

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

Trade Mark Application No. T0720140E
5 October 2010

IN THE MATTER OF A TRADE MARK REGISTRATION BY

SICHUAN SOFTBILL AUCTION CO., LTD

AND

INVALIDATION THEREOF BY

SOTHEBY'S

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

Ms Teresa O'Connor (Infinitus Law Corporation) for the Applicant

Cur Adv Vult

GROUND OF DECISION

1 Sichuan Softbill Auction Co., Ltd is the registered proprietor ("Registered Proprietors") of the trade mark

苏富比

in relation to the following services in Class 35:

"Dissemination of advertising matter; television advertising; advertising agencies; public relations; trade fairs (organization of-) for commercial or advertising purposes; business

management of hotels; auctioneering; business management of performing artists; business services relating to tendering and bidding; advertising services, namely, planning of advertising campaigns for others." ("Services Claimed" and "Registered Mark " respectively).

2 Sotheby's, the applicants for invalidation, is an unlimited company incorporated under the laws of England and Wales and have a principal place of business at 34-35 New Bond Street, London, United Kingdom W1A 2AA ("Applicants").

3 The Applicants filed an application for a declaration of invalidity on 27 March 2009. The Registered Proprietors requested for an extension of time to file the Counter-Statement on 20 May 2009, which was granted. However, on 30 July 2009, the Applicants informed that they have not been served with the Counter-Statement (due 27 July 2009). On 7 August 2009, the Registrar proceeded to direct the Applicants to file the Applicants' Statutory Declaration since there was no Counter-Statement filed by the Registered Proprietors. The Registrar also issued a letter dated 21 August 2009 to both parties requesting them to attend a Case Management Conference ("CMC"). The Applicants reverted and requested for the CMC to be vacated since no Counter-Statement was filed and served. Counsel for the Registered Proprietors, M/s Tan Peng Chin LLC then responded in writing on 11 September 2009 that they were instructed not to take any further action in the matter and that as such they would not be attending the CMC. In light of this development, the Applicants wrote to the Registrar on the same day requesting the CMC to be vacated and sought confirmation that they would not be required to serve their statutory declaration on the Registered Proprietors. The Registrar reverted on 15 September 2009 that the CMC is vacated although the Applicants would be required to serve their statutory declaration on the Registered Proprietors. On 5 April 2010, the Applicants filed and served their statutory declaration. At the same time, they inquired with the Registrar if the Registrar would grant the application for invalidation summarily. At this juncture, on 6th April 2010, the Registered Proprietors confirmed again that they have been instructed not to take any further action in relation to this matter and that as such they would not be attending any hearing scheduled for this matter. The Registrar then wrote to the Applicants on 12 May 2010 informing them that the Registrar is prepared to make a decision without a hearing unless the Applicants wish to make any oral submissions at a hearing and also whether they wish to file any written submissions before the Registrar makes a decision. The Registrar also sought confirmation as to the grounds on which the Applicants are pursuing. The Applicants reverted on 19 May 2010 confirming the grounds on which they are proceeding and informed that they wish to attend an oral hearing. Consequently, they also sought direction as to whether they would be required to file any written submissions. The Registrar informed via a letter dated 25 May 2010 that the Applicants are to file written submissions in light of the fact that the Applicants requested a hearing to be held. A hearing date was then set down for 5 October 2010. On 17 September 2010, the Registered Proprietors informed via a letter that they would not be filing any written submissions and bundle of authorities and that they would not be attending the hearing.

Grounds of Opposition

4 The Applicants rely on Section 23 of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) read with the following provisions for this invalidation action:

- (i) Section 8(2)(b);
- (ii) Section 8(4)(a)(b)(i);
- (iii) Section 8(4)(a)(b)(ii);
- (iv) Section 8(7)(a); and
- (v) Section 7(6).

Registered Proprietors’ Evidence

5 As mentioned above, the Registered Proprietors did not file any Counter-Statement nor any evidence in support of their registration.

