

Case comment

**NOVEL ISSUES OF OWNERSHIP OF GOODWILL
GENERATED UNDER AN IMPLIED LICENCE, AND
INTERPLAY BETWEEN THE TRADE MARKS ACT AND
SOCIETIES ACT**

*Harvard Club of Singapore v President and Fellows of Harvard
College* [2020] 4 SLR 1378

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I. Introduction

1 The recent High Court decision of *Harvard Club of Singapore v President and Fellows of Harvard College*² concerns the Harvard Club of Singapore’s appeal from the Trade Marks Registry in an opposition against the President and Fellows of Harvard College’s trade mark applications for “HARVARD CLUB OF SINGAPORE” and “HARVARD UNIVERSITY CLUB OF SINGAPORE”, both filed in Class 41 for “Club Services” (the “Subject Marks”).

2 It discusses several novel legal issues in the context of a trade mark opposition dispute between parties in a largely non-commercial relationship, laying down important principles in determining:

- (a) whether there is an implied licence formed between non-commercial parties where there is no written and signed licence agreement;

1 The author extends her heartfelt gratitude to Mr Daryl Er Tze Hao for his invaluable assistance with this article.

2 [2020] 4 SLR 1378.

- (b) which party owns the goodwill generated in an implied licence;
- (c) whether there is bad faith if a party registers a trade mark for a registered society's name; and
- (d) whether the discretion of the Registrar of Societies under s 4(3)(c) of the Societies Act³ amounts to prohibited use under a "written law or rule of law" under s 7(5) of the Trade Marks Act.⁴

II. Background

3 The respondent was the President and Fellows of Harvard College (the "University"), a body corporate which constitutes the world-renowned educational institute, Harvard University. The appellant was the Harvard Club of Singapore (the "Club"), a registered society which was previously the University's official alumni club in Singapore.

4 The parties' long-standing relationship began to dissolve during Dr Lee's presidency of the Club sometime in 2014 when she refused to comply with some of the University's guidelines and handbook provided to the Club. These documents set out, *inter alia*, conditions that a Harvard Club must comply with to retain its affiliation with the University in exchange for "[t]he University [granting] Harvard Clubs permission to use the 'Harvard Club' name".

5 One example of an important guideline was that each presidential term had a limit of three years. This was recognised by Dr Lee (and the Club) but Dr Lee had chosen to deliberately act in defiance by running for another term of presidency.

6 Consequently, on 29 May 2015, after multiple attempts to resolve the Club's issues, the University revoked the official alumni club status of the Club and withdrew its consent for the

3 Cap 311, 2014 Rev Ed.

4 Cap 332, 2005 Rev Ed.

Club to use the University's trade marks in a formal letter issued to the Club.

7 Prior to the termination of the parties' relationship, the University sought to apply for the Subject Marks on 24 December 2014. The applications were opposed by the Club on several grounds, in particular, that:

- (a) use of the Subject Marks was prevented by passing off under s 8(7)(a) of the Trade Marks Act;
- (b) the Subject Marks were applied in bad faith under s 7(6) of the Trade Marks Act; and
- (c) the use of "HARVARD CLUB OF SINGAPORE" is prohibited in Singapore by any written law or rule of law, namely, a decision of the Registrar of Societies, under s 7(5) of the Trade Marks Act read with s 4(3)(c) of the Societies Act.

8 The University had obtained a favourable decision before the Trade Marks Registry, where the principal assistant registrar ("PAR") rejected the opposition on all grounds and ordered that the Subject Marks proceed to registration.⁵ The Club then appealed against the PAR's decision on all grounds, and the High Court has now issued its much-anticipated written decision.

III. Legal issues

9 For the opposition under s 8(7)(a) of the Trade Marks Act, the primary issue was whether there was goodwill owned by the Club to sustain an opposition in relation to passing off. To this, the court had to consider the following three novel legal issues:

- (a) whether the protection that the tort of passing off confers can extend to goodwill generated by non-commercial organisations;

⁵ *Harvard Club of Singapore v President and Fellows of Harvard College* [2019] SGIPOS 14 at [117].

(b) whether an implied licence agreement existed between the University and Club; and

(c) if an implied licence agreement existed, whether all the goodwill generated by the Club is owned by the University.

10 For the opposition under s 7(6) of the Trade Marks Act, this article will focus on the court’s discussion as to whether the University had applied the Subject Marks in bad faith on the basis that “HARVARD CLUB OF SINGAPORE” is the registered society name of the Club.

