sold the respondents' JEFFERY-WEST" and "JW" shoes for some time. Even though Nautical's business relationship with the respondents ended subsequently, the former acted in an appalling manner when it attempted to file an application in 1997 to register "JEFFREY-WEST" and "JW" as its own trade marks in Singapore without the respondents' consent. Nautical failed to furnish any legitimate reason for trying to hijack the respondents' marks and had merely asserted that it thought that the respondents were no longer in business. This was not plausible because the respondents' goods were then being sold in Singapore at CK Tang. The respondents had also alleged that in early 1999, Nautical sold footwear branded "Jeffrey-West London" or "Jeffrey-West of London" without their consent in Singapore.

25 Admittedly, the word "West" is commonly used in the shoe industry. As the PAR pointed out, marks with this word include "Nine West", "Spa Nine West", "East & West", "Trendwest", "Sunwest", "Qwest", "Westland", "West Win", "Go West" and "West Sports". However, what is different in the present case is that in the light of Nautical's history of dealings with the respondents and its blatant attempts to take advantage of the respondents' trade mark time and again in the past, including its attempt to register the respondents' trade mark "JEFFERY-WEST" as its own in 1997, the present attempt to register the "JWEST" trade mark may be regarded as more of the same unacceptable business tactics adopted by it in relation to the respondents' mark.

26 Nautical's determined and most unconvincing attempt to distance its mark "JWEST" from the respondents' mark only made matters worse. One version put forward by it to show that its mark had nothing to do with "JEFFERY-WEST" was that it was chosen to reflect LSA's affinity to Jurong West, where he once lived. Another version was that LSA is devoted to Jesus and "J" was intended to be a reference to Jesus. In fact, LSA went so far as to claim that he had named his children in such a way that the first letters of the names of his family members formed the word "JESUS". This was not the case none of his family members' names had "U" as the first letter. Yet another version was that LSA's choice of "JWEST" was inspired by his friend, Mr Jimmy Choo, a well-known name in the high-end female shoe business. LSA also said that the letter "J" is important to him for apart from Jesus and Jimmy Choo, his wife is named "Juliette". Finally, another explanation for the letter "J" is found in Nautical's branding manual, which stated that the letter "J" represents a leaning man with his legs

crossed depicting confidence, style, comfort and satisfaction while the letters. While having different reasons for choosing a brand name is, without more, quite plausible, I, like the PAR, found that the reasons furnished by Nautical were too far fetched to be believed. Of course, the fact that an applicant's explanation as to how he conceptualised his proposed trademark is not believed is not, without more, an indication of bad faith. However, if, as Sir William Aldous pointed out in *Harrisons' Trade Mark Application* [2005] FSR 10 at [30], bad faith can be understood as "dishonest intention" and it is relevant to note Lord Hutton's combined test for dishonesty in *Twinsectra Ltd v Yardley* [2002] 2 AC 164 at [36], which is that it requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people although he should not escape a finding of dishonesty because he sets his own standards of honesty, the PAR was entitled to come to the conclusion that "the sheer elaborateness of the explanations for the selection of one letter of his mark, the letter J, makes it difficult" for her to believe Nautical's reasons for choosing the mark "JWEST". She added that the omission of any mention of the respondents' shoes that he used to distribute under the mark "JEFFREY-WEST" and "JW" in all his explanations for the choice of his mark was glaring.

27 What clearly emerged from the evidence was that Nautical tried to distance itself from the truth, which is that its choice of "JWEST" is inextricably linked to the trade mark "JEFFERY-WEST". If, as Nautical claimed, the "JWEST" mark had been created as early as 1997, a question arises as to why it had not been registered much earlier on. After all, it had filed applications for a number of other marks in 1999 and 2000. What Nautical tried to do by registering the trade mark "JWEST" in 2002 is, in the light of its relationship with the respondents and "JEFFERY-WEST", short of the standards of acceptable commercial behaviour observed by reasonable and experienced men. Taking all circumstances into account, I agree with the PAR that Nautical acted in bad faith when it tried to register the trade mark "JWEST". I therefore affirm the PAR's decision that the application to register the mark "JWEST" should not be allowed to proceed on the ground of Nautical's bad faith.

Section 8(2)(b) of the Act

28 The effect of s 8(2)(b) of the Act on Nautical's application to register the "JWEST" mark will next be considered. It provides as follows:

A trade mark shall not be registered if because - ...

(b) it is similar to an earlier trademark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protects

there exists a likelihood of confusion on the part of the public.

29 When considering whether the two marks are similar, the following oft-cited words of Parker J in *Pianotist Co Ltd's Application* (1906) 23 RPC 774 ought to be borne in mind:

You must take the two words. You must judge of them both by their **look** and by the **sound**. You must consider the **goods to which they are to be applied**. You must consider the **nature and kind of customer who would be likely to buy those goods**. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

30 When comparing two marks, what is relevant is the "imperfect recollection" of the consumer: see *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77, 84. After all, if the

consumer has a perfect recollection of the other mark, the issue of confusion will not arise.

31 As far as visual similarity is concerned, I agree with the PAR that "JWEST" is visually different from "JEFFERY-WEST".

32 As for aural similarity, the PAR found that Nautical pronounce their mark as two words, namely "Jay" and "West". However, there is a difference between "Jay" and "West" on the one hand and "Jeffrey" and "West" on the other. I thus do not agree with the PAR that the two words sound similar when pronounced.

33 The respondents were unable to assert with any seriousness that there is a conceptual similarity between "JWEST" and "JEFFERY-WEST".

34 As I have found that the two trademarks are not similar, there is no need for me to consider whether or not goods under the "JWEST" mark are identical with or similar to those protected by the earlier trade mark or whether or not there might be confusion if both marks are used. Even so, it ought to be pointed out that there was no credible evidence of confusion or deception. The average Singaporean is, as was pointed out by the Court of Appeal in *McDonald's Corp v Future Enterprises* [2005] 1 SLR 195 at [64], one who is educated, constantly exposed to the world and unlikely to be easily deceived hoodwinked. To this average Singaporean, there are sufficient differences between the marks "JWEST" and "JEFFERY-WEST" not to confuse consumers. Apart from visual and aural dissimilarities, the difference in price between "JWEST" and "JEFFERY-WEST" shoes, while not conclusive of lack of confusion, is not altogether irrelevant, a point accepted in *The Polo/Lauren Co LP v Shop In Department Store Pte Ltd* [2005] 4 SLR 816 and *Nation Fitting (M) Sdn Bhd v Oystertec Plc* [2005] SCGH 225. As such, the difference in price may be one of the factors that may be noted by the court, whose task is to take into account all the relevant factors in the circumstances as a whole. "JWEST" shoes are sold at many outlets in Singapore for very much less than a hundred dollars a pair whereas "JEFFERY-WEST" shoes are sold only at CK Tang at several hundred dollars a pair. After taking all circumstances into account, I do not think that the average Singaporean will be confused in the manner required by section 8(2)(b) of the Act.

35 For reasons stated above, the respondents' opposition under s 8(2)(b) of the Act fails.

Conclusion

36 To sum up, I affirm the decision of the PAR not to allow the registration of Nautical's mark "JWEST" but only on the ground that it was made in bad faith. The respondents are entitled to two-thirds of the costs of the appeal.

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