

**IN THE HEARINGS & MEDIATION DIVISION OF  
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE  
REPUBLIC OF SINGAPORE**

Trade Mark Application No. T05/25129D  
28 April 2010

**IN THE MATTER OF TRADE MARK APPLICATION NO T05/25129D  
IN THE NAME OF  
PT PERUSAHAAN DAGANG DAN INDUSTRI TRESNO**

**AND  
OPPOSITION THERETO BY  
PHILIP MORRIS PRODUCTS S.A.**

Hearing officer: Ms Sandy Widjaja  
Principal Assistant Registrar of Trade Marks

Ms. Gwendolene Lee and Ms Lim Hui Nan (Amica Law LLC) for the Opponents  
The Applicants were not present at the hearing

*Cur Adv Vult*

**GROUNDS OF DECISION**

This is an opposition against the Trade Mark Number T0525129D (the application is for a series of 2 marks) as shown below:-



for the following specification in Class 34 “ *Tobacco, cigarettes, matches and smoker's articles.*” (“Application Mark”).

The Opponents are Philip Morris Products S.A. (“Opponents”) and are the registered proprietors of various trade marks in Class 34 in Singapore.

The Applicants, PT. Perusahaan Dagang Dan Industri Tresno (“Applicants”) filed the application for registration on 8 December 2005. The mark was accepted for registration and was published in the Trade Marks Journal on 15 September 2006.

### ***Chronology of the Matter***

2 The Opponents filed their Notice of Opposition on 14 November 2006. The Applicants filed their Counter – Statement on 14 March 2007. The Opponents filed their evidence in support of the opposition on 1 February 2008. The Applicants filed their evidence in support of the application on 28 October 2008. The Opponents filed their evidence in reply on 22 December 2008. A Pre – Hearing Review was conducted on 15 January 2009. As the parties were open to a possible settlement, a Further Pre – Hearing Review was scheduled whereupon the parties were to inform the Registrar as to the progress of the matter. However, at the Further Pre – Hearing Review on 5 March 2009, the parties informed that they are not speaking to each other and wish to proceed to a full hearing. Towards this end, the Opponents sought leave to amend the Notice of Opposition in order to clarify certain provisions which were originally pleaded. The Opponents also sought leave to file supplemental evidence to include copies of registration certificates of the Opponents’ foreign trade marks to support their claim that their marks are well known. The Amended Notice of Opposition was filed on 16 June 2009 and the Opponents’ Supplementary Statutory Declaration was filed on 19 June 2009. The Applicants then filed their Amended Counter – Statement on 15 July 2009. The Applicants filed their Supplementary Statutory Declaration in Reply on 4 November 2009. The Registrar on 13 November 2009 wrote to both parties to confirm certain issues in lieu of conducting another Further Pre – Hearing Review. A hearing was finally set down for 16 March 2010. At the hearing on 16 March 2010 however (following the Applicants’ letter of 15 March 2010), Counsel for the Applicants sought to request for a 4 - week adjournment in order to take their clients’ instructions as to whether to proceed with the hearing as the Applicants were recently taken over by British American Tobacco and thus the Applicants required time to reassess their overall corporate strategy. Counsel for the Opponents informed that they were instructed to consent to a 2-week

adjournment as Counsel have another hearing one month from 16 March 2010. Further the Opponents asked for costs thrown away. After taking parties' concerns into consideration, the Registrar set down another hearing date on 28 April 2010 and costs in the amount of S\$100 was awarded to the Opponents. On 23 April 2010, Counsel for the Applicants wrote in to inform the Registrar that they did not receive any instructions to attend the hearing and thus it may be taken that the Applicants did not desire to be heard. Notwithstanding the above, they urged the Registrar to exercise her discretion pursuant to Rule 37(4) of the Trade Mark Rules and proceed with the hearing in the absence of the Applicants. On 27 April 2010, the Registrar wrote to both parties and informed that pursuant to Rule 37(4), she will be proceeding with the hearing notwithstanding the Applicants' non-attendance.

In view of the Applicants' non-attendance, the Applicants case is taken to be that based solely on the Applicants' tendered evidence and the Applicants' written submissions.

### ***Opponents' Evidence***

3 The Opponents' evidence was declared by Irina M. Lucidi and Georg Punkenhofer both Senior Counsel at Philip Morris International Management S.A. and are in charge of matters concerning trade marks registered in the name of the Opponents ("Opponents' First SD"). The Opponents' Statutory Declaration in Reply and the Opponents' Supplementary Statutory Evidence were declared by Celia Maria Pires de Moura Ullmann and Georg Punkenhofer the Assistant General Counsel and Senior Counsel respectively with Philip Morris International Management S.A. ("Opponents' Second SD" and "Opponents' Third SD" respectively).

It is the Opponents' evidence that they and their related companies ("Philip Morris") for many years have been engaged in the manufacture, sale and distribution of cigarettes throughout the world. Philip Morris manufacture and sell cigarettes and tobacco products for the global market under various brands.

It is also the Opponents' evidence that MARLBORO cigarettes have been made and sold by Philip Morris (and their predecessors) since 1924. Philip Morris introduced the MARLBORO cigarettes brand bearing the distinctive roof device trade mark in the United States in 1955. The world wide commercialization of MARLBORO cigarettes brand bearing the roof device expanded throughout the 1960's, 1970's, 1980's and 1990's and has been used and continues to be used worldwide by the Opponents, their affiliates and / or their licensees in over 160 countries.

### ***Applicants' Evidence***

4 The Applicants' Statutory Declaration and the Applicants' Supplementary Statutory Declaration in Reply were declared by Jusuf Salman, the Legal Manager of the Registered Proprietors ("Registered Proprietors' SD" and Registered Proprietors' Supplementary SD" respectively).

The Applicants are based in Indonesia. Their primary area of focus is the manufacture and marketing of cigarettes throughout the Asian region. The Applicants are the registered proprietors of marks identical to the Application Mark in Class 34 in Indonesia, Taiwan, Thailand, Cambodia, Myanmar and Vietnam.

### ***Applicable Law and Burden of Proof***

5 The applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) (“Act”) and the burden of proof in an opposition under the Act is on the Opponents. ***Kerly’s Law of Trade Marks and Trade Names 14<sup>th</sup> Edition*** (“*Kerly’s*”) at paragraph 5-118 states:

*“There is no overall onus on the applicant either before the Registrar or in opposition proceedings.”*

### ***Grounds for Opposition***

6 The Opponents, in their Amended Notice of Opposition had relied on Sections 8(2), 8(7)(a), 8(4)(b)(i), 8(4)(b)(ii)(A), 8(4)(b)(ii)(B), 7(6) and 7(1). However, in their letter of 10 December 2009, the Opponents confirmed that they are only proceeding on Sections 8(2)(b), 8(7)(a), 8(4)(b)(i), 8(4)(b)(ii)(A), 8(4)(b)(ii)(B) and 7(6).

I will deal with the grounds in the same order.

### ***Ground of opposition under section 8(2)(b)***

7 Section 8(2)(b) reads:

*“8. —(2) A trade mark shall not be registered if because —*

*...*

*(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,*

*there exists a likelihood of confusion on the part of the public.”.*

An “earlier trade mark” is defined in Section 2(1):

*“ "earlier trade mark" means —*

*(a) a registered trade mark or an international trade mark (Singapore), the application for registration of which was made earlier than the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks; or*

*(b) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was a well known trade mark,*

*and includes a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of paragraph (a) subject to its being so registered.”*


Finally the definition of a “trade mark” and “sign” is also provided under Section 2(1):



*“ "sign" includes any letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape, colour, aspect of packaging or any combination thereof;*

*"trade mark" means any sign capable of being represented graphically and which is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person”*

***Opponents’ submissions***

8 The Opponents are the registered proprietors of the following trade marks in Class 34 in Singapore:

<b>REGN NO.</b>	<b>TRADE MARK</b>	<b>APPLICATION DATE</b>	<b>CLASS</b>	<b>GOODS</b>
T58/24245 A		11 Dec 1958	34	Cigarettes

REGN NO.	TRADE MARK	APPLICATION DATE	CLASS	GOODS
T81/02018 D		8 May 1981	34	Cigarettes
T92/03844 F		23 May 1992	34	Tobacco Products; all included in Class 34

(collectively, “the Opponents’ Marks”).

9 The Opponents submitted that all of the Opponents’ Marks contain a distinctive roof design device which consists of five-sided figure with a horizontal top and two vertical sides with two upwardly and inwardly sloping diagonals, which is represented below :



(“ROOF device”).

As the Opponents’ Marks were applied for and registered prior to the date of the application to register the Application Mark, i.e. 8 December 2005, the Opponents submitted that Opponent’s Marks are accordingly “earlier trade marks” for the purposes of Section 8(2).

The Opponents also submitted that for reasons below, the Opponents' Marks are also well known trade marks prior to the application date of the Application Mark and hence are likewise "earlier trade marks".

10 The Opponents submitted that for opposition actions under Section 8(2) the test is that set out in *The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd* [2006] 2 SLR(R) 690 ("Polo Case"):

*"First, the alleged offending sign must be shown to be similar to the registered mark. Second, both the sign and the mark must be used in relation to similar goods or services. Third, on account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the public... if either of the first two conditions is not satisfied there will not be any need to go into the third question of determining whether there exists a likelihood of confusion."*

[Emphasis by the Opponents.]

11 To ascertain whether the marks are similar, the Opponents submitted that the test to be applied was described by Parker J in the case of *Pianotist Co Ltd's Application* (1906) 23 RPC 774 ("Pianotist Case"):

*"You must take the two words. You must judge them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of consumer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances ..."*

The Opponents submitted that while the conceptual, visual and aural similarity between the marks will be considered, the law does not require all three similarities to be made out before the finding that the marks are similar can be made. The relative importance of each factor will depend on the circumstances at hand and in particular, the goods and the type of marks involved. The Opponents submitted that where both marks are device marks, the visual similarity will usually be the most important factor. Since the Application Mark is in relation to a label, the visual similarity will be the most important factor.

12 The Opponents submitted that the main idea left by a mark is an important consideration. Two marks, when placed side by side, may exhibit many and various differences yet the main idea left on the minds in relation to both may be the same. Further the ordinary consumer has but an ordinary memory and it is the idea of the mark that he will remember. The Opponents submitted that the case of *Mrs Agnes Trouble v Crocodile International Pte Ltd* [2005] SGIPOS 12 has established that the comparison of marks should not be conducted by a side by side comparison nor should they be dissected and distilled into a general list of characteristics as "marks are generally remembered by general impressions or by some significant detail than by any photographic recollection of the whole" citing the case of *De Cordova v Vick* (1951) 68 RPC 103.

13 Further, in cases where there is a common denominator, it is important to look at the differences between the marks in order to decide whether the challenged mark has been able to distinguish itself sufficiently and substantially.

14 The Opponents submitted that for reasons outlined below, the Application Mark is visually and conceptually similar to the Opponents' Marks when compared as wholes.

15 The Opponents submitted that the visual similarities between the Application Mark and the Opponents' Marks are apparent in that they have the same or similar components:

- (a) a darker / coloured portion and a white portion;
- (b) a five sided roof device;
- (c) word elements and
- (d) a coat of arms (or a shield) appearing above a word.

The Opponents submitted that in respect of the Opponents' Marks while there are elements such as the words MARLBORO, MARLBORO LIGHTS and MARLBORO MEDIUM and a coat of arms device in each of the Opponents' Marks, the fact remains that when each mark is viewed as a whole, the ROOF device features prominently and is a distinctive element of the Opponents' branding and marketing. The Opponents submitted that the ROOF device is an essential element and striking feature of the Opponents' Marks.

16 The Opponents submitted that one will easily notice that a similar roof design features prominently in the Application Mark and similarly to the ROOF device in the Opponents' Marks, it:

- (a) is a five sided figure;
- (b) consists of two lines which meet at a point to form an angle that is greater than 180 degrees in the darker / coloured half of the device, whereas in the white half of the device, the angle formed by the lines is less than 180 degrees.

The Opponents submitted that in fact when one regards the Application Mark, it is the roof design device that catches the eye and attention of the consumer. Due to the striking presence of the roof design device in the Application Mark when the Opponents' Marks and the Application Mark are compared as wholes, the Opponents submitted that they are visually similar.

17 The Opponents submitted that notwithstanding that there are remaining elements appearing in the Application Mark and the Opponents' Marks, they are not sufficient to distinguish the marks due to the prominence of the roof design device in the Application Mark and the ROOF device in the Opponents' Marks. Moreover, in relation to the remaining elements appearing in the Application Mark:

- (a) in Singapore, the word COUNTRY (whether alone or with the word INTERNATIONAL) is not unique to the Applicants or the Application Mark where tobacco and cigarette products are concerned since the Opponents have also successfully registered trade marks which contain the word COUNTRY;
- (b) the phrase “20 Class A KING SIZE FILTER” appearing in the Application Mark is descriptive of the goods in question; and
- (c) the shield device in the upper left corner of the Application Mark is relatively small in comparison to the whole of the Application Mark.

18 The Opponents also noted that one of the series in the Application Mark adopts the same or a similar colour combination as one of the Opponents’ Marks, T92/03844F:-

- (a) both marks have a red portion (consisting of a 5 - sided roof design) and a white portion;
- (b) the word “Marlboro MEDIUM” in T92/03844F and “COUNTRY” in the Application Mark are in black;
- (c) the coat of arms in T92/03844F and the shield device in the Application Mark adopt the colours red and gold; and
- (d) the words appearing within the coat of arms in T92/03844F as well as the words “International” and “20 Class A KING SIZE FILTER” in the Application Mark are represented in white.

Representation of the aforesaid marks as follows:-

Opponent’s Trade Mark Registration No. T92/03844F	Colour version of the Application Mark
 <p>The image shows the Marlboro MEDIUM logo. It features a red shield-shaped element at the top with a white horizontal bar. Below this is a small coat of arms with a crown. The word "Marlboro" is written in a large, black, serif font, and "MEDIUM" is written in a smaller, black, sans-serif font below it.</p>	 <p>The image shows a portion of a cigarette pack. It has a white background on the left and a red background on the right. The word "COUNTRY" is written vertically in a large, black, serif font. Above it is a small coat of arms with a crown. The word "International" is written in a white, italicized font on the red background. At the bottom right, it says "20 CLASS A KING SIZE FILTER" in a small, white, sans-serif font.</p>

19 The Opponents submitted that the Opponents' Marks have been used by the Opponents in Singapore since January 1981 in respect of the packaging of the Opponents' cigarette products and are distinctive of the Opponents and hence the members of the public in Singapore will be familiar with the Opponents' Marks. On the other hand, from the evidence submitted by the Applicants, it does not appear that the Applicants have used the Application Mark in Singapore.

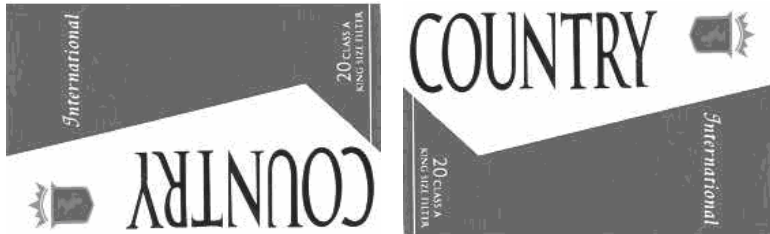
20 The Opponents submitted that adopting the principle as established by *Harker Stagg Ltd.'s Trade Mark [1953] RPC 205* a person who has an imperfect recollection of the marks that have been used ie the Opponents' Marks, is not likely to scrutinise the marks carefully and can only come to the conclusion that due to the distinctiveness of the ROOF device which is present in the Opponents' Marks, that the Application Mark is visually similar to the Opponents' Marks as the Application Mark features a similar roof design device. The similarity is further enhanced by the same or similar colour combination in respect of the coloured version of the Application Mark and one of the Opponents' Marks T92/03844F.

21 The Opponents referred to *La Societe Des Brasseries et Glacieres Internationales v Asia Pacific Breweries Ltd [2006] SGIPOS 5* ("*La Societe*"), where this tribunal found that where the predominant feature is reproduced by the later mark, in that the later mark reproduces the same idea, the marks can be conceptually similar in the mind of the average Singaporean. The Opponents submitted that in *La Societe* following the *Polo Case* this tribunal had ruled that where there is a common denominator, the customer will pay attention to the differences in the marks. It is when the common denominator is not only common in the sense that both the applicant and the opponent use it but is commonly used in the relevant trade that customers will be accustomed to distinguishing the marks with the common denominator by their differing features.

22 The Opponents submitted that in this case the Opponents' Marks and the Application Mark have a common predominant feature ie the idea of a roof design device that comprises of a 5-sided figure. The Opponents reiterated the common features of the ROOF device and the roof design device in the Opponents' Marks and in the Application Mark alluded to above. The Opponents submitted that for the same reasons submitted above, the remaining features in the Application Mark are not sufficiently distinguishable from the Opponents' Marks and hence the average member of the public will not pay much attention to these differences. Following the principle in *La Societe* as the later Application Mark reproduces the same idea as that of the Opponents' Marks, the Application Mark is conceptually similar to the Opponents' Marks.