6 Therefore, pursuant to Rule 59(2)(d) read with Rule 33(3) of the Trade Marks Rules (Cap 332, 2008 Rev Ed), (“the Rules”) the Registered Proprietors are deemed to admit “the facts alleged by the applicant in his application for...a declaration of invalidity of the registration.”

Applicants’ Evidence

7 The Applicants’ evidence comprises of a Statutory Declaration sworn by Mr Thomas G. Christopherson, European General Counsel and Secretary of the Applicants on 29 March 2010 in London (“Applicants’ SD”).

Applicable Law and Burden of Proof

8 As referred to above, the applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) and Trade Marks Rules (Cap 332, 2008 Rev Ed).

9 The undisputed burden of proof in an application for declaration of invalidity under the Act falls on the Applicants.

Background

10 The Applicants are the indirect subsidiary of a company incorporated under the laws of the State of Delaware, U.S.A., and a corporation listed on the New York Stock Exchange (“Sotheby’s US”). Sotheby’s US, the Applicants, their affiliated companies, including Sotheby’s (Singapore) Pte Ltd. (“Sotheby’s Singapore”), and the predecessors – in interest of all these companies are hereinafter collectively referred to as “the Sotheby’s Group”.

11 It is further deposed in the Applicants’ SD that the Sotheby’s Group is the oldest and most famous auction house in the world with a history of more than 260 years. The

Sotheby's Group specialises in auctions of over 70 categories of objects including fine art, antiques, decorative art, jewelry and wines. Most objects auctioned by the Sotheby's Group are unique items and thus their value can only be estimated prior to sale. Therefore, the principal role of the Sotheby's Group as an auctioneer is to identify and evaluate such items through its international staff, to stimulate purchaser interest through professional marketing techniques and to match buyers and sellers through the auction process. It is deposed that buyers and sellers rely heavily on the expertise and worldwide reputation of the Sotheby's Group for sales of unique objects of exceptional value.

12 The Applicants deposed that since its foundation in 1744, the Sotheby's Group has evolved into a global company with operations in more than 40 countries around the world. Every year the Sotheby's Group conducts several auctions around the world. Since 2002, the Sotheby's Group has themselves held between 300 and 420 auctions each year and this is in addition to other auctions held by authorised 3rd parties in association with the Sotheby's Group and using the "Sotheby's" name and mark under the license from the Sotheby's Group.

13 The Applicants' evidence is that auctions conducted by the Sotheby's Group around the world have yielded impressive sales. In 2004, worldwide auction sales (excluding separate private sales) were approximately US\$ 2.3 billion and in 2005, approximately US\$2.36 billion. Worldwide auction sales for 2006 and 2007 were US\$3.23 billion and US\$4.63 billion respectively.

14 The Sotheby's Group first established a representative office in Singapore in 1985. In 1996, Sotheby's Singapore was incorporated. Since its incorporation, Sotheby's Singapore continued to engage in business in Singapore. The Sotheby's Group also engages in business in other Asian countries such as Hong Kong and Taiwan through its affiliated companies in these countries.

15 In 1996, the Sotheby's Group launched its first auction sale of South East Asian paintings in Singapore. Since then, the Sotheby's Group has held and continues to hold 2 auctions featuring South East Asian paintings in Singapore every year. The Applicants deposed that Singapore has been and currently is, the Sotheby's regional auction headquarters for auction sales of South East Asian paintings.

16 The Applicants also deposed that since at least as early as the 1990s the Sotheby's Group has used the Chinese characters “蘇富比” (traditional form) and “苏富比” (simplified form) pronounced as "Su Fu Bi" as the Chinese transliteration of the "Sotheby's" mark throughout the Asian region including in particular, Singapore, Hong Kong, Taiwan, and the People's Republic of China ("China"). The combination of the 3 characters, when spoken, transliterates to "Sotheby's" and individually, the characters mean "to revive, wealth, compare".