11 For the opposition under s 7(5) of the Trade Marks Act, the primary issue was whether use of the Subject Marks would be prohibited under s 4(3)(c) of the Societies Act. To this, the court had to consider the following two novel legal issues:

(a) whether s 4(3)(c) of the Societies Act falls within the meaning of “written law or rule of law” within s 7(5) of the Trade Marks Act; and

(b) if yes, whether the mere registration of a society under the Societies Act would fall within the meaning of “use” within s 7(5) of the Trade Marks Act.

IV. High Court’s decision

A. Passing off under section 8(7)(a) of the Trade Marks Act

12 Section 8(7)(a) of the Trade Marks Act states that:

8.—(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade; or

...

13 It was undisputed that the University owned trade mark registrations for “HARVARD” in Singapore and “HARVARD CLUB” worldwide, goodwill generated in connection with the Club’s use

of the Singapore-registered marks belonged to the University, and the Club's activities and services have generated goodwill.⁶

14 To support its passing off claim, the Club argued that it owned all the goodwill attached to its name "HARVARD CLUB OF SINGAPORE" mainly on the basis that the Club is a separate entity that exists and operates independently of the University.⁷

15 The University contended that it owns the goodwill generated in connection with the use of the Subject Marks by virtue of:⁸

(a) an implied licensor-licensee relationship between the University and the Club; and in the absence of any agreement (there was in fact none) to the contrary, the default position is that the licensor is the owner of the goodwill; and

(b) the fact that the relevant public associates or identifies the services and activities of the Club with the University.

16 At the outset, the court, citing the Court of Appeal in *The Singapore Professional Golfers' Association v Chen Eng Way*,⁹ recognised that the protection that the tort of passing off confers can extend to the goodwill of non-commercial organisations such as charities, non-profit golfing associations and indeed, alumni clubs.¹⁰

17 In the context of the passing off claim, the court also held that 24 December 2014 – the date of application of the Subject Marks – is the likely latest relevant date as it is the date on

6 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [38].

7 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [40].

8 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [41].

9 [2013] 2 SLR 495.

10 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [37], citing *The Singapore Professional Golfers' Association v Chen Eng Way* [2013] 2 SLR 495 at [23].

which the University's conduct complained of commenced.¹¹ Nonetheless, the court agreed with the University's submission that the Club does not own any goodwill with which to sustain an opposition based on the tort of passing off.¹²

18 In relation to goodwill (the first element of the passing off claim and the main bone of contention), the court recognised that there was no express licence agreement to govern the relationship between the parties.¹³ In finding the existence of an implied licence, the court extended the sufficient degree of control and supervision test established in *Weir Warman Ltd v Research & Development Pty Ltd*,¹⁴ which was originally established in the context of a commercial dispute,¹⁵ to the present non commercial context.¹⁶ A summary of the facts relied upon by the court affirming that there was a sufficient degree of control and supervision by the University is set out below:¹⁷

- (a) the founders of the Club inviting the University to control and supervise it notwithstanding the fact that it had registered as a society before gaining recognition from the University (for which the court opined that such use is unauthorised and infringing on the University's rights);
- (b) the Club's awareness and compliance of conditions imposed by the University in order to maintain affiliation with the University;

11 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [85], citing *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 at [34].

12 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [37].

13 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [54].

14 [2007] 2 SLR(R) 1073.

15 *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 ("*Weir Warman*") at [68]. The *Weir Warman* test was also cited in two Court of Appeal decisions in the context of the Trade Marks Act (Cap 332, 2005 Rev Ed): see *Kickapoo (Malaysia) Sdn Bhd v The Monarch Beverage Co (Europe) Ltd* [2010] 1 SLR 1212 at [41] and *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 at [45].

16 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [79].

17 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [62]–[78].

(c) the Club seeking guidance in relation to Club affairs, especially recognition of the Club’s presidency by the Harvard Alumni Association; and

(d) the evidence of the Club’s compliance with at least some of the conditions imposed by the University.

19 Accordingly, the court found that there was an implied licence in respect of the use of the Harvard Marks including “HARVARD” and “HARVARD CLUB” from when the Associated Harvard Alumni wrote to the Club’s founders to acknowledge the Club’s existence on 29 May 1969 up till the termination of their relationship on 29 May 2015, whereby the licence was a limited and exclusive one.¹⁸

20 The court then rejected the application of the “default position” that the licensor is the owner of the goodwill in the absence of any agreement to the contrary. To this, the court held that employing a “default position” analysis is not helpful and preferred the test of having regard to the facts of a case to determine ownership in an implied licence situation, citing *QB Net Co Ltd v Earnson Management (S) Pte Ltd*¹⁹ in support of this finding.²⁰

21 In applying the above principle to the facts of this case, the court found that the goodwill belonged solely to the University as (a) the success and continued operation of the Club would not be possible without the help and support of the University and (b) the events post-termination show that the attractive force in the activities and functions of the Club is actually rooted in its connection to the University.²¹

18 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [78] and [82].