23 In *La Societe*, the applicant's mark depicted the face of a tiger (front view) while the opponent's mark depicted the side profile of a full body tiger, yet it was held by this tribunal that the applicant's and the opponent's marks were conceptually similar. Likewise the Opponents submitted that in this case notwithstanding that the roof design device in the Application Mark may appear to be rotated sideways, the Application Mark is nevertheless conceptually similar to the Opponents' Marks. As the Application Mark is likely to be used in respect of the packaging of the Applicants' cigarette products, there

is a real possibility that the shop assistants will place the cigarette packets bearing the Application Mark sideways on the shelves / display area in the following manner:-



The Opponents submitted that in the circumstances, the idea of a roof design device in the Application Mark is even more apparent. The Opponents submitted that in respect of the image on the left, the image of a roof design device is very clear and the coloured / darker portion appears at the top half while the white portion appears at the lower half, which corresponds with the design of the Opponents' Marks. The placement of the word COUNTRY in the white portion and at the bottom of the roof design device corresponds with the Opponents' placement of the word MARLBORO in the Opponents' Marks. In respect of the image on the right while the roof design device appears at the bottom half of the Application Mark it does not detract from the fact that it is still a 5 - sided roof design device.

24 The Opponents submitted that the Applicants have not adduced any evidence to show that the concept of a roof design device is common to the tobacco industry in Singapore and they submitted that the idea of a roof design device is not one which is commonly used in the relevant trade ie the tobacco and cigarette industry. On the other hand, the Opponents have used and continue to use the Opponents' Marks in Singapore. In the circumstances, the Opponents submitted that members of the public in Singapore are not accustomed to distinguishing the Application Mark and the Opponents' Marks by their differing features. Conceptually when an average member of the public views the Application Mark, he sees the predominant feature of the Application Mark ie the roof design device and in light of the distinctiveness of the ROOF device in the Opponents' Marks in the tobacco and cigarette industry in Singapore and applying the principle of imperfect recollection, the same idea of a roof design device immediately comes to mind in respect of the Application Mark.

25 The goods claimed by the Opponents under the Opponents' Marks are for:-

- (a) "cigarettes" (T58/24245A and T81/02018D); and
- (b) "tobacco products; all included in Class 34" (T92/03844F)

collectively, "the Opponents' Goods".

The Applicants' goods as claimed are "Tobacco, cigarettes, matches and smoker's articles" ("the Applicants' Goods").

26 The Opponents referred to *Richemont International SA v Goldlion Enterprise (Singapore) Pte Ltd* [2006] 1 SLR 401 where the High Court held that once the goods have been determined to be identical from a comparison of the specifications, there is no need to consider the factors as laid out in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”). In construing a word used in a trade mark specification, it has been pointed out in *British Sugar* that one is usually concerned with how the products is, as a practical matter, regarded for the purposes of trade.

27 From a comparison of the specification of goods:-

- (a) The item “cigarettes” claimed by the Application Mark overlaps with the specification of goods in T58/24245A and T81/02018D and falls within the wide description of “tobacco products” in respect of T92/03844F; and
- (b) The descriptions “tobacco, matches and smoker’s articles” claimed by the Application Mark would fall within the wide description of “tobacco products” under T92/03844F and “tobacco” would overlap with “cigarettes” under T58/24245A and T81/02018D.

The Opponents submitted that the Applicants have admitted that there is an overlap in the specification of goods of the Application Mark and the Opponents’ Marks. In view of the obvious overlap, the Opponents submitted that the Application Mark is to be registered and used in respect of goods which are of the same description to those used and / or registered under the Opponents’ Marks.

28 If the Registrar does not accept that some or all of the Applicants’ Goods are identical to the Opponents’ Goods, where these goods are not identical, the Opponents submitted that these goods are nonetheless similar. The Opponents reiterated that the Applicants have conceded that there is an overlap in relation to the goods.

29 The Opponents referred to *British Sugar* where Jacob J laid down the following factors which may be used to assess the similarity of goods:-

- (a) the nature of the goods;
- (b) the end users of the goods;
- (c) the way in which the goods are used;
- (d) whether the respective goods are competitive or complementary, how those in the trade classify the goods and the trade channels through which the goods reach the market; and
- (e) in the case of self-serve consumer items, whether in practice they are respectively found or likely to be found on the same or different shelves.

It is not necessary for all the above requirements to be satisfied before the goods can be treated as similar.

30 Applying the test in *British Sugar*:-

- (a) the nature of the Opponents' Goods as well as that of the Applicants' Goods are similar, namely, cigarettes and tobacco products. The end users of the goods are the same, namely, consumers who smoke. Due to the age restriction imposed by law on cigarettes and tobacco products in Singapore, such consumers are likely to be from the age of 18 to the elderly; and
- (b) given the nature of the goods and the statutory restrictions relating to the sale of cigarettes and tobacco products in Singapore, the trade channels in relation to the Opponents' Goods and the Applicants' Goods are also the same as cigarettes and tobacco products are usually distributed by distributors in the tobacco trade to retail outlets such as supermarkets, mini - marts and service stations. Because of the age restriction imposed on the sale of cigarette and tobacco products retailers are to ensure that the cigarette and tobacco products are displayed within their premises in a way that consumers can only have access to these products through the assistance of an employee of the retailer. Hence, cigarette and tobacco products when offered for sale in Singapore are usually kept in a display area near the counter or point of sale area and a purchaser has to seek the assistance of the sales assistant or cashier for the cigarette and / or tobacco product that he wishes to purchase by either asking for or pointing to the cigarette packet. Thus both the Applicants' Goods and the Opponents' Goods are likely to be displayed next or near to each other in the same display area. In the case of matches and smokers' articles, while some of these goods could be placed on open shelves nevertheless they are used for the purposes of smoking and hence are similar to cigarette and tobacco products.

In light of the above, the Opponents submitted that the Applicants' Goods and the Opponents' Goods are similar in nature, are sold through the same trade channels and are regarded to serve the same use for the purposes of trade.

31 In the circumstances, the Opponents submitted that the Opponents' Goods and the Applicants' Goods are similar in that they overlap, being in relation to the same industry such that the use, channels of trade and users of the Opponents' Goods and the Applicants' Goods are the same. Further the Applicants and the Opponents are competitors and the Applicants' Goods may be regarded as substitutes for the Opponents' Goods.

32 The Opponents submitted that the High Court in *MediaCorp News Pte Ltd v Astro All Asia Networks plc* [2009] 4 SLR (R) 496 provides an instructive summary as to the principles to be considered in determining whether there is a likelihood of confusion:-

- (a) The court is entitled to look outside the mark and the sign as well as the articles to assess whether there exists a likelihood of confusion.

- (b) The question of likelihood of confusion has to be looked at globally taking into account all the circumstances including:-
- (i) the closeness of the goods;
  - (ii) the impression given by the marks;
  - (iii) the possibility of imperfect recollection;
  - (iv) the risk that the public might believe that the goods come from the same source or economically linked sources;
  - (v) the steps taken by the defendant to differentiate the goods from those of the registered proprietor; and
  - (vi) the kind of customer who would be likely to buy the goods of the applicant and the opponent.
- (c) One should not determine the likelihood of confusion based on the man in a hurry and the test should be the “ordinary, sensible members of the public”. The average consumer is someone who would exercise some care and good sense in making his purchases. However, the “average consumer” need not necessarily mean the general public as more specialized products might be purchased by a more specific cross – section of the public.
- (d) The ambit of the protection offered by the Act to a registered proprietor of a trade mark should be guided by the underlying aim of the trade marks regime, which is to ensure that consumers do not confuse the trade source of one product with another. The policy of Section 8 is to protect the public against deception. Mere association between the two trade marks is not a sufficient basis for concluding that there is a likelihood of confusion in the absence of any possibility of a misapprehension as to the origin of the goods.
- (e) The greater the exposure and use of a particular registered mark the greater its reputation is likely to be and thus the greater the protection likely to be afforded to it.

The test in each case is whether there is a real prospect that ordinary, sensible members of the public may be confused.

33 The Opponents submitted that there exists a likelihood of confusion on the part of the relevant public as a result of the similarity between the Application Mark and the Opponents’ Marks as well as the similarity between the Applicants’ Goods and the Opponents’ Goods. The relevant circumstances are as follows.

34 The Opponents repeated their submissions above in relation to the similarity between the Application Mark and the Opponents’ Marks and submitted that the high degree of similarity contributes significantly to the presence of a likelihood of confusion on the part of the public. As the Court of Appeal held in the *Polo Case* the greater the similarity between a mark and a sign, the greater there will be a likelihood of confusion.

35 The Opponents reiterated their submissions above that in respect of the coloured version of the Application Mark the Applicants have adopted the same or similar colour combination as one of the Opponents' Marks T92/03844F. Further given the sale mechanism of cigarettes and tobacco products as outlined above when the products are displayed near or behind the counter, the Opponents submitted that the visual elements such as the roof design are more striking than the word elements appearing on the marks. The first impression that an average consumer purchasing the Opponents' Goods has is that the ROOF device appears in the Opponents' Marks. When the average consumer sees the Application Mark, the same idea of a roof design comes to mind and the consumer may also recall that one of the Opponents' Marks has a similar colour combination (see above). In view of the close visual and conceptual similarities, the overall impression given by the Application Mark and the Opponents' Marks are the same and consumers who purchase cigarette and tobacco products do not always have the luxury of time to compare the marks.

36 The Opponents submitted that the identity and /or similarity between the Applicants' Goods and the Opponents' Goods (above) contributes significantly to the presence of a likelihood of confusion on the part of the public. Moreover the Applicants and the Opponents are competitors and given the overlap in the goods, the Applicants' Goods may be regarded as substitutes for the Opponents' Goods.

37 The Opponents submitted that the critical moment for assessing the likelihood of confusion is when the consumer has entered the shop and has had a chance to examine the product carefully. However in some cases the trading circumstances of the goods in question warrant assuming that the ordinary purchaser of those goods would exercise a higher or lower standard of care. The relevant consumer is not an unthinking person in a hurry but is someone who would exercise some care and good sense in making his purchases. He is literate, educated, exposed to the world and unlikely to be easily hoodwinked.

The Opponents submitted that the standard of care exercised by an average consumer of cigarette and tobacco products is relatively low given that due to the statutory restrictions imposed, these goods are not displayed on open shelves but are usually purchased by the consumer at the cashier or counter of a supermarket, mini - mart or service station with the assistance of a counter staff. More often than not, when requesting for a cigarette or tobacco product at the counter, a consumer is likely to be standing in line along with others who are waiting to pay for their purchases at the counter and hence if the cigarette or tobacco product is handed over to him by the counter assistant he is not likely to have the luxury of time to scrutinize or engage in a detailed analysis of the trade mark on the product packaging the way he would be able to do so if the product is a self help item placed on the open shelf. At that point in time, the average consumer has to place his trust in his imperfect recollection at the time of the purchase.

38 Further the perception of an average member of the public is that the Application Mark which bears a similar roof design device is an extension of the Opponents' family of marks as each of the Opponents' Marks bears a ROOF device. With the possibility of

imperfect recollection an average member of the public may be misled into believing that the Applicants' Goods originate from the Opponents.

39 The Applicants' Goods and the Opponents' Goods are competitive in nature. It is conceivable that the Applicants' Goods if sold in Singapore may be offered for sale at the same or a similar pricing to that of the Opponents' Goods and may be targeted at the same group of consumers as those of the Opponents. Given the high degree of distinctiveness of the Opponents' Marks, the close visual and conceptual similarities of the Application Mark with the Opponents' Marks as well as the fact that the Opponents have used the Opponents' Marks in Singapore for many years, the Opponents submitted that there is a real risk that the public might believe that the Applicants' Goods and the Opponents' Goods originate from the same source or economically linked sources, namely the Opponents, resulting in a likelihood of confusion on the part of the public.

40 Moreover, given that all the Opponents' Marks feature a ROOF device which is unique to the Opponents in Singapore in respect to the tobacco and cigarette industry an average member of the public upon seeing the Application Mark which adopts a roof design device which is similar to the Opponents' ROOF device may be misled into thinking that the Application Mark is part of the Opponents' family of marks. Hence he may be confused into thinking that the Applicants' Goods which bear the Application Mark originate from the Opponents or that both the Applicants and the Opponents are connected or economically linked as they both use the concept of a roof design device in their trade marks.

41 The Opponents reiterated their submissions above and submitted that due to the long usage of the Opponents' Marks in respect of cigarettes and tobacco products as well as their relatively significant market share in Singapore there have been a wide exposure of the Opponents' Marks to the members of the public in Singapore and the Opponents' Marks have become distinctive of the Opponents and no others. On the other hand, the Applicants do not appear to have used the Application Mark in Singapore. Hence the Opponents submitted that due to the wide exposure and use of the Opponents' Marks, the greater is the reputation and in the event that the Applicants commence use of the Application Mark in Singapore, there is a greater likelihood of confusion between the Application Mark and the Opponents' Marks.

42 The Opponents submitted that the Applicants have not furnished any example of any step they have taken or intend to take to differentiate the Applicants' Goods from the Opponents' Goods. In the circumstances it may be inferred that the Applicants have not taken any such step and the Applicants' failure to do so together with the close similarity of the Application Mark with the Opponents' Marks contribute to a likelihood of confusion.

43 In the circumstances, the Opponents concluded that:-

- (i) the Application Mark and the Opponents' Marks are visually and conceptually similar; and

- (ii) the Applicants' Goods and the Opponents' Goods are identical and / or similar.

As a result of the above, and taking into account the fact that an average consumer is unlikely to be able to examine cigarette and tobacco products carefully in view of the sales mechanism of such products and applying the principle of imperfect recollection, there exists a likelihood of confusion on the part of the public.

Thus the Opponents submitted that the Application Mark ought to be refused registration under Section 8(2)(b) of the Act.

### *Applicants' submissions*

44 The Applicants referred to the Court of Appeal decision in ***City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier [2009] SGCA 53*** ("***City Chain***") at [43] and [44]:

*"In order to establish an infringement under s 27(2)(b) of the Act, three factors must be shown namely: (a) the alleged offending sign must be similar to the registered mark; (b) both the sign and the mark must be used in relation to similar goods or services; and (c) on account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the public (see this court's decision in *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd [2006] 2 SLR 690* ("*Polo*") at [8]).*

*This court (at [8] of Polo) explained the relationship between the first and third factor by stating that, in a broad sort of sense, the greater the similarity between a mark and a sign, the greater will be the likelihood of confusion. However, the court expressly added that it does not mean that if the mark and the sign are similar, and they are used on similar goods, that there will ipso facto be confusion in the minds of the public. The court also explained that if either of the first two conditions is not satisfied, there will not be any need to go into the third question of determining whether there exists a likelihood of confusion."*

The Court of Appeal in the ***Polo Case*** while noting the difference between provisions relating to the refusal of registration of a mark and those relating to the infringement of an existing mark nevertheless took the view that the same approach could be adopted for Section 27(2) and Section 8(2).

45 The Applicants submitted that it is not in dispute that the Opponents' Marks and the Application Mark are to be used in relation similar goods. Thus the Applicants submitted that there are only two issues for the purposes of this proceeding:

- (a) whether the Application Mark and the Opponents' Marks are at least similar for the purposes of Section 8(2)(b) of the Act;
- (b) if the Application Mark and the Opponent' Marks are similar, whether there is a likelihood of confusion on the part of the public.

46 The Applicants submitted that in determining whether the Application Mark and the Opponents' Marks are at least similar for the purposes of Section 8(2) it has been established that this is a question of fact and degree for the Registry to determine by looking at the two signs as a whole. The Applicants submitted that comparing the Opponents' Marks and the Application Mark as a whole it is immediately obvious that the signs, as a whole, can hardly be said to be similar.

47 The Opponents' Marks (above) are essentially made up of, in the Opponents' terms, a ROOF device, along with a device of a crest or a coat of arms and the horizontal word MARLBORO prominently displayed at the bottom half of the Opponents' Marks.

In contrast, the Application Mark (above) features two word marks namely "COUNTRY" in bold upper case printed vertically on the left half of the sign and "International" that is italicized and of a significantly smaller font size and is printed horizontally in the top right quadrant of the sign. The crest or coat featured on the Application Mark is found on the top left hand quadrant of the sign and is of a completely different design from that found in the Opponents' Marks. In addition, the Application Mark does not have a roof design device.

48 The Applicants submitted that comparing the signs as wholes, they are not similar.

49 The Applicants submitted that if the Registry decides that the Application Mark and the Opponents' Marks are not similar, then the opposition on this ground fails and there is no need to consider the second issue. However on the assumption that the Opponents are able to discharge their burden of proof that the Opponents' Marks and the Application Marks are at least similar, the Applicants submitted that there is nevertheless no likelihood of confusion on the part of the public.

