

Mediation Success at IPOS

Spiral Foods Pty Ltd & Nature's Glory Pte Ltd [2022] SGIPOS MED 2

	Party A	Party B
Name	Spiral Foods Pty Ltd	Nature's Glory Pte Ltd
Nationality / Country of Incorporation	Australia	Singapore
Representation	Donaldson & Burkinshaw LLP	One Legal LLC
Lawyers	Chua Shang Li Michelle Eadie	Regina Quek Genevieve Chia Dillon Marc Tan

Mediation institution	World Intellectual Property Organization Arbitration and Mediation Center (WIPO Center) ¹
Mediator	Zechariah Chan, of Lee & Lee
Shadow Mediator²	Keith Wong, Young IP Mediator
Date of Mediation	25 February 2021

Backdrop to the Dispute

The humble soybean is the most economically important bean in the world³ and is enjoyed by consumers in various forms. This ubiquitous bean forms the backdrop to the present dispute between Nature's Glory Pte Ltd (the "Applicant") and Spiral Foods Pty Ltd (the "Opponent"), two successful family-run businesses with a longstanding presence.⁴

The Opponent is an Australian organic food wholesaler and current proprietor of the "BONSOY" trademark in multiple jurisdictions including Singapore. "BONSOY" soymilk is manufactured and supplied internationally by Muso Co Ltd. ("Muso"), a Japanese Company.

The Applicant was founded in 1991 and is a retailer and distributor in Singapore offering a range of products from fresh produce to foodstuff and related goods. From 1991 to 2007, the Applicant entered into an agreement with Muso to be the exclusive distributor of "BONSOY" soymilk in selected territories. During this period, the Applicant registered the "BONSOY" mark in Singapore in 2004. The registration of this mark was disputed by the Opponent in 2007.

In resolving this earlier dispute, the Applicant transferred its rights in the Singapore trademark registration to the Opponent under a formal deed with the Opponent and Muso ("BONSOY Deed"),

¹ The WIPO Center's only office outside Geneva, Switzerland is in Singapore.

² It is a condition of funding under the IPOS Enhanced Mediation Promotion Scheme (EMPS) that parties allow a "shadow" mediator to sit in and observe the mediation; or have a co-mediator to assist in the mediation. The objective is to give more exposure on how mediation can resolve IP disputes and build up experience among those who may mediate or represent parties in IP mediation in future.

³ <https://www.britannica.com/plant/soybean>

⁴ It is a condition of funding under the IPOS EMPS that parties agree to named publicity.

conferring the Applicant with exclusive rights to distribute Muso's "BONSOY" products in selected territories. This was to be renewed automatically on an annual basis, unless terminated upon agreement by all the parties.

In 2016, the Opponent terminated the BONSOY Deed, which the Applicant disputes. This served as an impetus for the Applicant to develop its own independent brand of soymilk for market to the world without any restrictions by the Applicant.

The Applicant's own "BeoSoy" Brand and the Present Dispute



In Singapore, the Applicant applied to register its independent brand (the "Application Mark") in Class 29, for the use of soybean in edible food and drink. Noticeably, the Opponent has also opposed the Applicant's applications to register the Application Mark in Malaysia, Indonesia, Australia, the European Union and the United States of America. The mediation process was commenced due to the opposition against the Singapore application, which forms the present dispute.

Since 2019, both parties attempted to resolve the present dispute through a series of offers and counterproposals. Having reached an impasse, parties submitted the matter to mediation administered by the WIPO Center. While the dispute qualified for the Enhanced Mediation Promotion Scheme ("EMPS")⁵, EMPS funding did not need to be applied to the mediator's fees as parties had the benefit of complimentary mediation services offered by the WIPO Center. In light of the global economic difficulties from COVID-19, WIPO Center offered mediation services at no charge for mediation requests filed within the period 12 June to 31 August 2020. As part of the EMPS, Keith Wong, a IPOS Young IP Mediator was invited to shadow the mediation with the appointed mediator, Mr. Zechariah Chan, a renown intellectual property Partner at Lee & Lee.