17 The Applicants, together with its affiliated company, SPTC, Inc., own registrations of the "Sotheby's" mark and marks which incorporate the "Sotheby's" mark in approximately 60 countries all over the world. Notably, the "Sotheby's" mark has been

registered in respect of "auctioneering services", "valuation services", publications and / or the categories of goods sold by the Sotheby's Group at its auctions. In addition, the Applicants also own registrations of the "Sotheby's" mark in traditional and simplified Chinese characters namely “蘇富比” (traditional form) and “苏富比” (simplified form) pronounced as "Su Fu Bi" in various jurisdictions such as Hong Kong and Taiwan. The Applicants applied for registrations of marks consisting / containing “蘇富比” (traditional form) and “苏富比” (simplified form) in Singapore in 2008. Again these registrations cover a wide variety of goods and services, including "auctioneering services".

MAIN DECISION

Preliminary Issue

18 The Applicants submitted that pursuant to Rule 59(2)(d) of the Rules, the Registered Proprietors' failure to file any evidence is treated as an admission by the Registered Proprietors of the facts alleged by the Applicants in the application for a declaration of invalidity. The Applicants submitted that this must be construed as all statements of a factual nature made by the Applicants contained in the Statement of Grounds as well as the Applicants' SD must be taken to have been admitted by the Registered Proprietors. The Applicants submitted that it would mean that all issues of fact which have been pleaded by the Applicants in the Statement of Grounds should be resolved in the Applicants' favour.

19 Rule 59 read with Rule 33 provides that a failure to file evidence by the Registered Proprietors shall be treated as an admission by the Registered Proprietors to the facts alleged by the Applicants in his application for a declaration of invalidity of the registration. However, this simply means that all statements of a factual nature submitted by the Applicants in his application are not disputed. The Registrar is still required to make findings of facts and determine whether such factual findings satisfy the legal tests as expounded in the cases such that the respective grounds for invalidation are made out. Thus it cannot be said that all issues of fact which have been pleaded by the Applicants would be resolved in the Applicants' favour.

20 I also note as a preliminary point, that the Applicants' Marks are registered under the Applicants' name which is a company incorporated in the United Kingdom while it is the Sotheby's Group (which includes both the Applicants and Sotheby's Singapore) that has launched and has held sales of South East Asian paintings in Singapore (paragraph 12 of the Applicants' SD):

In 1996, [the] Sotheby's [Group] launched its first auction sale of South East Asian paintings in Singapore. Since then [the] Sotheby's [Group] has held and continues to hold, two (2) auctions featuring South East Asian paintings every year in Singapore...Attached hereto and marked as "TGC-3" are copies of press releases issued by [the] Sotheby's [Group] relating to these auctions, as well as

reports and price lists relating to such auctions during the years 1996 through to 2007.

[Emphasis mine.]

Ground of Invalidation under Section 7(6)

21 Section 23(1) reads:-

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

Section 7(6) of the Act reads:

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

Applicants' Submissions

22 The Applicants submitted that in view of the clear assertions of fact which have not been rebutted by the Registered Proprietors, the Applicants' claim that the Registered Mark was applied for in bad faith must be taken as being admitted by the Registered Proprietors.

23 The Applicants' case is that the Registered Proprietors are not the *bona fide* proprietors of the Registered Mark and that the Registered Proprietors filed the application (to register the mark) in order to attempt to usurp the intellectual property rights of the Applicants as they had attempted to do so in China.

24 The facts upon which the Applicants rely in relation to the ground of bad faith are as follows:

- (a) The Sotheby's Group has officially used the Chinese characters “蘇富比” (traditional form) and “苏富比” (simplified form), since the early 1990s.
- (b) A litigation case which the Sotheby's Group has filed against the Registered Proprietors in China concerning [“苏富比”] has been resolved in favour of the Sotheby's Group. In July 2007, the Sotheby's Group lodged an action with the Beijing Intermediate People's Court ("Beijing Intermediate Court") against the Registered Proprietors alleging trade mark infringement and unfair competition due to the Registered Proprietors' unauthorised use of “苏富比” in China. The Beijing Intermediate Court upheld the claim and ordered the Registered Proprietors to cease its unfair competition activities including that of ceasing the use of “苏富比” as its trade name for their auction business services, taking down their website and deleting false advertisements relating to the Sotheby's Group in their promotional materials. Further, the Beijing Intermediate Court also held the

Registered Proprietors liable for trade mark infringement. The cases were heard by the Beijing Intermediate Court on 15 November 2007.

