

**IN THE HEARINGS AND MEDIATION DEPARTMENT OF THE
INTELLECTUAL PROPERTY OFFICE OF SINGAPORE**

[2023] SGIPOS 6

Trade Mark No. 40201913752Y

**IN THE MATTER OF A REGISTERED TRADE MARK IN
THE NAME OF**

XIAMEN VETEMENTS BRAND MANAGEMENT CO LTD

... Registered Proprietor

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
BY**

VETEMENTS GROUP AG

... Applicant

**REGISTRAR'S DECISION UNDER
TRADE MARKS RULE 37(4)**

Vetements Group AG
v
Xiamen VETEMENTS Brand Management co,LTD.

[2023] SGIPOS 6

Trade Mark No. 40201913752Y
Principal Assistant Registrar See Tho Sok Yee
31 January 2023

28 February 2023

Principal Assistant Registrar See Tho Sok Yee:

Introduction

1 This matter concerns the following trade mark, which has been registered in Singapore in the name of Xiamen VETEMENTS Brand Management co,LTD. (“the Proprietor”), a Chinese company:

TM No.	40201913752Y
Mark	VETEMENTS
Class	25
Specification	Underwear; shoes; hats; children's clothing; hosiery; scarfs; girdles; wedding Dresses; clothing; gloves [clothing].
Filing Date (“the Relevant Date”)	25 June 2019

2 Vetements Group AG (“the Applicant”), a Swiss company, applied for a declaration of invalidity against the above trade mark registration.

Procedural conduct

3 In response to the application for a declaration of invalidity, the Proprietor filed its counter-statement with the Registrar of Trade Marks (“the Registrar”) on 12 August 2021. The Applicant filed its evidence on 14 April 2022 in support of its application. The Proprietor did not file its evidence by the deadline of 14 October 2022.

4 By way of a letter dated 18 October 2022, the Registrar informed the Proprietor that it was deemed to admit to the facts alleged by the Applicant in its application for a declaration of invalidity, in accordance with Rule 59(2)(d) read with Rule 31A(9) of the Trade Marks Rules (all references hereafter to “Rule” and “Rules” are to provisions of the Trade Marks Rules).

5 The agents on record for the Proprietor responded to the Registrar by letter on 1 November 2022. The agents had not received any further instructions from the Proprietor and said they would refrain from taking any further action in this matter to avoid incurring additional costs.

6 This matter accordingly proceeds on the basis that the Proprietor admits to the facts alleged by the Applicant. We will return to this point further below.

Procedural provision relating to hearings

7 This application for a declaration of invalidity was set down for a hearing on 31 January 2023.

8 The Rules provide for the procedure relating to hearings. The relevant extract from Rule 37 (to be read with Rule 59(2)(ca)) is set out below:

Opposition hearing

37.—(1) Upon completion of the filing of evidence by the parties, the Registrar shall give notice to the parties of a date on which he will hear arguments on the case.

(2) The parties shall file with the Registrar their written submissions and bundles of authorities at least one month before the date of hearing, and shall at the same time exchange with one another their respective written submissions and bundles of authorities.

(3) Any party who intends to appear at the hearing shall file with the Registrar Form HC1 before the hearing.

(4) Any party who does not file with the Registrar Form HC1 before the hearing may be treated as not desiring to be heard, and the Registrar may proceed with the hearing in the absence of that party or may, without proceeding with the hearing, give his decision or dismiss the proceedings, or make such other order as he thinks fit.

9 Rule 37(3) above provides that a party who intends to appear at the hearing needs to file Form HC1. If this is not done, there is a range of possible consequences, as found in Rule 37(4) above.

10 As described at [5] above, the Proprietor and its agents are not keen to incur additional costs and did not communicate with the Registrar any further after 1 November 2022. The Applicant filed written submissions and, before the hearing, on 10 January 2023, informed the Registrar in writing that it would not attend the hearing and sought the Registrar's decision based on the papers.

11 The hearing fixed on 31 January 2023 did not take place as neither party was present. It would be appropriate to conclude this matter expeditiously by giving a short decision based on the papers without proceeding with a hearing. The Registrar therefore exercises her power under Rule 37(4) to issue a decision without having proceeded with a hearing.

Applicant's evidence

12 The Applicant's evidence comprises a statutory declaration made by Guram Gvasalia, the Applicant's Chief Executive Officer, on 13 April 2022 in Zurich, Switzerland ("the Applicant's SD").

