

World Trademark Review Daily

**EMPEROR MARTIN mark invalidated on grounds of bad faith and fraud
Singapore - One Legal LLC**

**Cancellation
National procedures**

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In *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* ([2009] SGHC 280, December 14 2009), the High Court of Singapore has held that a trademark consisting of the words 'Emperor Martin' and a star device had been registered in bad faith and that the registration was tainted with fraud.

PT Swakarya Indah Busana manufactures garments under the marks MARTIN and MARTIN PACEMAKER. It has built up goodwill in its Martin shirts in Singapore. Swakarya registered the marks in Singapore on June 20 2006. Prior to that date, Swakarya had also registered three other MARTIN marks.

Dhan International Exim Pte Ltd purchased MARTIN-branded shirts from one of Swakarya's distributors. Dhan then applied to register the trademark EMPEROR MARTIN in May 2002. The mark was registered in 2003 and Dhan commenced use of the mark in 2004. Prior to the registration of the mark, Dhan's solicitors had conducted searches and found that at least 35 variations of the MARTIN mark had been registered by different entities over the past 27 years.

Swakarya subsequently sought to invalidate Dhan's mark on the grounds of fraud and bad faith. In particular, Swakarya alleged that the application for the registration of EMPEROR MARTIN had been filed in bad faith, as Dhan never intended to use the mark in that form.

The court, referring to *Rothmans of Pall Mall Limited v Maycolson International Ltd* ([2006] 2 SLR 551), reiterated that an allegation of bad faith was a "serious" one that "should be distinctly alleged and distinctly proved". The court also made it clear that once bad faith has been established, the application to register the mark in question will be rejected even if the mark does not cause any confusion among consumers. Confusion and bad faith are two distinct issues which should be considered separately. The court was thus entitled to make a finding of bad faith, even if the marks at issue were not confusingly similar. The court also highlighted the fact that "the 'bad faith' doctrine is wider in its ambit, as it encompasses conduct which may be morally, but not legally, reprehensible".

With regard to fraud, the court held that there must be "some actual deception by word or deed, or some omission by word or deed". Based on the facts, the court concluded that Dhan deliberately sought to copy Swakarya's marks by placing the emphasis on the word 'Martin' in its mark by using a larger font. The court also found that Dhan had added the element 'emperor' so as to distinguish its mark from Swakarya's marks, but never intended to use the mark as registered. The court further held that Dhan sought to ride on the goodwill and reputation of the Martin shirts by capitalizing on the price difference between its shirts and Swakarya's, but, in doing so, had misrepresented that its shirts were a cheaper version of the more expensive Martin shirts.

In response to Dhan's argument that other registered marks were more similar to Swakarya's marks than its own mark, the court ruled that the use or registration of trademarks which incorporate the word 'Martin' did not give Dhan the licence to ride on the goodwill or reputation of the MARTIN marks. The court ruled that Dhan had made a false declaration in breach of Section 5(2)(e)(ii) of the [Trademarks Act](#), as it did not have a good-faith intention of using the mark in the form applied for.

Relying on *McDonald's Corp v Future Enterprises Pte Ltd* ([2005] 1 SLR 177), the court also held that an allegation of bad faith has a high standard of proof and that such allegation should not be inferred from the facts. The test for bad faith was whether the conduct at issue "fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced men". Applying this test, the court concluded that Dhan's conduct amounted to bad faith under Section 7(6) of the act.

The court went on to state that bad faith was to be determined as of the date of application of the mark (see *Ferrero SpA's Trademarks* ([2004] RPC 29)). However, it noted that *Ferrero* is also the authority for the proposition that matters which occurred after the date of registration are not excluded and may determine the state of mind of the applicant at the date of registration. The court concluded that:

- Dhan's conduct after registration showed that it did not intend to use its mark as registered; and
- there was an obvious and conscious effort on Dhan's part to copy Swakarya's marks.

Finally, referring to the decision of the Court of Appeal in *The Polo/Lauren Co LP v Shop-In Department Store Pte Ltd* ([2006] 2 SLR 690), the court held that Martin was an English name, and not an invented

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word. Therefore, like the word 'polo', 'Martin' was not inherently distinctive, and the courts should be wary of granting a monopoly over the use of common words. However, the court ruled that:

- a common English word like 'Martin' may acquire distinctiveness through use; and
- Dhan's conduct exceeded the boundaries of normal and fair use of the word 'Martin'.

Dhan's registration was thus invalidated and revoked.

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