- (c) The Registered Proprietors filed appeals to the Beijing Higher People's Court ("Beijing Higher Court") in March 2008. The Beijing Higher Court held that the Sotheby's Group had used the name and mark "Sotheby's" and “苏富比” in China since 1984 and that the Sotheby's Group's bazaars, charity auctions, pre-exhibitions, advertising and other related promotional activities carried out in China were capable of making the relevant public aware of the Sotheby's Group as an operator for auction services in China. The Beijing Higher Court agreed that these facts were sufficient to show that the name, "Sotheby's" and “苏富比” enjoyed popularity amongst the relevant public for auction services in China and thus the Registered Proprietors' activities constituted unfair competition.
- (d) In essence, the Applicants submitted that the judgments of the Beijing Intermediate Court were upheld by the Beijing Higher Court which held that the Registered Proprietors had committed an infringement of the Applicants' marks as well as to have committed unfair competition.

25 Thus the Applicants submitted that as at the filing date of the Registered Mark on 11th October 2007, the Registered Proprietors were aware that the Sotheby's Group had taken action against them in China for trade mark infringement and unfair competition. The Applicants submitted that as confirmed by the findings of the Chinese Courts, the Registered Proprietors were aware, as at that point in time, of the Applicants' trade marks "Sotheby's" and “苏富比”. Thus the Registered Proprietors could not claim to be the *bona fide* proprietor of the Registered Mark. Therefore, the Registered Proprietors' action in filing the application to register the Registered Mark in Singapore was done in bad faith as they already knew that they were not entitled to claim *bona fide* proprietorship in relation to “苏富比”. The judgments of the Chinese Courts only serve to confirm that all along, the Registered Proprietors were not entitled to claim ownership of the mark in question.

Decision on Section 7(6)

26 At the outset, it is important to note that bad faith is a distinct and independent argument from the issue of confusing similarity. In the recent decision of ***Valentino Globe BV v Pacific Rim Industries Inc*** [2010] SGCA 14 (“***Valentino***”) the Court of Appeal stated, at [20]:

Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion: see Rothmans of Pall Mall Ltd v Maycolson International Ltd [2006] 2 SLR(R) 551 (“Rothmans”) at [29] and Tan Tee Jim SC, Law of Trade Marks and Passing Off in Singapore (Sweet & Maxwell Asia, 2nd Ed, 2005) at para 5.71.

[Emphasis mine.]

27 As to the test for the determination of bad faith, **Valentino**, at [25] to [27] stated:

25 Numerous English and local cases have addressed the concept of “bad faith” under s 7(6). We will begin with the leading case of *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 (“*Gromax Plastics*”), which dealt with the Trade Marks Act 1994 (c 26) (UK) and specifically s 3(6) thereof (which is the English equivalent of s 7(6)). In *Gromax Plastics*, Lindsay J observed at 379 that:

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. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.

26 The above passage of Lindley J was referred to and accepted in the decision by Geoffrey Hobbs QC in *Demon Ale Trade Mark* [2000] RPC 345, where the latter stated that (at 356):

... the expression “bad faith” has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant. [emphasis added]

27 In the later case of *Harrison v Teton Valley Trading Co Ltd* [2004] 1 WLR 2577, a decision of the English Court of Appeal, Sir William Aldous said (at [24] and [26]):

24 Clearly the court, when considering bad faith, cannot apply a purely subjective test, called by Lord Hutton “the Robin Hood test”. The dishonest person or one with low standards cannot be permitted to obtain trade mark registrations in circumstances where a person abiding by a reasonable standard would not. The registration of a trade mark is designed to enable bona fide proprietors to protect their proprietary rights without having to prove unfair trading. Registration is not provided to help those with low moral standards....