50 The Applicants submitted that in considering the question of the likelihood of confusion, it should be addressed globally, taking into account all the circumstances of the case including the closeness of the goods, the impression given by the marks, the possibility of imperfect recollection and the risk that the public might believe that the goods came from the same source or economically linked sources.

51 In relation to the interpretation of "*a likelihood of confusion on the part of the public*" the Court Appeal in *City Chain* endorsed Phang J's (as he then was) approach in *Nation Fittings (M) Sdn Bhd v Oystertec Plc* [2006] 1 SLR(R) 712 ("*Nation Fittings*") where his Honour noted that "*the case law appears to suggest that the "average consumer" need not, depending on the specific facts, necessarily mean the general public.*"

[Emphasis in the original.]

In *Nation Fittings*, which concerned dealings with trade marks for pipe fittings, Phang J held that the "average consumer" of pipe fittings such as those produced by the plaintiff

and Nation Fittings “*would not potentially be just any person but, rather, plumbers and contractors, bearing in mind the fact that there might, occasionally, be customers who were neither plumbers nor contractors*”.

[Emphasis in the original.]

52 The Applicants submitted that on the facts of this case, the “average consumer” cannot mean the general public but rather members of the public that are not only above 18 years of age but are also habitual smokers. Of course there are the occasional customers who are above 18 years of age and are not habitual smokers who can be classified as the “occasional smokers” or “social smokers”.

53 The Applicants submitted that as a starting point, the average consumer in Singapore has been described as literate, educated, exposed to the world and unlikely to be easily hoodwinked. Unlike most consumer goods which may be handled by the customer prior to the purchase, the average consumer of cigarettes cannot pick a pack of cigarettes off the shelf but rather must approach a counter staff for assistance. This is a unique feature in relation to the sale and purchase of cigarettes in Singapore and it is an important factor that must be borne in mind when determining the issue of “likelihood of confusion”. The Applicants submitted that the Opponents also recognize this fact. In the Opponents’ Second SD they say that “*the display and sale of cigarette and tobacco products in Singapore are regulated and such products are not placed on the open shelves but are kept in a display area near the counter or point of sale area*”.

54 The Applicants submitted that what this means is that the average consumer must approach the counter staff and request for a particular brand of cigarettes. As such even an unthinking person in a hurry would not be given an opportunity to be confused since he would have to tell the counter staff which brand of cigarettes he would like to purchase. This is where the word “MARLBORO” so prominently displayed on the Opponents’ Marks comes into play. Accordingly even if by the off - chance the average consumer (who is literate, educated, exposed to the world and unlikely to be easily hoodwinked) may have mistakenly believed that the Applicants’ Goods bearing the Application Mark are related to the Opponents or are in fact the Opponents’ Goods, the purchasing process itself would have dispelled such misunderstanding.

55 The Applicants submitted that thus the risk of confusion is merely hypothetical and speculative. There is simply no evidence of any such confusion arising on the part of the average consumer. Further there is no evidence to suggest a likelihood of confusion arising on the part of the average consumer. Thus the opposition on this ground must fail.

### ***Decision***

56 The test to be applied in this instance is the test in the *Polo Case* at [8] and [28] respectively:

*“First, the alleged offending sign must be shown to be similar to the registered mark. Second, both the sign and the mark must be used in relation to similar goods or services. Third, on account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the public... While we can see some link and overlap between the first and the third conditions, it is clear that they are different. The fact that a sign is similar to a registered mark does not automatically mean that there will be a likelihood of confusion on the part of the public. That is a question of fact to be determined by the court, taking into account all the relevant circumstances... However, if either of the first two conditions is not satisfied there will not be any need to go into the third question of determining whether there exists a likelihood of confusion... To determine the existence of confusion, the court is entitled to look outside the mark and the sign, as well as the articles, to assess whether there exists a likelihood of confusion...”.*

*“The question of likelihood of confusion had to be looked at globally, taking into account all the circumstances including the closeness of the goods, the impression given by the marks, the possibility of imperfect recollection and the risk that the public might believe that the goods came from the same source or economically-linked sources. Other extraneous factors could also be taken into consideration when determining the issue of confusion. These included steps taken by the allegedly infringing party to differentiate his goods from those of the registered proprietor, and the kind of customer who would be likely to buy their respective goods..”*

[Emphasis mine.]

The Court of Appeal in the ***Polo Case*** while noting the differences between Section 8 and Section 27 nevertheless took the view that the same approach could be adopted for these sections.

57 The guiding principle in the comparison of marks is laid down by Parker J in the ***Pianotist Case***:

*“You must take the two words. You must judge them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of consumer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances ...”.*

While the conceptual, visual and aural similarities between the marks will be considered, the law does not require all three similarities to be made out before a finding that the marks are similar can be made. The relative importance of each factor will depend on the circumstances of the actual case.

58 In the present case, it is clear that all the marks which comprise the Opponents’ Marks (above ie T58/24245A, T81/02018D and T92/03844F) all have an earlier

application date respectively and thus each and every mark is an earlier trade mark as per Section 2(1).

### *Visual Similarity*

59 Both the Application Mark and the Opponents' Marks are composite marks and consist of many components including following:

- (a) a darker / coloured portion and a white portion;
- (b) a five sided "roof device";
- (c) word elements and
- (d) a shield appearing above a word.

It is the Opponents' case that the ROOF device features prominently and is a distinctive element of the Opponents' branding and marketing. The Opponents' argument is that the ROOF Device is an essential element and striking feature of the Opponents' Marks.

60 First and foremost I note that the "roof device" is a term which is coined by the Opponents to describe the darker coloured portion in each of the marks comprising the Opponents' Marks. I note that the Opponents had registered this device in several countries (Exhibit I of the Opponents' Third SD). This portion is conveniently presented as follows:



61 While the Application Mark also contains the darker portion, it can hardly be said to be similar to the Opponents' ROOF device. Even if the coloured version in the series comprising the Application Mark is taken in comparison to T92/03844F, I note that the "roof device" in the Application Mark is at the side rather than at the top of the Application Mark. Further, the "roof device" in the Application Mark is not symmetrical, unlike the Opponents' ROOF device. Taking all of the above into consideration, the "roof device" in the Application Mark cannot be said to be similar to the ROOF device in the Opponents' Marks.

62 In making a comparison between marks, in particular, in relation to composite marks, it is important to compare them as wholes. When taken as a whole, this "roof device" in both the Application Mark and the Opponents' Marks respectively, at most only consists of 50% of the whole mark. Thus even if the "roof device" in both the Application Mark and the Opponents' Marks are similar, there is still a need to look into the other components of both marks. In this case, the word elements in both the Application Mark and the Opponents' Marks take up the other 50% of the marks. It is clear from the above that the two words are different. In the Application Mark, the

(main) word is COUNTRY and the in the Opponents' Marks, the words are MARLBORO / MARLBORO LIGHTS / MARLBORO MEDIUM respectively. In other words, the main word element in each of the marks comprising the Opponents' Marks is MARLBORO respectively.

63 It has been known that words "talk" in a composite mark. This is all the more so in the instance case when the device, which forms the other 50% of the mark, is not a well understood object. As mentioned above, the term a "roof device" is a term which is coined by the Opponents themselves to describe the coloured portion of the Opponents' Marks. In view of the above, it is clear that the dominant component in each mark comprising the Opponents' Marks is the word MARLBORO and not the ROOF device while the dominant component in the Application Mark is the word COUNTRY. Comparing the Application Mark and the Opponents' Marks as wholes, it is clear that they are different visually.

64 Thus I am of the view that visually, the Application Mark is different from the Opponents' Marks.

#### *Aural Similarity*

65 As the (main) word element in the Application Mark is COUNTRY while the (main) word element in all of the marks comprising the Opponents' Marks is MARLBORO respectively, it is clear that the marks are aurally different.

#### *Conceptual Similarity*

66 In relation to the ROOF device in the Opponents' Marks, the Opponents submitted that following *La Societe*, as the later Application Mark reproduces the same idea as that of the Opponents' Marks, the Application Mark is conceptually similar to the Opponents' Marks.

The Opponents submitted that in the *La Societe* case, the applicant's mark depicted the face of a tiger (front view) while the opponent's mark depicted the side profile of a full body tiger yet it was held by this Tribunal that the applicant's and the opponent's marks were conceptually similar. Likewise, the Opponents submitted that notwithstanding that the "roof device" in the Application Mark may appear to be rotated sideways, the Application Mark is nevertheless conceptually similar to the Opponents' Marks.

67 The case of *La Societe* can be distinguished from the instance case in that the device in *La Societe* is a commonly known / understood device of a tiger. Whether the front view or side view of a tiger is portrayed, the public can easily recognize that it is a depiction of a tiger. In contrast, as mentioned above, the "roof device" is a term coined by the Opponents in this instance to describe the device shown above. It is not a commonly understood device. Thus it is difficult to draw the connection between the "roof device" in the Application Mark and the ROOF device in the Opponents' Marks.

68 I have mentioned above that the other 50% of the Application Mark and the Opponents' Marks is the word COUNTRY and the word MARLBORO respectively. It is clear that these words do not conjure the same ideas, if any. Thus the marks are not conceptually similar.

69 In conclusion, the Application Mark is not visually, aurally or conceptually similar to the Opponents' Marks.

#### *Similarity of Goods*

70 As I have concluded that the Application Mark is not similar to the Opponents' Marks, it is not necessary for me to consider if the Applicants' Goods are identical / similar to the Opponents' Goods. However, for the sake of completeness, I will proceed to examine this element. At the outset, it is noted that the Applicants have submitted above that it is not in dispute that the Application Mark and the Opponents' Marks are to be used / used in relation to similar goods.

71 The Applicants' Goods consists of "*Tobacco, cigarettes, matches and smoker's articles.*" while the Opponents' Goods consists of:

- (i) T58/24245A – "*Cigarettes*"
- (ii) T81/02018D – "*Cigarettes*"; and
- (iii) T92/03844F – "*Tobacco Products; all included in Class 34*".

It is clear from the above that one of the goods under the Application Mark (cigarettes) is identical to that under T58/24245A and T81/02018D. It is also clear that there is an overlap between "tobacco" sought to be registered under the Application Mark and "tobacco products" under T92/03844F. The item "smoker's articles" under the Application Mark is also wide enough so that there is an overlap with Opponents' Goods. However it is unclear whether there is an overlap between "matches" under the Application Mark and the Opponents' Goods. "Tobacco" as defined in the Cambridge Dictionary means a substance which is smoked in cigarettes, which is prepared from dried leaves of a particular plant. Thus "tobacco products" would appear to refer to products which are made from such a substance.

72 The factors which may be used to assess similarity of goods are, as per Jacob J in ***British Sugar***:

- (a) the nature of the goods;
- (b) the end user of the goods;
- (c) the way in which the goods are used;
- (d) whether the respective goods are competitive or complementary, how those in the trade classify the goods and the trade channels through which the goods reach the market; and
- (e) in the case of self serve consumer items, whether in practice they are respectively found or likely to be found on the same or different shelves.

Applying the above factors to the present case, it would appear that while there is an overlap between the end users of the two products (ie matches versus cigarettes and tobacco products) and that the goods are complementary, they cannot be said to be similar.

73 In conclusion, based on the analysis above, except for “matches”, the Applicants’ Goods can be said to be identical / similar to the Opponents’ Goods.

#### *Likelihood of confusion*

74 As I have concluded that the Application Mark is not similar to the Opponents’ Marks, there is also no need for me to look into this element. However, for the sake of completeness, I will proceed to examine this requirement.

75 The issue of the likelihood of confusion, as per the quote from the *Polo Case* above, has to be looked at globally, taking into account all the surrounding circumstances.

76 It is pertinent to remember that the likelihood of confusion should not be determined based on a man in a hurry but rather it should be based on the ordinary, sensible members of the public. The average consumer is one who would exercise some care and good sense in his purchases (see the *Polo Case*). It is also important to be mindful that the average consumer in Singapore has been described to be literate, educated, exposed to the world and unlikely to be easily hoodwinked.

Further, in relation to the interpretation of “a likelihood of confusion on the part of the public”, Phang J (as he then was) held in *Nation Fittings* that the “public” were the consumers who were likely to buy the goods concerned and, depending on the nature of the goods, might comprise either the general public or only a specific cross-section of the public.

Due to the particular facts of this case, the average consumer in this instance is not the general public but the section of the public consisting of people who are above 18 years of age and who smoke. This description includes both habitual as well as occasional smokers.

77 The mechanism of the sale in this instance is also peculiar in that due to statutory restrictions, unlike most consumer goods which may be handled by a customer prior to the purchase, the average consumer in this instance cannot pick a pack of cigarettes off the shelf but must approach a counter staff for assistance.

78 I agree with the Applicants that due to the peculiar situation above, what happens is that an average consumer must approach the counter staff and request for a particular brand of cigarettes. This is when the word MARLBORO as displayed on the Opponents’ Goods comes into play since the consumer would have to tell the counter staff which

brand of tobacco products he would like to purchase. Alternatively, a consumer will have to point and verbally request for a particular brand of tobacco products. In either case, it is the word MARLBORO which is pertinent.

It is clear from the above that it is the visual and the aural aspects of the Application Mark which are important. Visually, it has been mentioned above that the dominant component in all of the Opponents' Marks is the word MARLBORO. Thus both visually and aurally, it is the word MARLBORO which stands out.

At this juncture I note that in relation to smoker's articles (other than cigarettes and tobacco products) and matches, there is no issue of confusion as it is clear that these items would be placed away from showcases containing the cigarettes due to the peculiar circumstances of the current case.

79 I do not agree with the Opponents that there is a possibility that the shop assistants will place the packets of cigarettes bearing the Application Mark sideways. One can step into any mini - mart or service station and it can be seen that generally the packets of cigarettes are placed in an upright position, even when the word elements are printed vertically on the packets. Even if, the packets of cigarettes are placed sideways, I do not think that it will cause any confusion for the simple reason that the "roof device" on the Application Mark looks different to the ROOF device on the Opponents' Marks for reasons mentioned above. The main element on the Opponents' Marks is the word MARLBORO while on the other hand, the main element on the Applicants' Marks is the word COUNTRY. While there may be instances where the consumer who is trying to buy a packet of cigarettes is in a queue and thus do not have the luxury of time to scrutinize the products, I agree with the Applicants that the intervention of the shop assistant in the sale mechanism will dispel any potential confusion.

80 It is also the Opponents' submissions that due to the long usage of the Opponents' Marks in Singapore and given its significant market share locally, there has been wide exposure of the Opponents' Marks to the members of public in Singapore and the Opponents' Marks has become distinctive of the Opponents and no other. The Opponents submitted that the wide exposure and use of the Opponents' Marks would have resulted in great reputation such that in the event that the Applicants commence use of the Application Mark in Singapore, there is a likelihood of confusion.

81 For reasons submitted below (see in relation to passing off) and based on the evidence tendered, it is the MARLBORO brand (and not the Opponents' Marks) which has long usage and wide exposure in Singapore. Thus I am of the view that (all the more so) the consumers of the Opponents recognize the Opponents Goods as those which encompasses the word MARLBORO and as such they would, in trying to purchase the Opponents' Goods, look out and ask for, the MARLBORO brand.

82 Further, while the Opponents have trade marks containing COUNTRY in class 34, it is clear that COUNTRY is not used alone but with MARLBORO (Exhibit H of the Opponents' Second SD).

The Opponents also referred to the Opponents' Third SD where COUNTRY has been used by the Opponents in promotional materials. Due to the statutory restrictions in Singapore in relation to the promotion of tobacco products, there is little or no evidence of the Opponents' promotional material in the local context. Thus, the Opponents referred to their promotional material overseas. In particular, the Opponents referred to Exhibit J of the Opponents' Third SD at pages 560, 561, 562, 574 and 577. It is noted that from the above evidence, COUNTRY is always used in conjunction with MARLBORO.

83 In view of all of the above, I am of the view that there is no likelihood of confusion.

84 In conclusion, the ground of opposition under Section 8(2)(b) fails.

***Ground of opposition under section 8(7)(a)***

85 Section 8(7)(a) reads:

*“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...”*

***Opponents' submissions***

86 The Opponents submitted that in order to succeed under this section, the Opponents would need to establish the classic trinity of elements for a passing off action:

(a) The plaintiff [opponent] must establish a goodwill or reputation attached to the goods or services which he supplies by association with the identifying get-up (whether it consists of a trade mark, trade name or product packaging, etc.) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of his goods or services.

(b) The plaintiff [opponent] must prove a misrepresentation by the defendant [applicant] to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant [applicant] are the goods or services of the plaintiff [opponent]. Whether the public is aware of the plaintiff's [opponent's] identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff [opponent].

(c) The plaintiff [opponent] must demonstrate that he suffers, or is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's [applicant's] misrepresentation.

87 In determining whether a mark has goodwill, the Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] SGCA 13 ("*Amanresorts*") has opined that the two essential features of goodwill are:

- (a) the association of a good, service or business on which the plaintiff's mark, name, labelling, etc....has been applied with a particular source; and
- (b) this association is an attractive force which brings in custom.

