

## Newsletter

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## Case Law Developments

### *Harvard Club of Singapore v President and Fellows of Harvard College* [2019] SGIPOS 14

#### Facts

The case concerned a dispute between Harvard University (formerly known as President and Fellows of Harvard College) (the “**University**”) and Harvard Club of Singapore (the “**Club**”), which was a recognised alumni club of Harvard University.

In May 2015, the University revoked the official alumni club status of the Club and withdrew its consent for the Club to use the University’s trade marks. Prior to the termination of parties’ relationship, the University applied to register “*HARVARD CLUB OF SINGAPORE*” and “*HARVARD UNIVERSITY CLUB OF SINGAPORE*” under Class 41 for “*Club Services*”. The application was opposed by the Club under (among others) Sections 7(6) (bad faith), 8(7)(a) (passing off) and 7(5) read with Section 4(3)(c) of the Societies Act (registration prohibited by written law) of the Trade Marks Act (“**TMA**”). It was undisputed that the University owned registrations for various trade marks in Singapore (including “*HARVARD*”), the goodwill in relation to the same belonged to the University and the parties were in a non-commercial relationship. Nonetheless, the Club submitted that it enjoyed the goodwill attached to the name “*Harvard Club of Singapore*” and not the University.

To support this, the Club argued that the University’s ownership of the goodwill attached to “*Harvard*” does not mean that it is entitled to the goodwill in respect of all variations of the same. It also argued that only the Club owned the goodwill in relation to “*Harvard Club of Singapore*”.

In response, the University submitted that each Harvard Club is a trade mark licensee of the University and therefore, being the licensor, the University owns the goodwill associated with the “*HARVARD CLUB OF SINGAPORE*” mark.

#### Decision

While it was thus far clear that a trade mark license could be implied between commercial parties, the question that had to be addressed in this case was whether the same can be implied between non-commercial parties.

Taking guidance from US cases, the Registrar held that such a license could be implied between the parties and the key consideration was whether the University exercised a sufficient degree of control over the Club’s operations. Pertinently, the Registrar also clarified that such a license did not just arise in relation to registered marks but also included unregistered marks that, if used by the Club, would amount to passing off.



In determining whether the parties were in an implied licensor-licensee relationship, the Registrar held that:

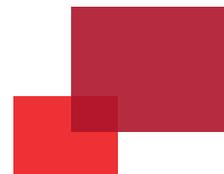
- (a) The assessment to determine whether parties are in a licensor-licensee relationship is an objective one based on the facts of the case and the conduct of the parties. Here, while the parties might not have termed their relationship as a licensor-licensee relationship, they conducted their affair as such;
- (b) It was immaterial whether or not the founding members of the club sought permission to use “*Harvard*” or “*Harvard Club of Singapore*” before the formation of the Club. The more important consideration was that the Club sought the University’s guidance in how it might conduct its affairs and gain recognition;
- (c) The Club received recognition and support from the University;
- (d) The University exercised reasonable control and supervision over the use of “*Harvard*” and “*Harvard Club*”; and
- (e) The Club conducted itself in a manner that is consistent with that of a licensee. For instance, it sought the University’s assistance in enforcing the University’s trade mark rights against an unauthorised alumni body.

Premised on the finding of an implied licensor-licensee relationship, the Registrar did not allow the opposition and concluded:

- (a) The University, being the licensor of “*HARVARD*” and “*HARVARD CLUB*” marks, owned the goodwill in the same and therefore, the opposition based on passing off under Section 8(7)(a) of the TMA failed;
- (b) Though the mark was applied to be registered before the termination of the parties’ relationship, this did not amount to bad faith under Section 7(6) of the TMA because the University owned the goodwill in the “*Harvard Club of Singapore*” mark (being the licensor) and had the liberty to apply for its registration at any time; and
- (c) Since Section 4(3) of the Societies Act was about the Registrar of Societies’ discretion in refusing registration of a specified society, it was not relevant for the purposes of Section 7(5) of the TMA. Section 7(5) of the TMA only dealt with actual use prohibited by any written law or rule of law and since registration of a society is different from actual use, the opposition under Section 4(3) failed as well.

## Comment

It is now clear that an implied licensor-licensee agreement can exist between non-commercial parties for both registered and unregistered marks as long as the licensor exercises sufficient degree of control over the licensee’s operations. Though confined to a finding of a licensor-licensee relationship in the context of



passing off for the purposes of opposing registration, it is still to be seen if Courts would be minded to categorise parties' relationship as so outside the registration of trade marks context.

## General Developments

### IPOS Enhanced Mediation Promotion Scheme reaps its first success

On 26 March 2019, IPOS announced that it would extend and enhance its Mediation Promotion Scheme for three years with effect from 1 April 2019. The Enhanced Mediation Promotion Scheme (“**EMPS**”) will increase funding from S\$5,500 to either S\$10,000 or S\$12,000 for each mediation case, and will allow the parties to claim for mediation-related agent fees (see our coverage [here](#)).