26 *For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. 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.*

28 In relation to the local case law, the Court in **Valentino** said at [28] and [29]:

28 *Turning to the local case law, in Rothmans, our High Court endorsed Lindsay J’s observations of the concept of bad faith in Gromax Plasticulture. Further, both Lindsay J’s and Geoffrey Hobbs QC’s approaches were again adopted by another High Court judge in Weir Warman Ltd v Research & Development Pty Ltd [2007] 2 SLR(R) 1073 (“Warman”) where the judge stated at [48] 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 ...

29 *In Wing Joo Loong, this court observed at [105] that “[t]he test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal” [emphasis in original]. It would be useful to set out in full the observations of this court at [105]–[106] which are as follows:*

105 *The test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in Harrison v Teton Valley Trading Co Ltd [2004] 1WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):*

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 [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (id at [25]) as the “combined” test of bad faith, contains both a subjective element (viz, what the particular applicant knows) and an objective element (viz, what ordinary persons adopting proper standards would think).

106 Recently, this combined test of bad faith was succinctly explained in *Ajit Weekly Trade Mark* [2006] RPC 25 as follows (at [35] and [41]):

35 ... *Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plasticulture* [(103) supra] ... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined....*

41 ... *[T]he upshot of the Privy [Council’s] decision in *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476 is: (a) to confirm the House of Lords’ test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the objective element...*

*This court in *Wing Joo Loong* then applied at [107]–[117] the combined test of bad faith which, to reiterate, contains both a subjective element (viz, what the particular applicant knows) and an objective element (viz, what ordinary persons adopting proper standards would think). It is therefore apparent to us that bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case.*

29 In view of the above state of law, it is necessary to determine, in the current case, what the Registered Proprietors know (the subjective element) and whether the action of the Registered Proprietors is commercially acceptable 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 (the objective requirement).

30 It is the Applicants' evidence (at paragraph 20 of the Applicants' SD) that the Sotheby's Group first encountered the Registered Proprietors in 2006, when the Sotheby's Group found out that the Registered Proprietors were using “苏富比” in relation to auctioneering and valuation services in China. In July 2007, the Applicants took action against the Registered Proprietors for trade mark infringement and unfair competition in the Beijing Intermediate Court in China. It is pertinent to note that in this instance, the relevant date for the purposes of the determination of bad faith is 11 October 2007 which is the date of application for registration for the Registered Mark. In view of the above court action, as at 11 October 2007, the Registered Proprietors would have been aware of the Applicants and the marks "Sotheby's" and “苏富比” and the fact that the Applicants are contending the proprietorship of the marks "Sotheby's" as well as “苏富比” in relation to, in particular, auctioneering services. Thus the subjective element under the ground of bad faith is satisfied.

31 The next issue is whether the action of the Registered Proprietors in applying to register the Registered Mark, can be regarded as commercially acceptable by reasonable and experienced persons in a particular trade (in this instance, the auctioneering industry), even though such an action may otherwise involve “no breach of any duty, obligation, prohibition or requirement that is legally binding” upon the Registered Proprietors.

32 The mark “苏富比” can be said to be rather distinctive in relation to the auctioneering industry. While, as per the Applicants' evidence (paragraph 14 of the Applicants' SD), each character means "to revive, wealth, compare" respectively, the 3 characters on the whole is meaningless. Yet, the Registered Proprietor chose to use  which is almost *identical* to “苏富比”. Although the Registered Mark is in calligraphic font, the calligraphic font in this instance is not so artistic as to bestow on the Registered Mark much distinctiveness) for the Services Claimed (which *includes* auctioneering services). Another important point is that the Registered Proprietors have not provided any explanation as to their derivation for the Registered Mark. In fact, the Registered Proprietors have not deemed it fit to even defend their case at all in this invalidation action.

33 The law requires bad faith to be determined as at the date of application for registration of the Registered Mark. However the case of *Ferrero SpA's Trade Marks [2004] RPC 29* (“*Ferrero's case*”) is authority for the proposition that bad faith did not exclude from consideration matters which occurred after the date of application in that they may assist in determining the applicant's state of mind at the date of registration. This principle was followed in the Singapore High Court case of *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd [2009] SGHC 280*.