19 [2007] 1 SLR(R) 1.

20 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [90] and [91], citing *QB Net Co Ltd v Earnson Management (S) Pte Ltd* [2007] 1 SLR(R) 1 at [35].

21 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [93]–[95].

22 Consequently, the passing off ground failed as the first element of goodwill was not established by the Club. Further, the court set out reasons for its *obiter* finding that the second element was also not made out as there was no actionable misrepresentation on the facts (this article will not be going into further detail on this point).

23 It is the first case in Singapore to extend the principles of an implied licensor–licensee relationship in a non–commercial context and to discuss the issue of ownership of goodwill in the context of an implied licence. The case underscores the importance for right owners to establish supervision and control in granting rights to third parties in order to prove that an implied licence subsists and the facts required to establish ownership of goodwill are ultimately examined on a case–by–case basis, where there is no written licence agreement.

B. Bad faith under section 7(6) of the Trade Marks Act

24 Section 7(6) of the Trade Marks Act states that a trade mark “shall not be registered if or to the extent that the application is made in bad faith”.

25 In dismissing the bad faith ground, the court summarised the leading decision laid down by the Court of Appeal in *Valentino Globe BV v Pacific Rim Industries Inc*²² and entirely rejected the Club’s three main arguments – (a) that there was a lack of authority in the filing of the Subject Marks; (b) that the University had acted improperly, dishonestly or in an unacceptable manner in filing the Subject Marks; and (c) that the University had filed the Subject Marks with no intention to use them.

26 Notably, the Club argued that the University had deliberately filed the Subject Marks which are identical or similar to the Club’s name in an attempt to usurp the Club’s role as an alumni club in Singapore.²³ In this regard, the court found that

22 [2010] 2 SLR 1203.

23 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [115].

the identity and similarity between the Subject Marks and the Club's name did not mean that there was bad faith, ultimately finding on the facts that the University – as the owner of the goodwill generated by the Club in connection with the use of the Subject Marks – was entitled to file for their registration at any point.²⁴

27 Further, the Club submitted that the University had filed for two almost identical marks within Class 41 for club services with no intention to use them, contending that it would not be possible for the University to register the Subject Marks as societies as their registration would be denied on the basis of their similarity.

28 The court rejected this argument, noting the difference between a trade mark and a society name, and highlighting that a registered society may be registered in one name but use different marks to represent its services.²⁵ In finding that the University intended to use the Subject Marks, the court found support from the fact that (a) the University had previously tried to register a society under the name “HARVARD UNIVERSITY CLUB OF SINGAPORE” and even provided an official authorisation letter to the Registry of Societies, and (b) most of the Harvard Clubs worldwide follow the format of “HARVARD CLUB OF [location]”, indicating that the University was likely to adopt the same format for its new official alumni club.²⁶

29 It bears reiterating that bad faith is a serious allegation and a party alleging bad faith has to satisfy a high standard of proof, where cogent evidence has to be submitted to support such claims. It also underscores that filing for an identical or similar mark that is used by the party alleging bad faith is not sufficient and it depends on the facts of the case.

24 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [116].

25 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [120].

26 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [121].

C. Use is prohibited in Singapore by any written law or rule of law

30 The Club’s final ground of opposition was only in relation to one mark, namely, “HARVARD CLUB OF SINGAPORE” (the Club’s name) on the basis that its use is prohibited in Singapore by written law or rule of law under section 7(5) of the Trade Marks Act read with ss 4(3)(c)(i) and 4(3)(c)(ii) of the Societies Act.

31 Section 7(5) of the Trade Marks Act states that a trade mark “shall not be registered if or to the extent that its use is prohibited in Singapore by any written law or rule of law”.

32 Sections 4(3)(c)(i) and 4(3)(c)(ii) of the Societies Act further state that:

4.—(3) The Registrar may refuse to register a specified society if —

...

(c) it appears to him that the name under which the specified society is to be registered —

(i) is likely to mislead members of the public as to the true character or purpose of the specified society or so nearly resembles the name of some other society as is likely to deceive the members of the public or members of either society;

(ii) is identical to that of any other existing society; or

...