Grounds of invalidation

13 The Applicant cited several grounds in support of its application, as follows:

- (a) Sections 7(1)(b) and 7(1)(c) read with Section 23(1) of the Trade Marks Act 1998 ("the Act")
- (b) Section 7(4)(b) read with Section 23(1) of the Act
- (c) Section 7(6) read with Section 23(1) of the Act
- (d) Section 8(4) read with Section 23(3)(a)(iii) of the Act
- (e) Section 8(7)(a) read with Section 23(3)(b) of the Act
- (f) Section 23(4) of the Act.

Ground of invalidation under Section 7(6) read with Section 23(1)

14 Section 7(6) of the Act reads:

A trade mark must not be registered if or to the extent that the application is made in bad faith.

15 Section 23(1) of the Act reads:

The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 7.

16 The Applicant’s pleading under this ground is found at [21] of its statement of grounds of invalidation (“statement of grounds”):

The Applicant repeats paragraphs 1 to 7, and 18 to 20 above. The Registrant’s use of the “VETEMENTS” mark and its registration are part of the Registrant’s deliberate and nefarious scheme to deceive the industry and the public that the Registrant is or is related to the Applicant, and the Registrant’s goods are those of the Applicant’s. For the aforesaid reasons, the Registrant’s registration was made in bad faith. The Registered Mark should therefore be declared invalid based on Sections 7(6) and 23(1) of the Act.

17 We will return to the contents of the statement of grounds again, below.

The law on bad faith

18 The fundamental legal principles underlying the law on bad faith are set out in the Court of Appeal’s decision in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”):

(a) The term ‘bad faith’ embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve no breach of any duty, obligation, prohibition or requirement that is legally binding upon the registrant of the trade mark (*Valentino* at [28]).

(b) The test for determining bad faith contains both a subjective element (viz, what the particular applicant knows) and an objective element (viz, what ordinary persons adopting proper standards would think). Bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case (*Valentino* at [29]).

(c) Once a prima facie case of bad faith is made out by the opponent, the burden of disproving any element of bad faith on the part of the applicant would arise (*Valentino* at [36]).

(d) An allegation of bad faith is a serious claim to make and must be sufficiently supported by evidence. It must be fully and properly pleaded and should not be upheld unless it is distinctly proved, and this will rarely be possible by a process of inference (*Valentino* at [30]).

(e) Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion (*Valentino* at [20]).

Application to the facts

Background of the Applicant

19 The Applicant is a European luxury brand founded in 2013 by Demna Gvasalia, a famous designer who is also the creative director of Balenciaga. By 2016, the Applicant's "Vetements" collections were shortlisted for, and also won, various accolades in the fashion industry. For instance, it was shortlisted as a finalist in the LVMH Fashion Designer Prize and was a prize winner at the British Fashion Awards in 2016 for "International Urban Luxury Brand". According to the "Lyst Index" published by Business of Fashion on 29 January 2018, "Vetements" was the third hottest brand of 2017, only behind "Gucci" and "Balenciaga", and ahead of other established brands such as "Valentino" (fourth place) and "Givenchy" (sixth place).

20 The Applicant's SD exhibits industry coverage of its brand and its success can be summarised in an Esquire article dated 21 December 2016:

Only two short years ago, “vetements” was nothing more than the French word for “clothes”. Since 2014, however, it’s become a signifier of insider status and general cool-guy-ness. That’s because Vetements ... is a fashion brand/collective that throws elements of the avant-garde, skater culture, and street style into a magical blender and comes out with some of the most talked-about clothes of the last decade.

... Vetements has generated some serious heat in the fashion world.

21 A sampling of the headlines of other coverage by newspapers and magazines is set out below:

Discover Vetements, the most talked about label in Paris right now

(Evening Standard, 26 January 2015)

Vetements Spring 2016: The Most Talked About Brand at Paris Fashion Week

(Fashion Week Daily, 5 October 2015)

What is Vetements and Why is Everyone Freaking Out?

(Racked, 2 March 2016)

Vetements: Everything you need to know about fashion’s coolest label

(Marie Claire, 21 April 2016)

The Cult of Vetements

(Wall Street Journal, 24 June 2016)

22 The Applicant has used its “VETEMENTS” mark worldwide (including in the USA, UK, continental Europe, China, South Korea and Thailand) since 2013, on its own, as well as in collaboration with other recognizable brands such as DHL, Levi’s, Dr. Martens, Reebok, Champion and Tommy Hilfiger.

23 In Singapore, the total retail value of the Applicant’s “VETEMENTS” goods for the three-year period from 2017 to 2019 exceeds €2.7m (approximately S\$4.3m). The Applicant’s SD exhibits samples of invoices

made to Club 21 Pte Ltd and Club 21 Singapore. These pre-date the Relevant Date.