Proving goodwill or distinctiveness is a question of fact. Relevant factors include advertising, trading, volume of sales and whether the mark has been registered.

88 Further, in *Amanresorts*, the Court of Appeal also clarified that in assessing goodwill:

- (a) the specific sector of the public to be considered is the actual and potential customers of the plaintiff's goods and services. In the context of an opposition action, by reason of analogy, the test is whether goodwill exists among actual and potential customers in Singapore of the Opponent's goods; and
- (b) the relevant criterion is exposure, and not use, of the name.

89 Applying the above to the facts of the case, the Opponents submitted that since the Opponents' first use of the Opponents' Marks in Singapore in the 1980s, the Opponents have used the Opponents' Marks extensively in Singapore in respect of the Opponents' Goods. In this regard, the Opponents have adduced evidence showing the substantial volume of sales of cigarettes offered under the Opponents' Marks between 2000 to 2007 and their market share in Singapore from 2000 to 2007. The Opponents submitted that the Opponents' lack of advertising and promotion in Singapore must be seen in light of the statutory restrictions placed on advertisements relating to tobacco products in Singapore since or around 1971. Moreover, the Opponents have also sought registration of the Opponents' Marks in Singapore. The Opponents submitted that the evidence showing such extensive use of the Opponents' Marks reflects the valuable and substantive goodwill and reputation that the Opponents enjoy or have acquired in respect of their use of the Opponents' Marks in relation to the Opponents' Goods in Singapore.

90 Further or in the alternative, the Opponents submitted that the Opponents have used and continue to use the Opponents' Marks in relation to the Opponents' Goods extensively worldwide since 1955. The Opponents have also registered the Opponents' Marks and variations of the same in many countries. Further, the Opponents are regarded as the top selling brand of cigarettes in the world and are ranked in 6<sup>th</sup> position among the top international brands. The Opponents have therefore established themselves as a

market leader in the world. Where permitted by law, the Opponents have also expended time and money in advertising and promoting the Opponents' Marks and variations of the same.

91 The Opponents submitted that when considering the extent of the Opponents' goodwill, this Tribunal can also have regard to the spill-over reputation of the Opponents' Marks into Singapore as a result of the Opponents' extensive use and promotion of the Opponents' Marks overseas.

Given the sales volume of the goods bearing the Opponents' Marks as well as the Opponents' market share in Singapore, the Opponents submit that there is extensive exposure of the Opponents' Marks to the relevant section of the public in Singapore, i.e. the actual and potential consumers of the Opponents in Singapore who use the Opponents' Goods. Additionally, given the average Singaporean's ease in accessing news and information on the Internet, the Opponents submitted that this section of the public is very likely to be aware of the Opponents' long-standing use of the slogans MARLBORO COUNTRY and COME TO MARLBORO COUNTRY in conjunction with the Opponents' Marks and **ROOF** device, as there is a plethora of information online on the same. Particularly, the Opponents submitted that it was acknowledged in *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 2 SLR (R) 541 that modern technology and communication have improved at such a rapid rate that we in Singapore may be as familiar with famous international marks as someone in the country where the mark is actually in use.

92 In the circumstances, the Opponents submitted that the Opponents enjoy tremendous goodwill among the Opponents' actual and potential consumers in Singapore.

93 In *Amanresorts*, the Court of Appeal clarified that the target audience of the misrepresentation in a passing off action consists of the plaintiff's actual or potential customers. Consequently, it was held that the question of whether those in Singapore with goodwill towards the "Aman" names have received the Appellant's misrepresentation depends on how widely the misrepresentation has been broadcast, which is a matter of fact.

94 Misrepresentation is actionable only if it caused confusion. Evidence of actual confusion is not required before a passing off action can succeed. It is open to the court to infer a likelihood of confusion from the surrounding facts. The relevant consideration is whether the average reasonable person, with characteristics reflective of the relevant section of the public as identified under the examination of goodwill, is likely to be confused by the defendant's misrepresentation. Further, it is not necessary to prove that all persons would be deceived by the misrepresentation. It is enough if a substantial number of persons of the relevant section of the public are deceived into believing that the goods or services of the defendant (applicant) are those of the plaintiff (opponent) or that there is a business connection between the plaintiff (opponent) and the defendant (applicant).

95 The Opponents submitted that where there is no evidence of direct misrepresentation, the following factual elements, when shown, will assist in establishing a likelihood of deception or confusion in an action for passing off:

- (a) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (b) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

96 In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business - although it is well established that the parties in a passing off action need not be in mutual competition and may even be engaged in different fields of business activities;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons whom it is alleged is likely to be deceived and all other surrounding circumstance.

97 A misrepresentation can be with respect to a business connection, or more specifically to the origin or quality of the goods and services in question. A representation is often not express, and is therefore implied by conduct, eg, from the use of an identical or similar mark. As noted by Lord Parker in *Spalding (AG) & Bros v A W Gamage Ltd (1915) 32 RPC 273*, “*the more common case [of misrepresentation] is where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public...*”. This has also been affirmed in the recent Court of Appeal case of *Mobil Petroleum Company, Inc v Hyundai Mobis [2009] SGCA 38* (“*Mobil*”).

98 For reasons set out above (submissions in relation to the likelihood of confusion under Section 8(2)(b)), the Opponents submitted that the use of the Application Mark by the Applicants in respect of the Applicants' Goods will cause confusion on the part of the public as to the origin of such goods.

99 The Opponents submitted that they have established themselves as a market leader in the global tobacco industry such that the public has come to associate products sold under the Opponents' Marks as emanating from the Opponents and no other. In view of the visual and conceptual similarity between the Application Mark and the Opponents' Marks as outlined above, as well as the fact that the goods are identical and / or similar as outlined above as well, it is clearly apparent and likely that the public will be confused as to the origin of the Applicants' Goods bearing the Application Mark and assume that they are the Opponents' Goods or originate from the Opponents.

100 Further, the Opponents referred to *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 at page 706, where Millet L.J. opined :

*“Deception is the gist of the tort of passing off, but it is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct. Nevertheless, the question why the defendant chose to adopt a particular name or get up is always highly relevant. It is ‘a question which falls to be asked and answered’ : see Sodastream Ltd v Thorn Cascade Co. Ltd (1982) RPC 459 at page 466 per Kerr L.J. If it is shown that the defendant deliberately sought to take benefit of the plaintiff’s goodwill for himself, the court will not be “astute to say that he cannot succeed in doing that which he is straining every nerve to do”: see Slazenger & Sons v Feltham & Co (1889) 6 RPC 531 at page 538 per Lindley L.J.”*

101 The Opponents submitted that not only has the Applicants reproduced the distinctive ROOF device, it has also incorporated a combination of elements that are closely associated to the Opponents as detailed above. Additionally, the Opponents reiterated that one of the marks in the series in the Application Mark has adopted the colours red and white which are identical to the colour combination in one of the Opponents' Marks, (T92/03844F) and the Opponents repeated their submissions as to the similarity between the two marks.

102 The Opponents submitted that it can be clearly seen from above that the Application Mark can cause confusion on the part of the public as the Applicants' colour scheme and design of Application Mark clearly mimics the Opponents' Marks. For the foregoing reasons, the Opponents submitted that the Applicants' choice of Application Mark is too great a coincidence and is clearly intended to ride on the goodwill and reputation in the Opponents' Marks. Further, the Applicants have failed to elaborate on how they have taken steps to distinguish the Applicants' Goods from the Opponents' Goods. The only logical conclusion that can be drawn from the omission to do so is that it is intentional and specifically designed to create confusion among actual and potential purchasers of the Opponents' Goods and calculated to mislead the public into believing that that the Applicants' Goods are sold by or originate from the Opponents or that the Applicants and the Opponents are somehow connected.

103 In light of the fact that the parties are in direct competition, the particular manner in which the Applicants have shown they may use the Application Mark (i.e. by varying

the rotation of the mark) via the examples furnished in respect of Malaysia, the visual and conceptual similarities between the marks, the distinctiveness and long-standing use of the Opponents' Marks as well as the prominent manner in which tobacco and cigarette products are usually displayed on shelves for the customer's request, the Opponents submitted that a real likelihood of confusion on the part of the relevant public because of the Applicants' use of the Application Mark exists.

104 The Opponents reiterated that the Opponents' Marks share a common element, namely, the ROOF device, and that element has become distinctive of the Opponents. As such, the Opponents submitted that if another trader uses the same element, then there might be confusion that the latter trader's goods originated from the first trader. This argument was raised in *Sega Corporation v Segafredo Zanetti S.P.A.* [2006] SGIPOS 3 ("*Sega*"), which was an action premised on, *inter alia*, Section 15 of the Trade Marks Act (Cap 332, 1992 Rev Ed) ("*1992 Act*"). The Opponents submitted that the application of this principle is nevertheless of persuasive value in this instant case (specifically under the ground of passing off). This is because, under the *1992 Act*, it is usually argued by the opponent that the registration of the applicant's mark would be "contrary to law" under Section 15 and the tort of passing off is usually cited as the law referred in Section 15: see Paragraph 47 of *Sega*. Therefore, Section 8(7)(a) of the Act is arguably a clarification of one of the possible grounds that may be brought under Section 15 of the *1992 Act*.

105 In *Sega*, it was however noted that the principle only applied if the whole word SEGAFREDO is treated as the common element, as SEGAFREDO was the common element in the family of marks (i.e. Segafredo Zanetti, Segafredo Zanetti Emozioni and Segafredo Zanetti Intermezzo) rather than SEGA per se. It was opined as follows:

*"To argue that Sega is the common element or the prefix to the Opponents marks, their marks ought to be, for illustration purposes only, Sega-fredo, Sega-neti Sega-zioni and Sega-mezzo. Only then can the prefix Sega become the prefix distinctive of the Opponents."*

Unlike the *Sega* case, the ROOF device contained in the Opponents' Marks is represented as an element on its own. It may therefore be properly identified as the common element of the Opponents' Marks. As the Application Mark adopts a 5-sided device that bears close resemblance to the ROOF device, the Opponents submitted that there might consequently be confusion that the Applicants' Goods originated from the Opponents.

106 In *Amanresorts*, it has been held that the test for damage in passing off cases is either "actual or probable damage" to the plaintiff's goodwill. Two primary and very well-established means by which goodwill can be damaged identified in *Amanresorts* are the "tarnishment" and "blurring", which as clarified in *Mobil*, occurs when there is an erosion of goodwill as a result of misrepresentation and therefore, confusion.

107 The Opponents submitted that in light of the fact that the Opponents are market leaders in the tobacco industry, have a significant market share in Singapore in respect of

cigarette products and have long and extensive usage of the Opponents' Marks in respect of the Opponents' Goods, the public would expect the Opponents' Goods to have a high quality. As a result of the misrepresentation (in light of the Applicants' use of the Application Mark on the Applicants' Goods), the public would be misled to believe erroneously that the Applicants' Goods are of the same quality as the Opponents' Goods or that the Applicants and the Opponents are connected and hence they may expect the same high quality that is associated with the Opponents. In this regard, the Opponents' goodwill in the Opponents' Marks would be tarnished if the Applicants' Goods are not of the same quality or class as that of the Opponents.

108 The Opponents submitted that such misrepresentation leading to confusion could dilute or tarnish the value of the Opponents' Marks and cause significant damage to the goodwill and reputation of the Opponents and the Opponents' Marks. In the case of *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 ("*CDL*") it was established that differences in quality may be sufficient to establish damage to goodwill by tarnishment. If the Applicants' Goods are of a worse quality than those of the Opponents or have some undesirable characteristics, the Opponents submitted that the members of the public may think that the Opponents are now the source of such poor quality or undesirable goods. The substantial and valuable goodwill attached to the Opponents' Goods will lose its attractive quality and may even become a liability, driving away custom instead of attracting it. The Opponents' goodwill will accordingly be damaged as a result of the "down-market" connection caused by such confusion.

109 The Opponents submitted that, as a result of the Applicants' misrepresentation leading to confusion, sales may be diverted from the Opponents to the Applicants as members of the public may be misled into purchasing the Applicants' Goods under the perception that these are manufactured or originate from the Opponents or a related entity of the Opponents, or that the Applicants' Goods are the Opponents' Goods.

Blurring of the Opponents' goodwill would also manifest itself by the gradual whittling away and erosion of the uniqueness and exclusivity associated with the **ROOF** device from the use of the Application Mark, which incorporates a 5-sided device very similar to the Opponents' **ROOF** device. This would lessen the capacity of the **ROOF** device to identify and distinguish the Opponents' Goods from that of others. In other words, the goodwill attached to the Opponents' business or goods becomes spread out over business and goods that are not the Opponents'.

110 The Opponents submitted that they have established in these submissions that there is a likelihood of confusion and deception which would consequently damage the Opponents' business.

111 The Opponents submitted that the use of the Application Mark on the Applicants' Goods would be contrary to the law of passing off. Consequently, the Application Mark should be refused registration by virtue of Section 8(7)(a) of the Act and in light of the foregoing, the Opponents submitted that the Application Mark should not be allowed to proceed to registration.

### *Applicants' submissions*

112 The Applicants submitted that in order to establish an actionable tort of passing off the Opponents must establish goodwill, misrepresentation to the relevant sector of the public and that such misrepresentation has resulted in or is likely to result in damage to the Opponents' goodwill. The elements of misrepresentation and damage are very closely linked and it is crucial to appreciate that both the misrepresentation and the damage must relate to the Opponents' goodwill. A misrepresentation is actionable as a tort of passing off only if it causes (or is likely to cause) damage to the Opponents' goodwill.

113 The Applicants submitted that given that the Opponents have sold approximately 8,314 million sticks of cigarettes in Singapore between the years 2000 – 2007 and further that the Opponents enjoy a market share of about 34.6% for the year 2007, it is not in dispute that the Opponents enjoy goodwill in Singapore albeit such goodwill is limited to the Opponents' actual and potential customers and not to the public at large.

As clarified by the Court of Appeal in *Amanresorts* goodwill is not an all or nothing attribute in that it is not the case that there is or is not goodwill in Singapore. Goodwill can be limited to particular sections of the public and if goodwill is shown to exist only among that section of the public in Singapore, it would mean that while goodwill exists in this country it exists only in relation to that group and not to the entire public at large.

114 The Applicants submitted that the fact that the Opponents are not allowed by law to advertise their products to individuals below 18 years of age is conclusive evidence that the Opponents' goodwill cannot be in relation to the general public in Singapore.

In this regard the Applicants submitted that the definition of an "average consumer" for the purposes of Section 8(2) of the Act is relevant here in assisting the Registry to ascertain the "relevant sector of the public". The Opponents submitted that members of the public that are above 18 years of age and are smokers (whether habitual smokers or occasional smokers) form the relevant sector of the public. The Applicants thus submitted that goodwill is necessarily limited to this sector of the public.

115 The Applicants submitted that there are thus only 2 remaining issues for the purposes of these proceedings:

- (a) whether there is a misrepresentation to the relevant sector of the public; and
- (b) whether such misrepresentation has resulted in or is likely to result in damage to the Opponents' goodwill.

116 The Applicants submitted that to arrive at a proper determination of this issue, the following issues need to be explored:

- (a) content of the misrepresentation;
- (b) target audience of the misrepresentation;
- (c) whether the misrepresentation resulted in confusion.

117 The Opponents alleged (paragraph 15 of the Opponents' Second SD) that "*the use of the Application Mark will lead to the Applicant[s]' Goods being passed off or mistaken for the goods marketed under the MARLBORO Label Marks and the ROOF device, and cause consumers to think that there is a connection or association in the course of trade between the Applicant[s] and the Opponent[s]*" (emphasis by the Applicants). As such the Opponents alleged "*consumers will think that the Applicant[s]' Goods are those of the Opponent[s]' or that there is some trade connection between the Applicant[s] and the Opponent[s]*".

118 The Court of Appeal in *Amanresorts* has clarified that the target audience of the misrepresentation is the Opponents' actual or potential customers. Accordingly the alleged misrepresentation must be analysed from the perspective of those who have goodwill in the Opponents' get-up namely members of the public that are above 18 years of age and are smokers (whether habitual smokers or occasional smokers).

119 A misrepresentation is actionable under the law of passing off only if it gives rise to confusion. Confusion is an essential element of the tort of passing off. Evidence of actual confusion may be helpful but the lack of such evidence is not fatal to the Opponents' claim. The Registry is entitled to consider whether the average reasonable person, with characteristics reflective of the relevant section of the public as identified under the examination of goodwill, is likely to be confused by the defendant's misrepresentation.

120 The Applicants submitted that the question to be asked at this stage is thus fairly simple: Will those in Singapore with goodwill towards the Opponents' get-up believe that the Applicants' Goods have the same source as the Opponents' Goods or are somehow connected or associated with the Opponents?

The Applicants submitted that the answer to this question is clearly no. The primary reason is that MARLBORO is prominently printed on the Opponents' Marks whereas COUNTRY is prominently printed on the Application Mark.