Recently, the World Intellectual Property Organization Arbitration and Mediation Center (“**WIPO Center**”) successfully conducted the first mediation under the EMPS. The dispute involved Aftershokz, LLC (“**Aftershokz**”), an American company, and Suravit Kongmebhol (“**Kongmebhol**”), a Thai businessman. The parties were involved in several cross-actions at the IPOS. Aftershokz sought to

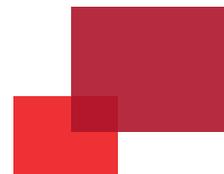
invalidate Kongmebhol's trade mark  filed in 2017 while Kongmebhol opposed Aftershokz's various trade mark applications involving the

marks SHOKZ, OPTISHOKZ and  filed in 2018. If parties had gone for resolving the dispute in an adversarial manner, the resolution of the same would have taken about 2 years and would be costly.

Kongmebhol instead filed a “unilateral request” for mediation with the WIPO Center. Upon making a unilateral request, the WIPO Center may assist the other party in considering mediation as the method to resolve their dispute. Here, Aftershokz agreed to mediation.

The mediation took place in Singapore on 30 August 2019 and lasted for about 19.5 hours with the parties successfully reaching a win-win settlement agreement. Pertinently, the parties received S\$12,000 in funding under the EMPS which fully subsidised WIPO Center's administration fees, mediator's fees and expenses, and partially defrayed the parties' mediation-related legal fees and disbursements (see IPOS' press release [here](#)).

This case marks the first of likely many more cases to come where parties may choose to opt for mediation as opposed to adversarial dispute resolution processes. The case is a testament to the cost-effectiveness and efficiency of mediation. Coupled with the EMPS, parties may end up saving substantial cost and time in resolving their dispute. Further, with the Mediation Act 2017 in force and with 46 countries as signatories to the Singapore Mediation Convention (not in force yet),



there is likely going to be ease of enforcement of such settlement agreements both within and outside Singapore.

## Arbitrability of IP disputes and enhanced border protections

On 21 November 2019, the Intellectual Property (Dispute Resolution) Bill's amendments to the Arbitration Act (“**AA**”) and the International Arbitration Act (“**IAA**”) and Phase 2 of the Intellectual Property (Border Enforcement) Act (“**IPBE**”) came into force.

The amendments to the AA and the IAA confirm that IP disputes are arbitrable in Singapore. However, an arbitral award obtained in such proceedings only binds the party to the arbitration *in personam* and has no effect against third parties.

The amendments to the AA and the IAA allow parties to avail themselves of the benefits of arbitration, such as the primacy of party autonomy in their mutual choice of procedures, arbitrators, etc. and confidentiality of proceedings. Further, given that more than 150 countries are signatories to the New York Convention, there is greater ease of enforcement of such arbitral awards overseas.

More details about the other changes expected because of the Bill can be found in our March 2019 newsletter (accessible [here](#)) and July 2019 newsletter (accessible [here](#)).

Further, with the entry into force of the EU-Singapore Free Trade Agreement, Phase 2 of the IPBE comes into effect. Under Phase 2, the Copyright Act and the Trade Marks Act are amended to allow IP rights holders to request Customs to inspect and seize both infringing exports and imports and obtain information on seized goods. These amendments enhance Singapore's border enforcement measures.

Further details about the other amendments to be expected under IPBE can be found in our November 2018 newsletter (accessible [here](#)).

## IPOS collaborates with Japan, China and Russia

IPOS and Japan's Industrial Property Cooperation Centre entered into a Memorandum of Understanding to enhance their IP cooperation. Businesses and enterprises will be able to benefit from the patent search and analysis expertise of both countries, which will help them commercialise and protect their IP better.

IPOS and Suzhou Industrial Park Administrative Committee also entered in a bilateral partnership to jointly develop initiatives and programmes to help Chinese companies manage, protect and commercialise their IP overseas. This initiative



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will aid in connecting Chinese professional services firm with their Singapore counterparts.

Finally, IPOS also entered in a tripartite partnership with the Russian Internet Initiatives Development Fund (a venture capital fund) and Sports & Fashion Management Pte Ltd (a sportswear company) for the three parties to collaborate and create a platform for technology transfer between Russia and Singapore.

As noted [here](#), the three countries accounted for about 62% of the global patent filing activity in 2018, with a 5.7% growth in patent filings in 2017. Such increased activities mark the importance of IP for enterprises. With IPOS' new initiatives, companies can look forward to tapping into the global market in managing their IP and commercialisation strategies in the future.

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