

CASE NOTE – TRADE MARKS

Bad faith registration of a trade mark

Comite Interprofessionnel du Vin de Champagne v. Keep Waddling International Pte. Ltd. [2020] SGIPOS 10

In the context of trade marks, bad faith jurisprudence usually falls into one of two camps. First are cases based on a wrongful claim of proprietorship: these cases commonly involve ex-employees, ex-suppliers, or ex-licensees who may have registered the trade mark of an employer or principal. The second are cases based on providing misleading or false information to the Registrar, e.g. where an applicant declares a *bona fide* intention to use the mark where no such intention exists.

However, the opposition in the case of *Comite Interprofessionnel du Vin de Champagne v. Keep Waddling International Pte. Ltd. [2020] SGIPOS 10* falls into neither of these camps. Here, an allegation of bad faith was levelled against the Applicant simply because its trade mark contained the word “CHAMPENG.” To the French trade associations charged with the protection of champagne, this made-up word came too close for comfort.

Background

The Opponents, Comite Interprofessionnel du Vin de Champagne and Institut National de l’Origine et de la Qualite, are French associations charged with the preservation and protection of the champagne trade and the “champagne” geographical indication around the world.

They instituted opposition proceedings against the Application Mark (below) filed by the Singaporean company Keep Waddling International Pte. Ltd. in Class 33 for “sparkling wines, all originating from Chile”:

CHAMPENGWINE
UNIQUE, BOUTIQUE, SPARKLING WINES OF CHILE

The Opponents raised a myriad of grounds in support of their opposition. For present purposes, it suffices to note that the Registrar, in respect of the other grounds of opposition, had found that use of the Application Mark on Chilean sparkling wines: (a) would not be deceptive; (b) would not mislead consumers into thinking that the goods would be champagne from the Champagne region of France; and (c) would not constitute a misrepresentation in the context of passing-off.

Nevertheless, the Registrar refused registration on the basis that the Application Mark had been applied for in bad faith. Specifically, the Registrar found that the Application Mark had been applied for in bad faith because “CHAMPENG’ was indisputably selected because of its similarity to ‘champagne.’”

Bad Faith Law

Because of the serious nature of an allegation of bad faith, it needs to be distinctly proved. The test sets a high bar: before a finding of bad faith can be made; two conjunctive elements must be satisfied:

- (1) The objective element: the applicant's behavior must be dishonest by the ordinary standards of reasonable and honest people; and
- (2) The subjective element: the applicant himself must also realize that by those standards, his behavior was dishonest.

Since this test for bad faith was formulated, the requirement for plain dishonesty has been diluted over the years. Now, dishonesty is no longer the *sine qua non* of bad faith; other dealings that are not dishonest but which nonetheless fall short of normally accepted standards of commercial behavior will also suffice. However, the intertwined objective and subjective elements continue to apply.

Objective Element

The question as to whether the Applicant's conduct fell short of the ordinary standards of reasonable and honest people was answered in the affirmative. The Registrar found that "reasonable and experienced men in the wine trade would take umbrage with the Applicant's dealings." Consequently, he found that the objective element of the bad faith test was satisfied.

The crux of his finding was that the "CHAMPENG" element of the Application Mark was copied "outright" from the Opponent's geographical indicator "champagne". "Outright copying," he noted, would typically fall short of acceptable commercial behavior.

In our view, this conclusion is surprising in light of the Registrar's finding, under a separate ground of opposition based on misleading geographical indications, that even the "CHAMPENG" element alone was not *identical* to the geographical indicator "champagne," much less when comparing it against the Application Mark as a whole with its other distinguishing elements.

Even if were permitted to extract only the dominant part of the Application Mark—the lengthy invented word "CHAMPENGWINE"—for the purposes of comparison, there is still the "Wine" element that is not reproduced in the geographical indicator. Against that backdrop, it is difficult to see how the Application Mark is an "outright copy" of "champagne" worthy of a finding of bad faith.

On its face, the Application Mark appears to be a playful allusion to "champagne" crossed with a playful allusion to the Applicant's house brand "Peng Wine," itself a reference to its penguin mascot. Speaking technically, "CHAMPENGWINE" would be considered by linguists to be a mash-up of oronyms, which are homophones of multiple words or phrases. Examples of oronyms include "Ice Cream" vs. "I Scream," "Example" vs. "Egg Sample," and "Addressed Mail" vs. "A Dressed Male."

It is questionable whether a reasonable commercial person would regard the Applicant's presumably playful use of a homophone for "champagne", within an oronym containing other distinguishing words, as an "outright

copy” of the geographical indicator warranting a verdict of bad faith. There surely should be some room for humour in trade mark law.

Subjective Element

As for the subjective element of the bad faith test, the Registrar found that the test was satisfied because “the Applicant undoubtedly knew about champagne” and “the evidence pointed to “(A” being selected due to its similarity to ‘champagne.’”

In light of how the Application Mark was structured, *viz.* the core word “CHAMPENGWINE” consisting of a playful mash-up of oronyms, one has to question whether the Applicant could be said to have appreciated that its conduct was dishonest or morally defective in some way. The fact that someone simply knows about the existence of a thing and selects a trade mark that makes an oblique reference to that thing does not, in the abstract, give rise to an inference of dishonesty or defective conduct.

No Deception or Misrepresentation

According to the learned author and Senior Counsel Tan Tee Jim in his treatise the “Law of Trade Marks & Passing off in Singapore,” where an opponent cannot maintain a relative ground of refusal for registration against an application mark, an allegation of bad faith will *have* to involve some breach of legal or moral obligation by the applicant towards the opponent.

Indeed, the Registrar’s finding of bad faith here is difficult to square with his other findings—all in the Applicant’s favour—that use of the Application Mark would not be deceptive, that it would not mislead the public into thinking that the goods were champagne, and that use of it would not constitute passing-off.

While it is accepted that a finding of bad faith is not contingent on a prior finding that the marks are identical or even similar, in the context of a case involving non-trade mark rights, such as geographical indications, and where there is no discernible prior relationship between the parties, the question of whether there is liable to be deception cannot easily be disregarded when considering whether there was bad faith at play.

Specifically, if a trade mark is not identical, *i.e.* not an outright copy, of the geographical indication and if its use would not cause any deception or misrepresentation, there should be a requirement for clear and determinative evidence of dishonesty or morally defective behavior on the part of the Applicant before a claim of bad faith can succeed.

For queries or more information, please contact:

Aaron Thng
Associate Director
aaron.thng@amicalaw.com
(65) 6303 8390





This article is intended to provide general information only and should not be relied upon as an exhaustive or comprehensive statement of law. Should you have any specific questions, please speak with one of our above contacts, or your usual contact at Amica Law LLC.

© 2020 Amica Law LLC. All rights reserved.