33 As this is the first case which considered the interplay between the Trade Marks Act and the Societies Act and one of the few cases that discussed s 7(5) of the Trade Marks Act, the court had regard to first principles in analysing this ground of opposition.²⁷

27 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [128].

34 First, the court found that a discretion of the Registrar of Societies to disallow registration of a society does not fall within the meaning of “written law” (which refers to express prohibition in statute) or “rule of law” (which, while wider in scope than “written law”, does not encompass a discretion).²⁸

35 Second, the court found that even if the Registrar of Societies’ discretion to refuse registration falls within the meaning of “rule of law”, the Club still cannot succeed on this ground as the word “use” under s 7(5) of the Trade Marks Act relates to “actual use” in the trade mark sense and does not cover the mere registration of a society.²⁹ Here, it was found that the relevant provisions of the Societies Act do not provide the Registrar of Societies with authority over the use of any trade mark but merely a limited authority over the registration of society names.³⁰

36 In finding that the word “use” under s 7(5) of the Trade Marks Act relates to “actual use” in the trade mark sense, the court agreed with the PAR’s observation that in the High Court’s latest decision on s 7(5) of the Trade Marks Act, namely, *Scotch Whisky Association v Isetan Mitsukoshi*,³¹ the relevant provisions³² of the Geographical Indications Act³³ relied on all dealt with instances of actual use.³⁴ Further, the court noted that the plain and ordinary meaning of the word “use” should be employed and not the wider forms of “use” such as “indirect commercial use” and “evocation”.³⁵ As such, the court analogised that “use” in the context of “use is prohibited in Singapore by any written

28 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [129].

29 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [130].

30 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [130].

31 [2020] 3 SLR 725.

32 In that case, the “written law or rule of law” referred to ss 3(2)(a), 3(2)(b) and 3(2)(d) of the Geographical Indications Act (Cap 117B, 1999 Rev Ed).

33 Cap 117B, 1999 Rev Ed.

34 *Harvard Club of Singapore v President and Fellows of Harvard College* [2019] SGIPOS 14 at [111].

35 *Scotch Whisky Association v Isetan Mitsukoshi* [2020] 3 SLR 725 at [39].

law or rule of law” under s 7(5) of the Trade Marks Act should also similarly be referring to “actual use”.

37 It will be interesting to examine how the principle and reasoning in relation to the word “use” under s 7(5) of the Trade Marks Act relate to “actual use” in the trade mark sense and whether they can be extended or applied in other contexts, for example in examining the interplay between other registries such as the registration of business names under the Business Names Registration Act 2014.³⁶

38 Lastly, the court found that it would be against public policy to permit a registration in the Register of Societies to block a trade mark application in the trade marks register, as:³⁷

(a) the Societies Act and Trade Marks Act cover distinct regimes that deal with different subject matter and it would consequently be plainly unjust if the registration of a society name which does not create legal rights can preclude use of a trade mark owner’s trade mark rights (which count as legal property); and

(b) the Trade Marks Registrar does not conduct prior searches on the societies register in considering the registration of a trade mark, and the Registrar of Societies does not consider the laws and principles of trade marks in considering the registration of a society.

39 Consequently, the court held that the Club could not rely on s 7(5) of the Trade Marks Act read with s 4(3)(c) of the Societies Act to oppose the application for registration of the “HARVARD CLUB OF SINGAPORE” mark.

36 Act 29 of 2014.

37 *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 at [132]–[134].

V. Conclusion and comments

A. *Implied licences may apply to non-commercial relationships*

40 An implied licence agreement may be formed from the conduct of the parties, even if the parties are in a non-commercial relationship, if there is some degree of control and supervision. The court held that the owner of the goodwill generated in such a relationship ultimately depends on the factual matrix.

41 This is especially pertinent to unregistered intellectual property rights, even though the holdings of this case are strictly confined to the finding of an implied licence agreement in the context of determining passing off in a trade mark opposition matter.

B. *Put it in writing*

42 From the date of filing the opposition to the issuance of the High Court's decision, the parties were tangled in this dispute for about five years.

43 To avoid the unnecessary stress and uncertainty of protracted proceedings in order to obtain a trade mark registration, trade mark owners should enter into a clear, written agreement setting out the rights and obligations of the parties, at the early stage of the commercial or non-commercial relationship.

44 In doing so, trade mark owners would be able to benefit from greater clarity and certainty concerning their trade mark rights throughout the course of relevant relationships, and in the event of their termination.