121 The Applicants submitted that this difference is particularly significant given that it is the Opponents' evidence (paragraph 6 and Exhibit G of the Opponents' Second SD) that the word MALBORO is always used in conjunction with the ROOF device on the Opponents' Goods. The Opponents' actual or potential customers will thus know as a fact that the Opponents' Goods always carry the word MARLBORO along with the ROOF device. Consequently the Opponents' actual or potential customers will therefore know that cigarettes packets bearing the Application Mark (which prominently features COUNTRY) are unlikely to either be of the Opponents' manufacture or origin or are otherwise somehow connected or associated with the Opponents.

122 Additionally the Applicants submitted that as explained above, unlike most consumer goods which may be handled by the customer prior to purchase, the Opponents' actual or potential customer must approach a counter staff and request for the Opponents' Goods. As such the Opponents' actual or potential customer would have to tell the counter staff that he intends to buy the Opponents' Goods. Accordingly even if by off chance the average consumer may have mistakenly believed that the Applicants' Goods bearing the Application Mark were related to the Opponents or were in fact the Opponents' Goods, the purchasing process itself would have dispelled such misunderstanding.

123 The Applicants submitted that on the facts, the Opponents cannot reasonably argue that they have discharged their burden of proof that there is a misrepresentation to the relevant sector of the public.

124 The Applicants submitted that if the Registry decides that the Opponents are unable to discharge their burden of proof that there is misrepresentation to the relevant sector of the public then the opposition on this ground fails and there is no need to consider the second issue. However for completeness the Applicants nevertheless proceeded to address the issue in relation to damage.

125 The test for damage in an action for passing off is either "actual or probable damage" to the Opponents' goodwill. The Opponents' case is that the "*use of the Application Mark would, therefore, damage and injure the goodwill and proprietary rights of the Opponent[s]...*". The Applicants submitted that it is not clear what head of damage the Opponents are claiming given that there are several different heads of damage claimable. However for the purposes of these proceedings the Applicants assumed that the Opponents are claiming that their goodwill is likely to be damaged by "blurring" and by "tarnishment".

126 The Applicants relied on the principles outlined by the Court of Appeal in *Amanresorts* at [97] and [98]:

*"Blurring occurs when the plaintiff's get-up, instead of being indicative of only the plaintiff's goods, services or business, also becomes indicative of the defendant's goods, services or business. While customers may still be drawn by the attractive force of the plaintiff's get-up, they may be drawn to the business, goods or services of the defendant instead of those of the plaintiff. In other words, the goodwill attached to the plaintiff's business, goods or services becomes spread out over business, goods or services which are not the plaintiff's. This phenomenon occurs only when the business, goods or services of the plaintiff and those of the defendant are in competition with or are at least substitutes for each other. The damage manifests itself in sales being diverted from the plaintiff to the defendant.*

*Tarnishment occurs when the business, goods or services of the defendant are of a worse quality than those of the plaintiff or have some other undesirable characteristic. Customers think that the plaintiff is now the source of such poor quality or undesirable*

*business, goods or services. The goodwill previously attached to the plaintiff's business, goods or services loses its attractive quality and may even become a liability, driving away custom rather than attracting it. Where it is alleged that goodwill has been damaged by tarnishment, there is no need for the plaintiff's business, goods or services and those of the defendant to be in competition with each other (contra the position where damage to goodwill by blurring is concerned). The plaintiff and the defendant can be engaged in entirely different fields of business so long as it is shown that the poor quality or undesirability of the defendant's business, goods or services rebounds on the plaintiff."*

127 The Applicants submitted that in relation to the Opponents' presumed claim in blurring, the Opponents must establish that the Opponents' get up instead of being indicative of only the Opponent' Goods also becomes indicative of the Applicants' Goods. This means that while customers may still be drawn by the attractive force of the Opponents' get up, they may instead be drawn to the Applicants' Goods instead of the Opponents' Goods.

In other words, the Applicants submitted that it is crucial for the Opponents to establish (at the very minimum) that the Opponents' actual or potential customer may, while intending to purchase the Opponents' Goods inadvertently purchase the Applicants' Goods instead.

128 The Applicants submitted that the Opponents are unable to prove that the Opponents' actual or potential customer may while intending to purchase the Opponents' Goods, inadvertently purchase the Applicants' Goods instead. The Applicants submitted that it is relevant to bear in mind the unique circumstances surrounding the sale and purchase of the Opponents' Goods – that the Opponents' actual or potential customer must tell the counter staff that he intends to purchase the Opponents' Goods. Accordingly (as above) the purchasing process itself would have dispelled any misunderstanding between the Opponents' Goods and the Applicants' Goods.

129 In relation to the Opponents' presumed claim with regards to tarnishment, in order for the Opponents to succeed, the Applicants submitted that the Opponents must show that the Applicants' Goods are of a worse quality than those of the Opponents or have some other undesirable characteristic and that such poor quality or undesirability of the Applicants' Goods rebounds on the Opponents. In this regard as the Opponents do not have any evidence to establish this head of damage the Opponents' claim (presumably) in relation to tarnishment necessarily fails.

130 For the above reasons the Applicants submitted that the opposition on this Section 8(7)(a) ground fails.

### ***Decision***

131 The Court of Appeal in *Amanresorts* referred to the *dicta* in *CDL* at [36]:

“86 *First*, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. *Secondly*, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by [the defendant] are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as [the goods or services] are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. *Thirdly*, he must demonstrate that he suffers or, in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

[Emphasis mine].

#### *Goodwill*

132 I refer to *Law of Intellectual Property of Singapore* (Sweet & Maxwell, Rev Ed, 2009) by Ng – Loy Wee Loon (“***Law of Intellectual Property***”) at [17.1.3]. It is important to bear in mind that passing – off protects the plaintiff’s business or goodwill not the mark used to promote it although the role of the mark is crucial when proving the element of goodwill as the test which is used by the courts to determine whether the plaintiff’s business has goodwill is: whether the mark adopted by the plaintiff has become distinctive of his goods in the sense that it is associated or identified exclusively with his goods? The plaintiff usually discharges his burden of proving goodwill by tendering evidence of his sales volume, and / or the extent and amount of advertisement and media coverage of this business conducted under that mark.

133 On the issue of goodwill the Court in *Amanresorts* also clarified that the specific sector of the public to be considered can be limited to small sections of the public, so long as these sections are not negligible. Goodwill is the attractive force which brings in custom.

134 Applying the above to the present case, it is clear that the Opponents have goodwill in relation to the MARLBORO brand ie the word MARLBORO in Singapore although this goodwill would appear to be restricted to the specific section of the public

who under the law are allowed to smoke ie those who are above 18 years of age and who smoke whether habitually or occasionally (“the smoking community”).

135 The Opponents tendered evidence, in the Opponents’ First SD, of the following information relating to the Opponents’ sales and market share in the local context:

**Estimated sales volume (million sticks) between 2000 – 2007**

Volume (Million Sticks)	2000	2001	2002	2003	2004	2005	2006	2007
MARLBORO	1599	1451	1284	1192	842	664	626	656

**Market share in Singapore between 2000 – 2007**

Market Shares	2000	2001	2002	2003	2004	2005	2006	2007
MARLBORO	49.8%	47.0%	40.0%	40.5%	33.5%	32.8%	33.9%	34.6%

As the date of application of the Application Mark is 8 December 2005, only the figures in relation to the period between 2000 – 2004 (and part of 2005) can be taken into account.

136 Importantly, it is noted that the above information relates to the MARLBORO brand ie the word MARLBORO. There is no evidence tendered as to the marks which make up the MARLBORO brand as captured in the evidence above. While it is clear from the above that the Opponents have the relevant goodwill in relation to the MARLBORO brand within the relevant sector of the public, it is unclear as to whether the Opponents’ goodwill in the MARLBORO brand is due to the Opponents’ Marks, and if so, to what extent. It is noted that the Opponents have sought to register several variations of the Opponents’ Marks pertaining to their MARLBORO brand overseas (Exhibit I of the Opponents’ Third SD).

137 Nevertheless, Section 8(7)(a) provides that a trade mark shall not be registered if or to the extent that its use in Singapore is liable to be prevented 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.

I also note that the Applicants, at paragraph 30 of their written submissions, provided that *“it is not in dispute that the Opponent enjoys goodwill in Singapore, albeit, such goodwill is limited to the Opponents’ actual and potential customers and not to the public at large”*.

Thus the Opponents do have goodwill in their MARLBORO brand within the relevant sector of the public in Singapore ie the smoking community.

### *Misrepresentation*

138 On the issue of misrepresentation, the Court of Appeal in *Amanresorts* clarified that the target audience of misrepresentation in a passing off action is the actual and potential audience of the claimant. Misrepresentation is actionable only if it caused confusion and while there is no need to show *actual* confusion, the court has to assess whether there is a *likelihood* of confusion from the surrounding facts, based on the average reasonable person, with characteristics reflective of the relevant section of the public.

[Emphasis in the original.]

139 Further, the Court of Appeal in *Mobil* also made clarifications in relation to the target audience of the misrepresentation. At paragraph 78, the Court referred to *Neutrogena Corporation v Golden Limited* [1996] RPC 473 at 481–482:

*“It is, of course, the effect on the goodwill of Neutrogena which matters. It is not a defence to passing off that many of a defendant’s sales do not cause deception or confusion. There is passing off even if most of the people are not fooled most of the time but enough are for enough of the time. By ‘enough’ I mean a substantial number of the plaintiff’s customers or potential customers deceived for there to be a real effect on the plaintiff’s trade or goodwill. In this case (where most of these are probably not confused) the crucial question is whether or not the plaintiffs have established a sufficient degree of confusion and deception to take the case above a de minimis level. For there are always some people who are confused and even when products and names are well differentiated, mistakes do occur.”*

140 Applying the above to the current case, the question is: Would a substantial number of the target audience ie the actual and potential target audience of the Opponents be confused?

141 I am of the view that there is no misrepresentation here. I have already concluded that under the ground of opposition under Section 8(2)(b) that there is no likelihood of confusion.

142 It is noted from the evidence tendered above that the Opponents have about a third of the market share in Singapore. The following conclusions can be made from the evidence tendered:

- (i) The MARLBORO brand has been consistently used on the Opponents’ Goods sold in the local context. However, it is unclear as to the marks which make up the MARLBORO brand. In particular, it is unclear if the Opponents’ Marks make up the MARLBORO brand, and if so, to what extent.
- (ii) However, it can be said that the Opponents’ target audience would have been used to looking out for the MARLBORO brand ie the word MARLBORO

when they are trying to purchase the Opponents' Goods. I note that the word MARLBORO is always present on the Opponents' Goods. I refer to Exhibit G of the Opponents' Second SD, which according to the Opponents, are random images showing the packaging of the Opponents' Goods which are available for sale in Singapore.

In fact I also refer to Exhibit H of the Opponents' Second SD. Even those of the Opponents' marks in Singapore which incorporate the word COUNTRY contain the word MARLBORO.

143 From the above it is clear as to the importance and significance of the word MARLBORO for the Opponents. On the other hand, for the Application Mark, both visually and aurally, the dominant element is the word COUNTRY (see above in relation to the ground of opposition under Section 8(2)(b)).

144 Due to the statutory restrictions on the promotion of tobacco products in Singapore, there is little or no evidence as to the way that the Opponents promote the Opponents' Goods in Singapore. In light of this, I refer instead to the promotional materials of the Opponents overseas, which in light of the peculiar circumstances in the local context can provide us with a general feel as to how the Opponents promote their products. I refer to Exhibit J of the Opponents' Third SD at pages 556 – 582. Based on my observation, in all of the promotional materials, the word MARLBORO is displayed. Pages 560, 561, 562, 574 and 577 of Exhibit J portray the Opponents' promotional materials where the word COUNTRY is incorporated whether as part of a slogan or mark. Again, I note, that in all instances, the word MARLBORO is displayed.

145 The particular sales mechanism in this instance must also be taken into consideration. Due to restrictions, cigarettes are not placed on open shelves but are displayed on showcases whether on, behind or above the sales counter at supermarkets or service stations. The cigarettes are thus usually purchased by the consumer at the counter or cashier of the supermarket or service station with the assistance of a counter staff. Thus the consumer would have to tell the staff the brand of cigarettes which he would like to purchase or alternatively, he would point and tell the staff of the same. In such instances, the consumer would ask or point and ask for, the MARLBORO brand when they want to purchase the Opponents' Goods.

146 In light of the above, I am of the view that the element of misrepresentation is not made out.

#### *Damages*

147 Under this element, the Opponents are required to show that as a result of the Applicants' misrepresentation, there is actual or probable damage. However as I have concluded above that misrepresentation has not been made out, it is not necessary for me to look into the element of damage.

***Ground of opposition under section 8(4)(b)(i)***

148 The relevant provisions of the Act to be taken into account in considering the ground of opposition under this section are set out below.

Section 8(4)(b)(i) reads:-

*“8.— (4) Subject to subsection (5), where an application for registration of a trade mark is made on or after 1st July 2004, if the whole or an essential part of the trade mark is identical with or similar to an earlier trade mark, the later trade mark shall not be registered if—*

*(a) the earlier trade mark is well known in Singapore; and*

*(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered—*

*(i) would indicate a connection between those goods or services and the proprietor of the earlier trade mark, and is likely to damage the interests of the proprietor of the earlier trade mark; or*

*(ii) if the earlier trade mark is well known to the public at large in Singapore—*

*(A) would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or*

*(B) would take unfair advantage of the distinctive character of the earlier trade mark.”*

The definition of an “earlier trade mark” has been referred to above.

The definition of a “well known trade mark” is provided in Section 2(1) to mean:

*“(a) any registered trade mark that is well known in Singapore; or*

*(b) any unregistered trade mark that is well known in Singapore and that belongs to a person who—*

*(i) is a national of a Convention country; or*

*(ii) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,*

*whether or not that person carries on business, or has any goodwill, in Singapore;”*

Section 2(7) of the Act also provides:

*“Subject to subsection (8), in deciding, for the purposes of this Act, whether a trade mark is well known in Singapore, it shall be relevant to take into account any matter from which it may be inferred that the trade mark is well known, including such of the following matters as may be relevant:*

- (a) the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore;*
- (b) the duration, extent and geographical area of—*
  - (i) any use of the trade mark; or*
  - (ii) any promotion of the trade mark, including any advertising of, any publicity given to, or any presentation at any fair or exhibition of, the goods or services to which the trade mark is applied;*
- (c) any registration or application for the registration of the trade mark in any country or territory in which the trade mark is used or recognised, and the duration of such registration or application;*
- (d) any successful enforcement of any right in the trade mark in any country or territory, and the extent to which the trade mark was recognised as well known by the competent authorities of that country or territory;*
- (e) any value associated with the trade mark.”*

Section 2(8) of the Trade Marks Act further provides that:

*“Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.”*

Pursuant to Section 2(9) of the Act, the “relevant sector of the public in Singapore” includes any of the following:

- (a) all actual consumers and potential consumers in Singapore of the goods or services to which the trade mark is applied;*
- (b) all persons in Singapore involved in the distribution of the goods or services to which the trade mark is applied;*
- (c) all businesses and companies in Singapore dealing in the goods or services to which the trade mark is applied.*

Finally, “dilution” is defined in Section 2(1) to mean:

*“the lessening of the capacity of the trade mark to identify and distinguish goods or services, regardless of whether there is —*

- (a) any competition between the proprietor of the trade mark and any other party; or*
- (b) any likelihood of confusion on the part of the public.”*

[Emphasis all mine.]

### ***Opponents’ submissions***

149 The Opponents submitted that Section 8(4) of the Act is applicable regardless of whether the Applicants’ Goods are similar or dissimilar to the Opponents’ Goods and that the Opponents’ Marks are “earlier trade marks” for the purposes of Section 8(4) (see above).

150 The Opponents submitted that the whole or essential part of the Application Mark is similar to the Opponents’ Marks for the following reasons.

151 The Opponents repeated their submissions above in relation to visual similarity. The Opponents argued that the visual similarities between the Application Mark and the Opponents’ Marks are apparent when compared as wholes. The prominent element in both the Application Mark and the Opponents’ Marks is a roof design. While there are other elements in both the Application Mark and the Opponents’ Marks, these remaining aspects are not sufficient to distinguish the marks when compared as wholes. Moreover the visual similarity is enhanced as the coloured version of one of the series of the Application Mark adopts an identical or similar colour combination as one of the Opponents’ Marks ie T92/03844F.

152 Further or in the alternative, the Opponents submitted that the essential part of the Application Mark is the roof design since this aspect takes up at least 50% of the Application Mark and is the striking feature in comparison with the other aspects of the Application Mark such as the words COUNTRY INTERNATIONAL, the shield device and the descriptive words “20 Class A KING SIZE FILTER”. In the circumstances, the Opponents submitted that this essential feature of the Application Mark ie the roof design when compared with the Opponents’ Marks which also feature the ROOF device is even more visually similar.

