

Court clarifies when trademark becomes “common name in the trade”

Cancellation
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In *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* (Case CA 58/2008, 65/2008, March 2 2009), the Court of Appeal of Singapore has considered for the first time whether a trademark had become a “common name in the trade” and the meaning of the phrase “customary in the current language or in the *bona fide* and established practices of the trade”.

Qinghai Xinyuan Foreign Trade Co Ltd, a producer and exporter of cordyceps (a type of fungus) from China, was the registered proprietor of the trademark ROOSTER in Singapore. Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd applied for the revocation and invalidation of the ROOSTER mark on various grounds. The High Court dismissed Wing Joo's action (for further details please see "[High Court uses discretion to maintain registration of ROOSTER](#)"). Wing Joo appealed.

The Court of Appeal first examined whether the ROOSTER mark had become a “common name in the trade” under Section 22(1)(c) of the [Trademarks Act](#) as a result of the acts or inactivity of Wing Joo.

There had been few judicial pronouncements on the concept of “common name in the trade”. The Court of Appeal, accepting various definitions from academic works, held that the expression “common name in the trade” meant that a mark had become so well known as to be used as a description of the product itself. The court cited GRAMOPHONE as an example of such a mark. The court also held that the term “in the trade” included consumers and end users of the goods or services.

In addition, the court made it clear that it was sufficient that the trademark had become a common name in the trade; it was not necessary that it be the only common name in the trade. Therefore, this ground could be made out even if other common names were used in the trade. However, the court pointed out that it was insufficient simply to show that the mark was a popular mark used to denote the products in question. Moreover, the court emphasized that household names are not necessarily generic - a household name may be used by way of synecdoche (eg, 'Perrier' for carbonated water), but this does not prevent it from continuing to be a validly registered trademark.

On the facts of the case, the court held that there was a lack of objective evidence to show that ROOSTER had become a common name in the trade for cordyceps originating from China.

The court then examined whether the mark should be invalidated under Section 23(1) of the act on the grounds that it “consisted exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade”.

As to the requirement of ‘customariness’, the court held that whether the sign was descriptive

was immaterial. The essence of the objection was that the ROOSTER mark was generic - either among the general public or the trade - and was no longer capable of distinguishing the goods or services of its owner. The burden of proof lay on Wing Joo. On the facts of the case, the court held that there was no sufficiently convincing evidence to show that the ROOSTER mark had become "customary in the current language or in the *bona fide* and established practices of the trade".

Further, the court considered whether the mark should be invalidated under Section 7(1)(a) of the act on the grounds that it did not satisfy the definition of a 'trademark'. The court of appeal reversed the decision of the High Court on this point and reiterated the correct test to be applied for the purposes of assessing whether a sign satisfies the definition of a 'trademark'. The court held that a sign's capacity to distinguish must arise from the inherent features or characteristics of the sign, and not as a result of the use of the sign. On the facts of the case, the court held that ROOSTER was clearly capable of distinguishing Qinghai Xinyuan's cordyceps from those of other traders.

Finally, the court interpreted the term 'may' in Sections 22(1) and 23(1) of the act (Section 22 (1) provides that "the registration of a trademark may be revoked on any of the following grounds", while Section 23(1) states that "the registration of a trademark may be declared invalid on the ground that the trademark was registered in breach of Section 7"). The issue was whether the High Court and the registrar of trademarks had discretion not to revoke or invalidate the mark where the requisite grounds for granting relief had been satisfied. The Court of Appeal reversed the decision of the High Court and held that Sections 22(1) and 23 (1) of the act do not confer such residual discretion.

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