The Mediation Process

Given the cross-border nature of the dispute, parties met virtually via Zoom videoconferencing. The session commenced with a pre-mediation conference where counsel was engaged to help identify certain challenges that might arise during the mediation. This was useful in promoting a positive and professional approach towards resolving the dispute. Once the mediation commenced proper, the family representatives of both parties entered the virtual room. Initially, it appeared that the long-standing business relationship between parties could form a common point of reference to work from. However, it was soon apparent that any assumed trust and mutual understanding which might have existed in 1991, no longer applied in the same form today. Despite their differences, it was nevertheless a valuable forum for the family representatives to speak directly to one another and better understand each other's perspective of the situation.

Moving from the joint session involving all parties, the mediator commenced a series of private sessions with each family representative and their counsel. As parties were willing to re-evaluate their earlier offers to one another, the mediation continued in this mode where proposals were continuously assessed and revised. This was possible because of the non-prejudicial and confidential nature of private sessions which resulted in candid and thoughtful discussion.

⁵ It is a condition of funding under the IPOS EMPS that parties' mediation-related lawyer fees and disbursements are only funded up to 50%, regardless of the total funding potentially available (\$10,000 where only Singapore IP rights are involved / \$12,000 where Singapore and foreign IP rights are involved).

Due to time zone differences between Australia and Singapore, the Opponent sought leave from the mediation. Nevertheless, close to 7 hours of constructive engagement resulted in a revised offer made by the Applicant to the Opponent. Overall, the mediation provided a more concrete path for parties to evaluate their progress and work constructively towards a commercially sensible resolution in a good faith approach.

Reflections

To gain a deeper perspective on the value of mediation for IP disputes, IPOS was privileged to hear from all parties involved, namely:

- The mediator, Mr. Zechariah Chan (“**ZC**”);
- Counsel for the Opponent, Mr. Chua Shang Li (“**CSL**”);
- Counsel for the Applicant, One Legal LLC (“**OL**”);
- The Marketing Manager of the Opponent, Ms. Raphaelle Wilson (“**RW**”); and
- The Director of the Applicant, Mr. Christopher Lim (“**CL**”).

Q1: In your view, how was this mediation helpful to this particular IP matter?

ZC: Whilst the mediation was commenced due to the Singapore opposition, it was quickly apparent that the parties faced similar issues in other territories as there were ongoing opposition matters in Malaysia, Indonesia, Australia, the European Union and the United States of America, at various stages of progress. This presented the parties with an opportunity to resolve the issues by adopting a “whole of dispute” mindset to bring all the differences to bear, rather than tackle each opposition on a piece-meal, territory by territory basis. As such, parties were able to discuss matters beyond the Singapore opposition, sharing ideas and potential options for settlement on a global basis. It also meant that the settlement proposals took into account the parties’ interests and concerns.

CSL: I felt that the mediation was useful as it allowed parties to expedite the ongoing negotiations. It was good that parties had an opportunity to have a face-to-face (albeit online) meeting so that they could share and express their positions on the matter.

RW: The mediation did allow us to make some significant progress in negotiations that had stalled, allowing a resolution to be reached.

CL: The mediation was well-organised. Additionally, the mediator was impartial, patient, and took the time to understand the background and interests of both parties.

Q2: Compared to in-person mediations, what do you think are some benefits of mediations conducted virtually?

ZC: Despite the fact that the parties were based in different countries, mediation over an online platform meant that parties did not need to travel in the midst of the COVID-19 pandemic. This made the mediation a safer and more economical way to meet, discuss and negotiate with each other. It also allowed counsel to celebrate the birthday of a family member, something that would not have been possible if there was travel, particularly international travel, involved for the purposes of the mediation.

OL: As not all parties were located in Singapore, the mediation was conducted online over Zoom. The mediation provided the parties with the opportunity to speak face-to-face and to make further

progress in ongoing negotiations. We are likely to use and/or recommend mediation again for future IP disputes.

Written by Keith Wong, Young IP Mediator
24 March 2022