34 From as early as the pleadings stage, there was no Counter-Statement filed on behalf of the Registered Proprietors. Neither was there any evidence filed on behalf of the Registered Proprietors for the purposes of this invalidation action. On 11 September 2009, slightly less than two months after the final deadline to file the Counter-Statement (the Counter-Statement was due on 27 July 2009), counsel for the Registered Proprietors, in response to the Registrar's direction of 21 August 2009 to attend a CMC, informed the Registrar that they were instructed not to take any further action in relation to this invalidation action and thus they would not be attending the CMC. On 6 April 2010, in response to the Applicants' query to the Registrar as to whether the Registrar would grant the application for invalidation summarily or alternatively by way of *ex parte* hearing, again the Counsel for the Registered Proprietors responded that as they were instructed not to take any further action in this matter, they would not be attending any hearing scheduled for this matter. Finally, Counsel for the Registered Proprietors informed the Registrar on 17 September 2010, in response to the Registrar's letter of 8 September 2010 granting an extension of time to file the parties' written submissions and bundle of authorities, that as they were instructed not to take any further action in the current invalidation proceedings as indicated previously, the Registered Proprietors would not be filing any written submissions nor bundle of authorities and further that they would not be attending the hearing. In short, since the commencement of this invalidation action and throughout the entire process, the Registered Proprietors have indicated, at various points in time, that they would not be defending their case. The Registered Proprietors have not deemed it fit to defend their case at all.

35 Taking into account all of the above factors it would be a fair statement to make that reasonable and experienced persons in the auctioneering trade would consider use of the mark “苏富比” in relation to auctioneering services to be commercially unacceptable. Thus the ground of objection under Section 7(6) is made out.

36 I am mindful of the warning in *Royal Enfield Trade Marks [2002] RPC 508*, that an allegation of bad faith should not be made unless it can 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. However, I am convinced that in the present instance, a strong inference of bad faith has been made out.

37 Before I leave this ground, I note that the Beijing Intermediate Court upheld the Applicants' claims for trade mark infringement and unfair competition and that on appeal the Beijing Higher Court affirmed the Beijing Intermediate Court's decisions (both decisions of the Higher Court were dated August 2008). While I am mindful that the laws of China may be different from the local laws, the actions of the Applicants in China which resulted in the said findings would lend some light as to the Registered Proprietor's intention in filing for an application for registration for the Registered Mark.

Ground of Opposition under Section 8(2)(b)

38 Section 23(3) of the Act reads:

*(3) The registration of a trade mark may be declared invalid on the ground —
(a) that there is an earlier trade mark in relation to which —
(i) the conditions set out in section 8 (1) or (2) apply...*

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

Section 8(2)(b) of the Act 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” are 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.

[Emphasis mine.]

Applicants' Submissions

"Sotheby's" and “蘇富比” / “苏富比" as earlier trade marks

39 The Applicants averred that the mark "Sotheby's" and its Chinese equivalent “蘇富比” / “苏富比” are both well known to the relevant market sector in Singapore as well as to the public at large. The Applicants submitted that these are assertions of fact which have not been denied by the Registered Proprietors and are thus to be taken as being admitted.

40 The Applicants submitted that the relevant market sectors are the educated and middle to upper classes of the social strata in Singapore. Further, there is general public interest in the auctioneering of rare and expensive artworks and antiques and the public media in Singapore has over the years often featured news articles concerning auctions of very famous or expensive artworks. At the top end of the auction industry, there are extremely few players and the Sotheby's Group is one of them. As such, the general populace would have come to know of the Sotheby's Group even though they may not be within the relevant market sector themselves.

41 The Applicants' Western trade mark "Sotheby's" is known to a very large sector of the adult population in Singapore and it enjoys the standing of a well-known mark within the relevant market sector. In no small measure this is due to the frequent news articles and other reports in the media related to the Sotheby's Group's role in auctioning artworks, antiques and other collectibles at sky-high prices. Such news is very newsworthy as the public has an insatiable appetite for news of such kind. These reports also appeared in the Chinese media using the Chinese trade mark. As such, the public has been exposed to this transliteration in both written and verbal forms.