153 The Opponents referred to their submissions above in relation to conceptual similarity. The Opponents submitted that the idea conveyed by the Application Mark is that of a roof design. In Singapore the concept of a 5-sided roof design is unique to the Opponents’ Marks in respect of cigarette and tobacco products and is distinctive of the Opponents and the Opponents’ Goods. Although the Applicants claim to have used the Application Mark in Singapore no evidence has been adduced to show such use. As the

Application Mark clearly reproduces the same or similar concept of a 5-sided roof design the Opponents submitted that the whole of the Application Mark is conceptually similar to the Opponents' Marks.

154 Further or in the alternative, the Opponents repeated their submissions above that the roof design is considered as the essential part and striking feature of the Application Mark. Thus, when compared with the Opponents' Marks which all strongly portray the concept of a 5-sided ROOF device the Opponents submitted that the essential feature of the Application Mark is conceptually similar to the Opponents' Marks.

155 The Opponents referred to *Amanresorts* where the Court of Appeal noted that the factors set out in Section 2(7) are (at [137]):

*“not an exhaustive list in that the court is obliged to take into account any matter from which it may be inferred that the trade mark is well known”...The list of factors in s 2(7) can thus be more accurately described as a set of guidelines.”*

Thus the listed factors in Section 2(7) are intended to be guidelines and not pre-conditions and the Court can take into consideration other matters not listed therein which may be relevant to a particular case whether by themselves or in combination with the listed factors.

156 In *Amanresorts* the Court of Appeal when considering Section 2(9)(a) of the Act, confirmed that the relevant sector of the public in Singapore refers to the actual and / or potential consumers of the plaintiff's goods and services. Hence applying to the context of an opposition action, the relevant sector of the public would include actual and potential consumers of the Opponents' Goods / all persons involved in the distribution of the Opponents' Goods / all businesses and companies in Singapore dealing with the Opponents' Goods.

157 The Opponents submitted that the Opponents' Marks have been in use in Singapore for a significant period of time in respect of cigarette and tobacco products since as early as 1981 and the Opponents have been continuously selling cigarette and tobacco products under the Opponents' Marks in Singapore. The sale quantities of the Opponents in respect of goods sold under the Opponents' Marks in Singapore as well as their market share in Singapore are set out in paragraphs 12 and 13 of the Opponents' 1<sup>st</sup> SD. Further MARLBORO has been regarded as the No. 1 selling brand of cigarettes in the world for 20 years between 1985 to 2004.

158 The Opponents submitted that given the Opponents' market share in Singapore and in light that MARLBORO has been the top selling brand of cigarettes in the world, it is well accepted that the Opponents' Marks are well known in Singapore and is easily recognized by the relevant sector of the public in Singapore. The relevant sector of the public would include not only the consumers who purchase the Opponents' Goods but also distributors and retailers of the Opponents' Goods such as supermarkets, mini-marts and service stations.

159 Due to the ban imposed on advertisement and promotion relating to smoking in Singapore in or around 1971 the Opponents have not been able to promote their tobacco and cigarette products by way of advertising in Singapore. However, where permitted by law, in other jurisdictions the Opponents have promoted the Opponents' Marks in *inter alia* print advertisements, posters, billboards, and signage as well as through sponsorships in car racing events. Evidence of such advertising and promotion can be found in Exhibit J of the Opponents' Third SD. These advertisements are also available online and can be accessed by the Singapore public.

160 The Opponents have expended much time and cost in securing the protection of the ROOF device as well as the Opponents' Marks and variations of the Opponents' Marks in many countries all over the world through trade mark registration. Particulars of registration of the same as well as copies of the relevant certificates under / or details from the respective trade mark databases can be found in Exhibit I of the Opponents' Third SD. By virtue of such extensive protection of the Opponents' Marks all over the world the Opponents submitted that the Opponents' Marks are capable of being well known trade marks in Singapore.

161 In terms of instances of successful enforcement of the Opponents' rights, in South Korea the Opponents have also successfully objected to the Applicants' South Korean application for a mark which is a black and white version of the Application Mark in Class 34 (Korean Application No. 42-2004-0052651) and the said South Korean application was rejected. One of the grounds of the information brief filed by the Opponents was that the Opponents' cited marks are well known world wide with respect to tobacco and their related goods.

162 As for brand value the Opponents reiterated their submissions above and highlighted that MARLBORO has been the top selling brand in the world for a significant period of time. Moreover, according to the "2007 Brandz Top 100 Most Powerful Brands" report by Milward Brown ("Brandz Report"), the Opponents' MARLBORO brand is ranked as the top 6<sup>th</sup> brand out of 100 top brands globally with an estimated value of US\$39,166 million. Moreover the top 5 brands appearing before MARLBORO's ranking are not related to tobacco and cigarette products hence where tobacco and cigarette products are concerned MARLBORO is the top ranking brand. The Opponents submitted that the brand listing should not be interpreted as restrictively to refer to the MARLBORO mark per se but should also extend to the Opponents' trade marks containing the word MARLBORO, including the Opponents' Marks.

163 In the circumstances, the Opponents submitted that the Opponents' Marks are well known in Singapore.

164 The case of *Mobil* is instructive as to what is sufficient to constitute a "connection". In that case, the Court of Appeal highlighted that a mere association or recollection of the well known mark by a consumer on seeing the well known trade mark

would not suffice in fulfilling the requirement of connection under Section 8(3)(ii) of the Trade Marks Act (Cap 332, 1999 Rev Ed) (“**1999 Act**”).

165 The Opponents submitted that the indication of a connection under Section 8(3)(ii) is unlikely to be as a result of an express statement. The prospective use of the opposed mark is invariably the representation. The Court of Appeal in *Mobil* also provided examples of the types of “connection” which would be sufficient for the purposes of fulfilling Section 8(3)(ii):

- (a) Connection as to origin which occurs when use of the offending mark will indicate that the applicant’s goods are of the same source as the opponent’s;
- (b) Connection as to quality which occurs where consumers are misled into thinking that the goods and services provided under the offending mark are of the same quality as those of the well known trade mark;
- (c) Connection as to business where consumers are misled into thinking that:
  - (i) the applicant and the opponent are related companies either because of the similarity in name or similarity of the trade marks they use;
  - (ii) there is a licensing or trading agreement under which the well known trade mark proprietor exercises some control over the goods and services of the opposed mark; or
  - (iii) the applicant’s business is a branch or other agency of the opponent’s or there is a merger or amalgamation of the applicant’s and opponent’s companies.

The Court of Appeal also noted that the connection, whether it is in relation to business, origin or quality, is one which indicates an existing relationship between the goods and services of the opposed mark and the proprietor of the well known mark. A connection that has not materialized is not sufficient. It is noted by the Court of Appeal that the test to show a connection is from the viewpoint of an average consumer or the reasonable individual. There is no need to show that a substantial number of the public would draw a connection.

166 The Opponents submitted that notwithstanding that *Mobil* concerned Section 8(3) of the 1999 Act, which has since been amended, the Court of Appeal’s interpretation on “connection” is still applicable to the present case insofar as Section 8(3)(ii) of the 1999 Act is in *pari materia* with Section 8(4)(b)(i) of the Act.

167 Further, in the case of *Amanresorts*, the Court of Appeal noted, *obiter*, that in respect of Section 8(4)(b)(i) of the Act, the confusion requirement must be read into Section 8(4)(b)(i) even though this is not expressly provided. In other words, there has to be a confusing connection between the plaintiff and the defendant’s goods or services.

The Court of Appeal in *Mobil* clarified that the test in determining confusion:

- (a) is the same as for Section 8(2), i.e. all relevant circumstances should be considered;
- (b) is applied to an ordinary member of the public or an average consumer, not someone who is either very observant or obtuse; and
- (c) is satisfied so long as a substantial portion of such persons are likely to be misled.

168 The Opponents submitted that use by the Applicants of the Application Mark in respect of the Applicants' Goods is likely to indicate a confusing connection between those goods and the Opponents in respect of the source, quality and business. The Opponents referred to their submissions above on the similarity of the Application Mark and the Opponents' Marks as well as in relation the identity and similarity of the Applicants' Goods and the Opponents' Goods.

169 Further, the Opponents submitted that Opponents' Marks have become synonymous with the Opponents and their quality cigarettes and tobacco products. The Opponents reiterated the significant brand value associated with the Opponents' Marks as outlined above and that the MARLBORO brand of cigarettes is ranked among the top 6 international brands and is the number one selling brand of cigarettes in the world between 1985 to 2004. The Opponents also have used the Opponents' Marks in Singapore since 1981 whereas it would appear that the Applicants have not used the Application Mark in Singapore. As such, consumers would expect a high level of quality in respect of the Opponents' Goods.

170 In view of the above, the Opponents submitted that a substantial portion of the public may be misled into thinking that the Applicants' Goods, which bear the Application Mark, emanate from the Opponents or are of the same quality as the Opponents' Goods. As such, the Opponents submitted that there is a confusing connection as to the source as well as the quality of the Applicants' Goods and the Opponents. The Opponents reiterated their arguments above in relation to Section 8(2)(b) regarding the circumstances leading to a likelihood of confusion.

171 The Opponents also submitted that both the Opponents and the Applicants are involved in the manufacture of cigarettes and deal in the same or similar type of goods, i.e. cigarette and tobacco products in Singapore and therefore are competitors. In light of the distinctiveness of the Opponents' ROOF device, as well as the visual and conceptual similarity of the Application Mark and the Opponents' Marks, a substantial portion of the public may be misled into thinking that the Applicants and the Opponents, which are both in the tobacco industry, are related companies or that the Applicants are an extension or branch of the Opponents, as they both use a similar roof design in their trade marks, as well as the same or similar combination of colours in respect of their packaging (in the case of the Applicants' Mark which is in colour and one of the Opponents' Marks T92/03844F). As such, the Opponents submitted that there is a confusing connection as to the businesses of both the Applicants and the Opponents.

172 The Opponents referred to *Mobil*, where the Court of Appeal clarified that damage to the interests of the well known mark owner is a result of confusion on the part of the public.

173 The Opponents submitted that the interests of the Opponents that are damaged as a result of the confusing connection between the Applicants' Goods and the Opponents are as follows:

(a) Damage as a result of a diversion of sales

The Opponents submitted that members of the public as a result of the confusing connection may be misled into purchasing the Applicants' Goods under the perception that these are manufactured or originated from the Opponents or that the Applicants are related entities of the Opponents. As such, the Opponents are likely to suffer pecuniary loss because of the diversion of sales.

(b) Damage to the goodwill of the Opponents and the Opponents' Goods

This is a type of damage that is recognised by the Court of Appeal in *Mobil*, i.e. damage due to the goods and / or services with which the connection is established having a down market image, thereby reflecting negatively on the goodwill of the well known mark.

The Opponents submitted that while the definition of well known mark under Section 2(1) is regardless of whether or not there is goodwill in Singapore, for the reasons set out above (in relation to passing off), the Opponents have goodwill in Singapore. Further, the Opponents repeated their submissions that the MARLBORO brand of cigarettes is ranked number 6 out of the 100 most powerful brands. The Opponents thus submitted that there will be damage to the goodwill of the Opponents and the Opponents' Goods in that if an average member of the public purchases the Applicants' Goods and the Applicants' Goods do not have or measure up to the same quality as that of the Opponents' Goods, the consumer's perception of the Opponents and the Opponents' Marks would diminish, and this would reflect negatively on the goodwill of the Opponents' Marks and hence damage the interests of the Opponents.

174 The Court of Appeal in *City Chain* noted that the expression "well known to the public at large" in respect of Section 55(3)(b)(i) must mean more than just "well known in Singapore". To qualify, the mark must necessarily enjoy a much higher degree of recognition. It must be recognized by most sectors of the public although the Court of Appeal would not go as far as to say all sectors of the public. The above principles should likewise apply to Section 8(4)(b)(ii) as the said provision is in *pari materia* with Section 55(3)(b)(i).

175 The Opponents submitted that the Opponents' Marks are not only well known to the public, but also well known to the public at large. The MARLBORO brand is not only top ranking in the tobacco and cigarette sector, but when compared with other brands, is ranked in 6<sup>th</sup> position. In terms of worldwide sales, MARLBORO is the best selling

brand. In the circumstances, the Opponents submitted that the Opponents have established themselves as the market leader in respect of their MARLBORO brand of marks, including the Opponents' Marks. In Singapore, the Opponents' Marks have been used since 1981. Further, between 2000 to 2007, the annual market share of MARLBORO in Singapore was at least 32.8% of the Singapore market, which is not a small figure. Moreover, given the sales mechanism of cigarette products in Singapore, the Opponents' Goods are usually displayed near the counter or point of sales area and members of the public when making their purchases at the counter would be exposed to the Opponents' Marks. Further, where permitted by law, the Opponents have also advertised and promoted the Opponents' Marks and such advertisement and promotion include, *inter alia*, print advertisements and car racing events. Given its international recognition, long usage as well as the market share in Singapore, MARLBORO, and consequently, the Opponents' Marks are not only well known in Singapore, but also well known to the public at large in Singapore.

176 In the case of *Amanresorts*, the Court of Appeal noted that "dilution" in the context of the Act refers to both dilution by blurring and dilution by tarnishment.

"Blurring" occurs where the singularity or distinctiveness of the mark is impaired or eroded while "tarnishing" occurs where a conflicting mark is used in relation to goods or services which are unwholesome, unsavoury, immoral or of obscene nature or there is a damaging connotation to the positive image or reputation of the well-known mark.

177 The Opponents submitted that as the Opponents' Marks are well known to the public at large in Singapore, use of the Application Mark in relation to the Applicants' Goods would lessen the capacity of the Opponents' Marks to identify and distinguish the Opponents' Goods and therefore, dilution to the Opponents' Marks, in the form of "blurring" occurs as the capacity of the Opponents' Marks to exclusively identify the Opponents' Goods from those of other proprietors is reduced or eroded. If the Application Mark is used on the Applicants' Goods, the distinctiveness of the Opponents' Marks would be eroded and the public would no longer exclusively think of the Opponents' Marks. In the circumstances, the Opponents submitted that the Application Mark would cause dilution in an unfair manner of the distinctive character of the Opponents' Marks.

178 The Opponents submitted that an example of an "unfair advantage" will be the free riding on the goodwill of the well-known mark. However, reference to a well-known mark for commercially justifiable reasons, such as the sale of spare parts is not unfair.

179 The Opponents submitted that for the reasons outlined above (in relation to passing off) the Opponents have goodwill in the Opponents' Marks. Use of the Application Mark in relation to the Applicants' Goods (which are identical / similar to the Opponents' Goods) would ride upon the substantial goodwill of the Opponents in the Opponents' Marks, unjustly drawing upon the consumer's recollection of the Opponents' Marks and allowing the Applicants to benefit significantly by way of a favourable

association with the Opponents' Marks, thereby taking unfair advantage of the distinctive character of the Opponents' Marks.

180 For the reasons outlined above, the Opponents submitted that the Application Mark be prevented from registration by virtue of Section 8(4) of the Act.

### ***Applicants' submissions***

181 The Applicants submitted that a distinction must be made between an opposition based on Section 8(4)(b)(i) and Sections 8(4)(b)(ii)(A) and (B).

In the latter, the Opponents must prove that the Opponents' Marks are "well known to the public at large" whereas in the former the Opponents need only prove that the Opponents' Marks are "well known to any relevant sector of the public in Singapore".

182 The Applicants submitted that in relation to Section 8(4)(b)(i), the first hurdle which the Opponents must cross is to establish that the Opponents' marks are "well known to any relevant sector of the public in Singapore". In this regard, the Applicants submitted that the relevant sector of the public is the actual and / or potential consumers of the Opponents' Goods. The Opponents is put to strict proof that the Opponents' Marks are well known to the "relevant sector of the public in Singapore".

183 The Applicants submitted that in order for the Opponents to succeed under this ground, in addition to proving that the Opponents' Marks are well known to the "relevant sector of the public in Singapore" it must further show that:

- (a) the use of the Application Mark in relation to the Applicants' Goods would indicate a connection between those goods and the Opponents; and
- (b) is likely to damage the Opponents' interest.

184 The Applicants submitted that in *Amanresorts* the Court of Appeal clarified that in order to prove a "connection" under Section 8(4)(b)(i), the opponent must prove "a likelihood of confusion".

In addition, the Court of Appeal in *Amanresorts* further explained that:

*"the tests to be adopted for the purposes of the "connection" requirement and the "likely to damage the [plaintiff's] interests" requirement in s 55(3)(a) of the current TMA would yield the same results as those obtained from applying the corresponding tests vis-à-vis the Respondents' claim for passing off (which tests are, respectively, whether the Appellant has made a misrepresentation to the relevant sector of the public (ie, the persons delineated at [66] above) which causes that section of the public to mistakenly think that the Project has the same source as or is connected with the Respondents' resorts, and whether such misrepresentation has resulted in or is likely to result in damage to the goodwill attached to the "Aman" names)."*

The Applicants submitted that although the Court of Appeal referred to Section 55(3)(a) it is axiomatic that the above is equally applicable to Section 8(4)(b)(i).