Allegations of the Applicant

24 In its statement of grounds, the Applicant alleged at [6], [7] and [20] that:

(a) The Proprietor had initially operated out of China in its name, Xiamen VETEMENTS Brand Management co,LTD. It produced copies of the Applicant’s goods and other similar items and sold them under the “VETEMENTS” mark, with the false claim that it was the Applicant’s collection for the Asian market.

(b) When buyers questioned why the Applicant’s supposed collections were sold by a Chinese company (the Proprietor), the Proprietor set up another company, in the UK, under the name Vetements Group Limited. This is the English equivalent of the Applicant’s name, Vetements Group AG. This was done to deceive buyers into thinking that Vetements Group Limited is the Applicant. However, in fact, the directors and shareholders of Vetements Group Limited are Chinese nationals domiciled in China. Vetements Group Limited filed numerous trade mark applications and obtained trade mark registrations for the Applicant’s “VETEMENTS” mark in various countries including Singapore.

(c) In the present case, the Proprietor registered “VETEMENTS” in Singapore in relation to clothing in Class 25, the same goods that the Applicant produces. A consumer would be led to think that the Proprietor’s goods originate from the Applicant since the mark used on

the goods is identical to the Applicant's "VETEMENTS" mark and the goods are identical to the Applicant's clothing goods. The public will be deceived by the Proprietor's registration of "VETEMENTS" that its goods originate from the Applicant, and that these goods are of the same quality as those of the Applicant's, when in fact they are not.

25 As first mentioned in [4] above, Rule 59(2)(d) read with Rule 31A(9) applies to this case, with the result that the Proprietor is deemed to admit to the facts alleged in the Applicant's application for a declaration of invalidity. As such, the Applicant's allegations set out above are deemed admitted by the Proprietor.

Subjective element attributed to the Proprietor

26 The test for determining bad faith contains both a subjective element (what the particular applicant for registration knows) and an objective element (what ordinary persons adopting proper standards would think). Here, the subjective element comprises the following deemed facts gleaned from the Applicant's statement of grounds:

- (a) the Proprietor is aware that "VETEMENTS" is a high profile, luxury brand ([1] to [3], [11] to [13] of the statement of grounds)
- (b) the Proprietor is aware that the Applicant owns the "VETEMENTS" mark ([1] to [3], [14] of the statement of grounds)
- (c) the Proprietor went ahead to file an application to register, and in fact registered, an identical mark in respect of clothing, the same goods of interest to the Applicant ([6] and [20] of the statement of grounds)

(d) the Proprietor had a “*deliberate and nefarious scheme to deceive the industry and the public that the Registrant is or is related to the Applicant, and the Registrant’s goods are those of the Applicant’s.*” ([21] of the statement of grounds)

Objective element of the test for bad faith

27 For the objective element of the test for determining bad faith, I consider whether the subjective element attributed to the Proprietor above falls short of the acceptable commercial behaviour observed by reasonable and experienced men in the trade. I must find that such outright copying does fall short of the objective standard of acceptable commercial behaviour, following a consistent line of cases including *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 at [123].

28 The further actions of the Proprietor described at [24(b)] above, apart from registering TM No. 40201913752Y in Singapore, are consistent with the Proprietor’s pattern of misappropriating the Applicant’s “VETEMENTS” mark in Singapore and other countries and seeking to maintain a false front that it is or is related to the Applicant.

Caveat

29 It bears saying that the path taken by this case differs significantly from typical cases which reach the hearing stage. In typical cases, an applicant for a declaration of invalidity bears the burden of proving the facts it alleges. In this case, under Rule 59(2)(d), the Proprietor is deemed to admit to the facts alleged by the Applicant.

Conclusion

30 Having considered the pleadings, evidence and the Applicant's submissions made in writing; and applying the presumption under Rule 59(2)(d), I find that the Applicant succeeds under Section 7(6) read with Section 23(1) of the Act. It is not necessary to consider the other grounds of invalidation, especially as the Proprietor has not demonstrated current interest in defending the registration in question.

31 The registration of TM No. 40201913752Y is accordingly declared invalid. In accordance with Section 23(10) of the Act, the registration is deemed never to have been made, but this does not affect transactions past and closed.

32 I have considered the Applicant's submissions on costs and award costs of \$5096.50 to the Applicant.

See Tho Sok Yee
Principal Assistant Registrar

Marks & Clerk Singapore LLP for the Applicant
Quality Oracle Pte. Ltd. for the Registered Proprietor