185 The Applicants submitted that for the same reasons submitted in relation to passing off (above) the Opponents have not discharged their burden of proof that there is a “connection” or that there is a “likelihood of confusion”.

186 Thus the Applicants submitted that the opposition on this Section 8(4)(b)(i) ground must fail.

187 The Applicants submitted that unlike Section 8(4)(b)(i) the Opponents need not prove confusion in order to succeed in its opposition under Section 8(4)(b)(ii). However, the Court of Appeal in *Amanresorts* emphasized that:

*“such protection (ie protection despite the absence of confusion) should, for now, properly be the preserve of a rare and privilege few.”*

188 In order for the Opponents to rely on this ground, the Opponents must first establish that the Opponents’ Marks are “well known to the public at large”. In particular, the Court of Appeal expressly endorsed the US approach to their equivalent of trade marks that are “well known to the public at large” (which is termed “famous marks” in the US) and approved the following passage by Prof J Thomas McCarthy in *McCarthy on Trademarks and Unfair Competition* (West Pub Co, 4th Ed, 1996) at § 24:108 where the learned author states:

*“To save the dilution doctrine from abuse by plaintiffs whose marks are not famous, a large neon sign should be placed adjacent wherever the doctrine resides, reading: ‘The Dilution Rule: **Only Strong Marks Need Apply.**’ ”*

[Emphasis in bold in original.]

189 The Applicants submitted that in any event, even assuming that the Opponents are able to establish that the Opponents’ Marks are “well known to the public at large in Singapore”, the Opponents still have to establish that use of the Application Mark in relation to the Applicants’ Goods would cause dilution in an unfair manner of the distinctive character of the Opponents’ Marks. In this regard the Court of Appeal in *Amanresorts* has clarified that “dilution” in the context of Section 8(4)(b)(ii)(A) “clearly refers to both dilution by blurring and dilution by tarnishment”.

The following extract of the Minister for Law’s speech during the second reading of the Trade Marks (Amendment) Bill 2004 and reproduced in *Amanresorts* is apposite:

*“[T]here can be situations where the reputation and value of the well-known mark is diluted by blurring or tarnishment, even though there may not be consumer confusion, for*

*example, if someone uses a well-known mark on inferior quality goods or on goods, say, of an obscene nature.”*

190 The Applicants submitted that the same tests used to determine damage by “blurring” and “tarnishment” in relation to passing off is equally applicable to determine “dilution by blurring or tarnishment” under Section 8(4)(b)(ii)(A). Accordingly the Applicants referred to their arguments in relation to passing off (above) and reiterated that the Opponents do not have any evidence to prove either “dilution by blurring or tarnishment”.

191 Thus the Applicants submitted that the opposition under this Section 8(4)(b)(ii)(A) ground must fail.

192 As with the ground of opposition under Section 8(4)(b)(ii)(A), the Applicants submitted that the Opponents must first establish that the Opponents’ Marks are “well known to the public at large in Singapore” for Section 8(4)(b)(ii)(B).

For the reasons already submitted, the Applicants submitted that the Opponents’ Marks are not “well known to the public at large in Singapore”.

193 The Applicants submitted that even assuming that the Opponents are able to establish that the Opponents’ Marks are “well known to the public at large in Singapore” the Opponents still have to establish that the use of the Application Mark in relation to the Applicants’ Goods would take unfair advantage of the distinctive character of the Opponents’ Marks.

In this regard the Court of Appeal explained in *Amanresorts* that the “unfair advantage” condition in Section 8(4)(b)(ii)(B) is meant to protect against “free-riding” uses.

194 The Applicants submitted that the question to be asked is: Is there evidence to show that the Applicants are, by way of the Application Mark, trying to “free ride” off the distinctive character of the Opponents’ Marks? The Applicants submitted that the Opponents have no evidence to prove that the Applicants are, by way of the Application Mark trying to “free ride” off the distinctive character of the Opponents’ Marks.

195 Thus the Applicants submitted that opposition under this Section 8(4)(b)(ii)(B) ground must fail.

### ***Decision***

*Whether the whole or an essential part of the trade mark is identical with or similar to an earlier trade mark*

196 In relation to this element under this provision, the issues to be considered are similar as that to be considered under Section 8(2)(b) (above).

197 Visually, and aurally, the Application Mark is different from either the Opponents' Marks (of which the dominant element is the word MARLBORO) or the Opponents' MARLBORO brand as the dominant element in the Application Mark is the word COUNTRY.

198 Thus I am of the view that this element has not been made out and there is no need for me to consider the other elements under this provision and the ground of opposition under Section 8(4) has not been made out.

199 However, before I leave this Section, in view of the substantial submissions made and evidence tendered in relation to this provision, I make the following observations.

*Whether the Opponents' Marks are well known in Singapore*

200 The Act provides guidance as to what "well – known in Singapore" entails. The definition of a well – known mark is provided under Section 2(1) to mean, any registered / unregistered trade mark which is well – known in Singapore and that belongs to a person who is a national of / domiciled in / has a real and effective industrial or commercial establishment in a Convention country, whether or not that person carries on business or has any goodwill in Singapore.

In particular, Section 2(7) provides that subject to Section 2(8), there are factors which can be taken into account from which it may be inferred that the trade mark is well known in Singapore. This includes:

- (a) the degree to which a trade mark is known to or recognized by any relevant sector of the public in Singapore;
- (b) the duration, extent and geographical area of –
  - (i) any use of the trade mark;
  - (ii) any promotion of the trade mark, including any advertising of or any publicity given to the goods to which the trade mark is applied;
- (c) any registration or application for the registration of the trade mark in any country in which the trade mark is used or recognized and the duration of such registration or application;
- (d) any successful enforcement of any right in the trade mark in any country and the extent to which the trade mark was recognized as well known by the competent authorities of that country;
- (e) any value associated with the trade mark.

The Court of Appeal in *Amanresorts* noted, in relation to Section 2(7) at [137]:

*“The factors laid out in ss 2(7)(a)–2(7)(e) of the current TMA (which collectively correspond to Art 2(1)(b) of the Joint Recommendation) are not an exhaustive list in that the court is obliged to take into account “any matter from which it may be inferred that the trade mark is well known” [emphasis added] (per s 2(7) of the current TMA). It appears that the court is ordinarily free to disregard any or all of the factors listed in s 2(7) as the case requires (subject to one particular factor which we shall discuss at [139]–[140] below), and to take additional factors into consideration. The list of factors in s 2(7) can thus be more accurately described as a set of guidelines.”*

[Emphasis mine.]

201 The Court in *Amanresorts* noted that it would appear that Section 2(7)(a) is the most important factor due to the deeming provision in Section 2(8) where it provides that where it is determined that a trade mark is well-known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well-known in Singapore. The Court provided at [139] and [140]:

*“Despite what has been said earlier, it can be persuasively said that s 2(7)(a) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore... This is because, by virtue of s 2(8) of the current TMA:*

*Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.*

*This deeming provision suggests that the court cannot disregard s 2(7)(a) (which looks at “the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore” [emphasis added]) in its deliberations. Indeed, it appears that all the other factors listed in s 2(7) are irrelevant once it is determined that the trade mark in question is well known to “any relevant sector of the public in Singapore” (per s 2(7)(a)).”*

[Emphasis mine.]

202 Further, Section 2(9) provides that in Section 2(7) and (8), the “relevant sector of the public” includes any of the following:

- (a) all actual and potential consumers in Singapore of the goods or services to which the trade mark is applied;
- (b) all persons in Singapore involved in the distribution of the goods or services to which the trade mark is applied;
- (c) all business and companies in Singapore dealing in the goods or services to which the trade mark is applied.

The Court of Appeal in *Amanresorts* further clarified that the actual and potential consumers are the plaintiff's actual and potential consumers. In the context of an opposition, the relevant consideration would be the Opponents' actual and potential consumers.

203 In view of the above, the question to be answered is, whether the Opponents' Marks or MARLBORO brand is well known to the consumers / distributors / dealers of the Opponents' Goods?

204 The Opponents tendered the following evidence in support of their claim that the Opponents' Marks (above paragraphs 157 – 163) are well – known to the relevant sector of the public in Singapore:

- (i) evidence in relation to their market share in Singapore (see above in relation to goodwill).
- (ii) promotional material in relation to the Opponents' marks overseas (Exhibit J of the Opponents' Third SD).
- (iii) registrations / applications for registration made by the Opponents across the world (Exhibit I of the Opponents' Third SD).
- (iv) the Opponents' successful opposition in South Korea (Exhibit D of the Opponents' First SD).
- (v) in relation to brand value, the Opponents highlighted the Brandz Report (Exhibit A of the Opponents' First SD). In particular, at page 16 of the Opponents' First SD, it was indicated that MARLBORO is of the brand value of \$39,166 million (there is no indication as to whether this value is in USD or otherwise).

The Opponents also referred to the Maxwell Report (Exhibit A of the Opponents' First SD) and submitted that MARLBORO has been the number one selling brand for cigarettes in the world for the period 1985 – 2004.

Further, the Opponents also referred to the Brandz Report in that the Opponents' MARLBORO brand is ranked 6<sup>th</sup> globally.

205 Due to the deeming provision (Section 2(8)), I only need to consider if the Opponents' Marks are well known to the relevant sector of the public in Singapore. The evidence provided shows that the MARLBORO brand enjoys about a third of the market share in Singapore in 2005. This suggests to me that the MARLBORO brand would be well-known to the relevant sector of the public in Singapore, in particular, the actual and potential consumers in Singapore of the Opponents' Goods.

I would like to point out that the above evidence relates only to the MARLBORO brand and not the Opponents' Marks. There is nothing tendered in evidence to show if the Opponents' Marks constitute, whether wholly or partially, the MARLBORO brand referred to in the evidence and if so, the extent to which they so constitute.

206 Thus in view of the above, I am prepared to conclude that this element has been made out in that the MARLBORO brand is well – known to the relevant sector of the public in Singapore and thus well – known in Singapore.

*Whether use of the Application Mark would indicate a connection between the goods and the Opponents and is likely to damage the interests of the Opponents*

207 The Court of Appeal in *Amanresorts* clarified that the confusion requirement is to be read into Section 55(3)(a). Thus under this limb, there is a need to show that the Application Mark would indicate a (confusing) connection between the Applicants' Goods and the Opponents, and that such is likely to damage the interest of the Opponents.

The Court of Appeal in *Amanresorts* also commented at [234]:

*“In the instant case, we agree with the Judge’s finding (at [74] of the Judgment) that the tests to be adopted for the purposes of the “connection” requirement and the “likely to damage the [plaintiff’s] interests” requirement in s 55(3)(a) of the current TMA would yield the same results as those obtained from applying the corresponding tests vis-à-vis the Respondents’ claim for passing off (which tests are, respectively, whether the Appellant has made a misrepresentation to the relevant sector of the public (ie, the persons delineated at [66] above) which causes that section of the public to mistakenly think that the Project has the same source as or is connected with the Respondents’ resorts, and whether such misrepresentation has resulted in or is likely to result in damage to the goodwill attached to the “Aman” names)... However, we pause to clarify that while the tests relating to misrepresentation and damage under the law of passing off are substantively the same as the tests relating to, respectively, the “connection” requirement and the “likely to damage the [plaintiff’s] interests” requirement in s 55(3)(a) of the current TMA, the two sets of tests are not identical in one aspect. An important distinction is that the tests relating to misrepresentation and damage in passing off actions concern the plaintiff’s goodwill (see [69] above), whereas the corresponding tests under s 55(3)(a) of the current TMA concern the interests of the plaintiff and not its goodwill (indeed, as the definition of “well known trade mark” in s 2(1) of the current TMA makes clear, the plaintiff’s trade mark may be a “well known trade mark” for the purposes of s 55(3)(a) even if the plaintiff has no goodwill in Singapore”*

[Emphasis mine.]

While the specific comments were made in relation to Section 55(3)(a), as Section 55(3)(a) is in *pari materia* with Section 8(4), the comments will apply equally to the current situation. The Court, at [216], mentioned that the “damaging connection” condition in Section 55(3)(a) corresponds to that in Section 8(4)(b)(i), while the “unfair dilution” condition in Section 55(3)(b)(i) corresponds to that in Section 8(4)(b)(ii)(A) and finally, that the “unfair advantage” condition corresponds to that in Section 8(4)(b)(ii)(B).

208 I have already concluded above in relation to the ground of opposition under Section 8(7)(a) that the element of misrepresentation under the action for passing off has not been made out. For the same reasons, use of the Application Mark will not indicate a (confusing) connection between the Applicants' Goods and the Opponents.

*The earlier trade marks are well known to the public at large*

209 The Court of Appeal in **City Chain** provided some guidelines in relation to this requirement at [94]:

*“The expression “well known to the public at large” should be given a sensible meaning, bearing in mind that by virtue of s 2(8) of the Act, where a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore. Thus the test “well known to the public at large in Singapore” must mean more than just “well known in Singapore”. To come within the former test, the mark must necessarily enjoy a much higher degree of recognition. It must be recognised by most sectors of the public though we would not go so far as to say all sectors of the public. This approach would be in line with the US approach in determining famous marks.”*

[Emphasis mine.]

In fact, the Court of Appeal in **Amanresorts** commented, at [229] that:

*“Such protection ...should, for now, properly be the preserve of a rare and privileged few.”*

[Emphasis mine.]

210 In support of their submissions that the Opponents' Marks are well – known to the public at large, the Opponents submitted that not only that the Opponents have a third of the market share in Singapore but that in accordance to the Brandz Report, the MARLBORO brand has been indicated to be the top 6<sup>th</sup> brand in terms of brand value at \$39,166 million worldwide. The Opponents' case is that as the 5 brands above the MARLBORO brand are non – tobacco products, it indicates that MARLBORO brand is the top brand for tobacco products.

211 In support of their submissions, the Opponents' evidence is that as referred to above in paragraph 201.

In addition to my comments in paragraph 202, I note:

- (i) Exhibit I of the Opponents' Third SD shows that the Opponents had sought to register different variations of the their marks in many countries. Only some marks are similar to the Opponents' Marks.

- (ii) The Brandz Report pertains to the year 2007 while the relevant date in this instance is 8 December 2005. Pertinently, I note, at page 22 of Exhibit A of the Opponents' First SD that the MARLBORO brand is ranked 5<sup>th</sup> in North America and the brand value is also \$39,166 million. Thus it is possible that the reason why the MARLBORO brand is elevated to being the top 6<sup>th</sup> brand worldwide is essentially due to its fame in North America. Further, it is also unclear as to the marks which make up the MARLBORO brand referred to in the Brandz Report.
- (iii) In relation to the Maxwell Report, there is no breakdown as to the sales due to the different countries. In addition, as per point (iii), it is also unclear as to the marks which make up the MARLBORO brand referred to in the report.

212 Most importantly, it is there is a need to take into account the peculiar circumstances in relation to the tobacco industry in the local context. There is in place the *Smoking (Control of Advertisements and Sale of Tobacco) Act (Cap 309)* which restricts the promotion of tobacco products in the local context. In view of this, there can be, and there is no evidence in relation to the promotion of the Opponents' Goods in Singapore.

213 In view of the above, it is difficult to conclude, based on the evidence tendered, that the Opponents' Marks or MARLBORO brand is well – known to the public at large in Singapore ie to most sectors of the public in Singapore.

#### ***Ground of opposition under section 7(6)***

214 Section 7(6) reads:-

*“7.- (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”.*

#### ***Opponents' submissions***

215 The Opponents submitted that the application to register the Application Mark was made in bad faith and that the Application Mark should consequently be refused registration by virtue of Section 7(6) of the Act.

216 The Opponents referred to ***Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd [1999] RPC 367***, where Lindsay J formulated the concept of bad faith as follows:

*“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area of trade being examined.”*

217 In ***Harrison v Teton Valley Trading Co Ltd [2004] 1 WLR 2577***, the UK Court of Appeal also established that the applicable standard in determining bad faith is one that combines the objective and subjective tests, i.e. one which requires that before there can

be a finding of dishonesty, it must first be established that the defendant's conduct was dishonest by the ordinary standard of reasonable and honest people (the "objective" test) and that he himself realised that by those standards his conduct was dishonest (the "subjective" test). In this instant case, Sir William Aldous has this to say:

*"The words "bad faith" suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards."*

218 The Opponents submitted that the aforementioned "combined test" has also been adopted by the Singapore High Court in *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR 551 ("*Rothmans*") and affirmed in the recent case of *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* [2009] SGHC 280 ("*PT Swakarya*").

219 In *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth* [2009] ETMR 56 ("*Lindt Case*"), the European Court of First Instance was asked to consider whether Lindt, in seeking to register the three-dimensional mark (comprising of the shape of its chocolate bunny confectionery product) had acted in bad faith when it knew, or was in a position to know, that the trade mark sought to be registered is similar to one being used by a competitor in trade. In this regard, the European Court of Justice has provided the following guidance in assessing the "knowledge of the applicant":

*"First, ...a presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought may arise inter alia from general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it.*

*However, the fact that the applicant knows or must know that a third party has long been using ... an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.*

*Consequently, in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.*

*... the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.*

*Accordingly, the intention to prevent a third party from marketing a product may be an element of bad faith on the part of the applicant.*

*This is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.*

*In such a case the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion.*

*Equally, the fact a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that the sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.*

*In such a case, the applicant's sole aim in taking advantage of the rights conferred by the [Community] trade mark might be to compete unfairly with a competitor who is using a sign, which, because of characteristics of its own, has by that time obtained some degree of legal protection."*

220 It was also opined by VK Rajah JA in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR (R) 1073 as follows:

*"It would be fair to say that 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..."*

221 The Opponents submitted that the circumstances of the present case indicate that the application to register the Application Mark was made in bad faith. The Opponents are the owner of the Opponents' Marks, an entire family of marks with a common distinctive ROOF device (above). As a result of the Opponents' prolonged and extensive use and promotion of the Opponents' Marks, the Opponents' Marks had become highly distinctive of the Opponents and no other trader as of the date of the application to register the Application Mark. The ROOF device and the Opponents' Marks are well-known marks in Singapore as of the date of the application to register the Application Mark and the Opponents enjoyed, and continue to enjoy, extensive and valuable goodwill and reputation in the ROOF device and the Opponents' Marks. The Opponents reiterated their submissions in relation to the well-known-ness of the Opponents' Marks (under Section 8(4)) as well as in relation to goodwill (under Section 8(7)).

222 The Opponents submitted that the Applicants have incorporated a 5-sided device in its Application Mark that is almost identical and confusingly similar to the Opponents' ROOF device. Additionally, the Application Mark also contains the word COUNTRY, which the Opponents submitted is closely associated with the Opponents due to its long and extensive use as part of the slogans "COME TO MARLBORO COUNTRY" and "MARLBORO COUNTRY" in advertisements, where permitted by applicable law. Due to their long-standing use, these slogans have also come to designate the Opponents, and the Opponents have secured registrations in Singapore for these slogan marks as well.

223 Further, in respect of the colour version of the Application Mark, the Applicants have selected the same or a similar colour combination as that of the Opponents' Marks, namely, T92/03844F. The Opponents submitted that such a close resemblance of colour combination cannot be coincidental, particularly since the Applicants were made aware of the Opponents' Marks by way of the Opponents' agents' letter dated 2 October 2006.

224 Further, from the evidence of use of the Application Mark in Malaysia that has been furnished as well, the Opponents submitted that they note that the Applicants do not restrict use of the Application Mark to the orientation as filed, but are likely to vary the same. For example, when the Application Mark is used in relation to vans, the Application Mark is rotated such that the 5-sided device resembles an inverted ROOF device and the word COUNTRY is immediately apparent at a glance.

225 The Opponents submitted that it appears to be too great a coincidence that the Applicants have incorporated all of the following elements in the Application Mark:

- (a) a 5-sided device that bears such close similarity to the Opponents' ROOF device;
- (b) the word "COUNTRY", which (above) is closely associated with the Opponents;
- (c) the colours red and white, which (above) is identical to the combination of colours of one of the Opponents' Marks; and
- (d) the positioning of the word COUNTRY which, to quote the Opponents' deponent, is "*inscribed on a white background*" next to the "two lines that meet at a point to form an angle". This, the Opponents submitted, is proportionately / closely similar to the positioning of the word MARLBORO, which the Opponents' deponent has also described as being "*inscribed on a white background*" as well below the forked / sloping portion of the roof device. For ease of comparison, the Opponents set out below the representation of one of the Opponents' Marks (T92/03844F) as well as the Application Mark represented as used in trade in Malaysia:

Application Mark	Opponent's Mark
	

In the circumstances, the Opponents submitted that there exists such an irrefutable inference of copying as to make the evidence of copying superfluous.

226 The Opponents highlighted that the court is entitled to make a finding of bad faith even if the marks in question are not so similar as to cause confusion. Bad faith is a distinct and independent argument from the issue of confusing similarity. In this regard, the Opponents submitted that even if this Tribunal does not hold that the Application Mark is similar to the Opponents' Marks under Section 8(2)(b) (although the Opponents still maintain that the marks in question are similar), this Tribunal is still entitled to make a finding of bad faith.

227 Further, the Opponents submitted that an application for a trade mark would be tainted with bad faith if an applicant knew of the opponent and its concern about the possibility of confusion, and did not respond to the allegations. In this regard, the Opponents referred to the UK case *Kundry SA's Application: Opposition by the President and Fellows of Harvard College [1998] ETMR 178* ("*Kundry*"), where it was held that the applicant had registered the mark JARVARD in bad faith in the UK as, amongst other reasons, the applicant had previously sought to register the HARVARD mark in Spain despite being aware of the opponent and of the opponent's concern as to the possibility of confusion. The opposition was allowed to succeed as the applicant had taken no steps to respond to the allegation. The principle in *Kundry* has also been adopted in the High Court case of *Rothmans*.

228 The Opponents mentioned at this point that the Opponents have previously lodged an opposition on 8 July 2005 against Singapore Application No. T04/19936A for a mark that is virtually identical to the Application Mark in the name of PT. Perusahaan Dagang Dan Industri Tresno, to which the Applicants failed to respond. Despite the fact that the Applicants were aware of the Opponents' objection and concern as to the possibility of confusion, the Applicants have nevertheless proceeded to re-file the Application Mark.

229 The Opponents submitted that applying the reasoning in the *Lindt Case* as well as *Kundry* to the instant case, it is evident that, at the date of application, the Applicants have knowledge of the Opponents' ROOF device and the Opponents' Marks due to their long-standing use as well as the earlier notice rendered through the Opponents' opposition to the earlier Singapore Application No. T04/19936A. The Opponents submitted that the Applicants' decision to re-file the Application Mark, despite the aforementioned knowledge, is therefore indicative that the Applicants have not acted in a bona fide manner.

230 The Opponents submitted that it is also noteworthy that the Applicants have not made any attempt to explain the derivation of the Application Mark nor have they offered any explanation at all as to why the Applicants had chosen to adopt the "roof design" device therein, which is so similar to the Opponents' Marks that have been used extensively in Singapore and worldwide for many years. Such lack of explanation appears to be a factor, amongst others, that had led the High Court in *PT Swakarya* to conclude that the defendant in that case had acted in bad faith.

231 The Opponents submitted that the law requires bad faith to be determined as at the date of the application which would be 8 December 2005 when the Applicants filed their application. However, the case of *Ferrero SpA's Trade Marks [2004] RPC 29* ("*Ferrero's case*") is also authority for the proposition that bad faith did not exclude from consideration matters which occurred after the date of application; they may assist in determining the applicant's state of mind at the date of registration. That principle in *Ferrero's case* was referred to and followed in the High Court in case of *PT Swakarya*. Applying that principle to the current case, the Applicants' conduct subsequent to registration showed that they had no intention of using the Application Mark.

232 In particular, the Opponents submitted that despite their repeated submissions on the same, the Applicants have failed to adduce any evidence of use of the Application Mark in Singapore. To date, the Applicants have only submitted a few photographs showing some limited use of the "COUNTRY INTERNATIONAL" sign and use of signs consisting of a combination of one or more elements of the Application Mark, **all in Malaysia** (the Opponents' emphasis). The only logical conclusion that can be drawn from the Applicants' failure to adduce evidence of use of the Application Mark in Singapore since the date of application is that the Applicants have applied for the Application Mark without intending to use the Application Mark at all in Singapore and certainly not in the manner in which registration is sought. By seeking to register a mark (which they have no genuine intention of using in Singapore) that seeks to incorporate the Opponents' distinctive ROOF device as well as to adopt the same or a similar colour combination of one of the Opponents' Mark T92/03844F (the existence of which the Applicants must have been aware of) for identical or similar goods, the Opponents submitted that the Applicants are acting in a fashion that is commercially unacceptable by reasonable and experienced persons in the tobacco industry.

233 The Opponents submitted that in light of the fact that the Opponents have used the Opponents' Marks extensively in Singapore and worldwide, while the Applicants do not appear to have used the Application Mark in Singapore, by their choice of the Application Mark which incorporates the distinctive ROOF device as well as a combination of elements that are closely associated to the Opponents as elaborated above, the Applicants are blatantly attempting to ride on the goodwill and reputation of the Opponents' Marks. Such misconduct is evident when one considers the totality of the circumstances of the instant case, particularly, in light of the Applicants' prior knowledge of the Opponents' Marks and the Opponents' concern to as to the possibility of confusion as elaborated above (submissions in relation to misrepresentation under Section 8(7)).

234 Accordingly, the Opponents submitted that the application to register the Application Mark should be refused registration by virtue of section 7(6) of the Act.

#### *Applicants' submissions*

235 The Applicants submitted that in order for the Opponents to succeed on this ground, the Opponents must prove that the application for registration of the Application Mark was "made in bad faith".

236 The Court of Appeal in *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] 2 SLR(R) 814 ("*Wing Joo Loong*") has clarified (at [105] – [107]) that the test for "bad faith" requires the Opponents to show not only that the conduct of the Applicants in applying for the registration of the Application Mark fell short of the normally accepted standards of commercial behaviour but also that the Applicants knew of facts which to an ordinary honest person would have made the latter realize that what the Applicants were doing would be regarded as breaching those standards.

237 The Opponents stated their case at paragraph 11 of the Amended Notice of Opposition as follows:

*"By virtue of the prior registrations and extensive use of the Opponent[s] MARLBORO LABEL Marks, the Applicant[s] cannot claim to be the bona fide owners of the Application Mark. In addition, the Applicant[s] had not taken a positive duty to investigate into the bona fides of the mark before seeking registration. Accordingly, registration of the Application Mark would therefore be contrary to Section 7(6) of the Trade Marks Act (Cap. 332)."*

238 The Applicants submitted that it is hard to appreciate the Opponents' argument that by "virtue of the prior registrations and extensive use" of the Opponents' Marks, the Applicants "cannot claim to be the *bona fide* owners of the Application Mark", since one does not automatically lead to the other. Simply put, the fact that a party has numerous registered trade marks or has used its trade marks extensively does not mean that another party cannot apply to register another mark (which the Opponents added is not even similar to the registered trade marks). The Opponents submitted that this is not the test for bad faith, for otherwise, every objection that succeeds under Sections 8(1), (2), (3) or

(4) and which an opponent shows extensive use of its prior registered marks will automatically result in a finding of bad faith under Section 7(6). The Applicants submitted that this cannot be correct.

239 In relation to the Opponents' arguments that there is bad faith as the Applicants have "not taken a positive duty to investigate the *bona fides* of the mark before seeking registration", the Opponents submitted that this is a direct reference to Lai Siu Chiu J's decision in **Rothmans** where she held that:

*"A trade mark applicant had a positive duty to investigate into the bona fides of a mark before seeking registration. This was necessary to uphold the sanctity of the trade marks register and its system of registration"*.

However, the Applicants submitted that her Honour's decision in **Rothmans** must be viewed in the context of the unique facts in that case – that parties were involved in lengthy and bitter fights in numerous jurisdictions and there were numerous suspicious circumstances surrounding the application.

240 The Applicants referred to the decision of **Societe des Produits Nescafe SA v Master Beverage Industries Pte Ltd [2009] SGIPOS 5** at [112]:

*"I find however that the matter at hand may be distinguished from the Rothmans case, in that the latter case was fraught with long-standing problems and which had plagued the applicant (Rothmans) for a long time. Given that the Rothmans case involved the use of a mark which had a history of being embroiled in a lengthy and bitter fight in many jurisdictions and a number of suspicious circumstances which would cause any reasonable person to sit up and take notice, the learned judge held that the trade mark applicant ought to have done due diligence and made further inquiries - which the applicant in Rothmans did not. Similarly in the Gromax case, the parties in dispute were previously in a commercial relationship which unfortunately soured causing the matter thereafter to become contentious. Rothmans and Gromax can therefore be distinguished from this matter as there were highly suspicious and unusual circumstances which would have caused any reasonable person to proceed with caution."*

The Applicants submitted that in the present case the Opponents have no evidence to even suggest that there were "highly suspicious and unusual circumstances" surrounding the application to register the Application Mark. **Rothmans** is thus distinguishable.

241 The Applicants referred to the Opponents' arguments that despite having already informed the Applicants of their objections and intention to oppose the registration of the Application Mark the Applicants nevertheless persisted in their application. The Applicants also referred to the Opponents' arguments that the Applicants persisted in making the current application despite the Opponents having had successfully opposed the Applicants' earlier trade mark application to register an identical trade mark to the Application Mark via T04/19936A being evidence of the "highly suspicious and unusual

circumstances” of the current application and thus the applicability of *Rothmans* to the current case.

242 The Applicants submitted that it is important to note that T04/19936A was deemed abandoned when the Applicants failed to respond to the Opponents’ opposition during the relevant time period. In this regard the Applicants’ evidence (paragraph 17 of the Applicants’ First SD) is that the Applicants did not respond to the Opponents’ opposition during the relevant period as the Applicants were under the mistaken belief that trade mark certificates for their trade mark registrations in other countries had to be produced in support of the Singapore application, and they had not (at the material time) obtained the relevant trade mark certifications.

243 The Applicants submitted that as the Opponents did not contradict the Applicants’ evidence, the Applicants’ explanation above must be taken to be true. As a result, it is difficult for the Opponents to maintain that there are “highly suspicious and unusual circumstances” surrounding the current application.

244 The Applicants submitted that for the above reasons, the opposition under this Section 7(6) ground must fail.

### ***Decision***

245 As held by the Court of Appeal in *Wing Joo Loong*, conduct could be described as being in bad faith if it involved dishonesty or at least fell short of acceptable commercial behaviour in the particular trade concerned. The test to apply contained both a subjective element (*viz*, what the particular applicant knew) and an objective element (*viz*, what ordinary persons adopting proper standards would think).

The Court of Appeal commented at [103] and [104]:

*“In a number of cases under the English Trade Marks Act, it has been suggested that conduct can be described as being in bad faith if it involves dishonesty or at least falls short of acceptable commercial behaviour in the particular trade concerned. This was the view of Lindsay J in the leading case of **Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd** [1999] RPC 367 (“Gromax Plasticulture”), where he stated (at 379):*

*“Plainly [bad faith] includes dishonesty and, as I would hold, [it] includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area [of trade] being examined.”*

*The concept of bad faith under s 7(6) of the current TMA was first reviewed by the Singapore courts in **Rothmans of Pall Mall Ltd v Maycolson International Ltd** [2006] 2 SLR(R) 551 (“Rothmans”) (that case actually concerned s 7(6) of the Trade Marks Act (Cap 332, 1999 Rev Ed) (“the 1999 TMA”), which is identical to s 7(6) of the current TMA). In *Rothmans*, Lai Siu Chiu J endorsed (at [32]) Lindsay J’s formulation of the*

*concept of bad faith in Gromax Plasticulture. This approach was also accepted by Rajah JA in Warman ([37] supra), where he stated (at [48]):*

*'It would be fair to say that 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...'*”

246 However it is important to note that an allegation of bad faith is a serious one and 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 (*McDonald's Corp v Future Enterprises Pte Ltd [2005] 1 SLR 177* at [78] (see *Law of Intellectual Property* at [21.4.1])).

247 I also note that bad faith is a distinct and independent argument from the issue of confusing similarity (see *Law of Intellectual Property* at [21.4.4]). However, in relation to the Opponents' contention that there is copying on the part of the Applicants, I refer to my conclusion above that the Application Mark is different from the Opponents' Marks.

248 The same response applies to the Opponents' arguments that the Applicants' decision to re-file despite of their knowledge of the Opponents' Marks (as a result of the Opponents' earlier successful opposition with respect to T04/19936A, a mark identical to the Application Mark) is indicative that the Applicants have not acted in a *bona fide* manner. This cannot be taken to be conclusive evidence of bad faith. I have already concluded above that the Application Mark is considered to be different from the Opponents' Marks. Further, the decisions of *Kundry* and *Rothmans* can be distinguished on the facts. The *Lindt Case* is also not applicable based on the facts of the current case.

249 In relation to the Opponents' arguments that the Applicants have no intention to use the Application Mark in Singapore and to use it in the manner as filed, while there are no provisions in the legislation as to when an applicant is to commence using a mark, it is accepted, as a general guideline, that an applicant will have 5 years from the date of completion of the registration procedure to commence using the mark since Section 22 of the Act which allows for revocation due to non-use requires a continuous period of 5 years of non-use from the completion of registration procedure. In the event that the Applicants do not use the mark within the said period, then the Applicants will have to accept the risk of being open to a revocation action.

**Conclusion**

250 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, the opposition fails on all grounds. Trade Mark application number T05/25129D may proceed to registration. Accordingly, costs, to be taxed, if not agreed, are awarded to the Applicants.

Dated this 28<sup>th</sup> day of July 2010.

Sandy Widjaja

Principal Assistant Registrar of Trade Marks

Hearings & Mediation Division

Intellectual Property Office of Singapore