42 Publicity material from the Sotheby's Group as well as external Chinese press coverage in Singapore and Hong Kong use the simplified characters “苏富比” to refer to the Sotheby's Group rather than spelling the name with Roman letters as is typically done for Western companies. This has been seen in the most popular Chinese newspaper in Singapore *Lianhe Zaobao* which has a daily circulation of 176,000 (paragraph 14 of the Applicants' SD and Exhibit TGC-7). Additionally the same characters are used extensively on the Internet to refer to the Applicants including on the Sotheby's Group main website to direct customers to the Chinese version of the site and in *Lianhe Zaobao's* online articles.

Similarity of Marks

43 The Applicants' earlier registered marks in Singapore are as follows:

Mark	Mark No.	Specification
SOTHEBY'S	T9103180D	Class 35: Auctioneering services; formation, maintenance and exploitation of a Register of property (other than real estate); taxation consultation.
SOTHEBY'S	T9806154G	Class 36: Valuation, insurance brokerage and insurance underwriting relating to goods; arranging loans against security; provision of loans; financial guarantees; financial consultation; estate agency services; financial and real estate services; appraisal services for others for fine furniture, fine and decorative art, jewellery, stamps, coins, books and other valuable property.
SOTHEBY'S	T9806052D	Class 42: Research, advice and authentication services relating to the age, provenance, history and value of works of art, antiques and of furniture; hotel and meal reservation services, mail order services in the field of books and catalogues concerning fine furniture and decorative art, antique and collectible articles, and other valuable property.
SOTHEBY'S	T9806051F	Class 41: Education and training services relating to works of art, furniture and antiques; correspondence courses in the fields of fine and decorative art, fine furniture, antiques, jewellery, books, stamps, coins and other valuable personal property; exhibitions of fine and decorative works of art, jewellery, stamps, coins, books, antiques, and other

		valuable personal property.
SOTHEBY'S	T9806049D	Class 37: Restoration, maintenance and repair of works of art, furniture, carpets, ceramics, clothing, antiques, memorabilia and of collectors items.
SOTHEBY'S	T9806050H	Class 39: Packaging and crating of goods; freight forwarding, freighting, delivery and storage of works of art, furniture, carpets, ceramics, clothing, antiques, wine, jewellery, memorabilia and of collectors items and other valuable personal property.
SOTHEBY'S	T9806040J	Class 14: Objects of art in precious metals; fine jewellery; precious stones; clocks; coins; watches.
SOTHEBY'S	T9806041I	Class 16: Books, catalogues, magazines, bulletins, and newsletters concerning fine and decorative art, antique and collectible articles and other valuable property; paintings, drawings, prints, posters, photographs, illustrations and animation art; postage stamps; autographs; manuscripts; sheet music; maps and atlases; comic books.
SOTHEBY'S	T9806042G	Class 18: Antique and collectible articles, namely trunks, bags and cases, umbrellas, walking sticks, canes, luggage and saddles.
SOTHEBY'S	T9806043E	Class 19: Non-metallic sculptures; statues of stone, concrete or marble; tiles (ceramic or earthenware); stained glass windows and panels.
SOTHEBY'S	T9806044C	Class 20: Wood and metal furniture; decorative mirrors; sculptures of wood, bone, ivory, shell, amber or mother of pearl.
SOTHEBY'S	T9806045A	Class 21: Fine and decorative articles of glassware and porcelain; ceramics, tiles, figurines, lacquered and cloisonne objects, paperweights, baskets,

		snuff boxes and other decorative objects not of precious metal.
SOTHEBY'S	T9806046Z	Class 25: Designer and celebrity clothing and footwear; T-shirts and hats; vintage clothing and costumes.
SOTHEBY'S	T9806048F	Class 33: Wine and spirits.
SOTHEBY'S	T9806047H	Class 27: Carpets, rugs and wall hangings.

collectively referred to as the "Applicants' Marks".

44 The Applicants submitted that whether there is similarity of marks is essentially a question of fact. The Applicants referred to *Johnson & Johnson v Uni-Charm Kabushiki Kaisha (Uni-Charm Corp)* [2007] 1 SLR(R) 1082 at [9]. The Applicants submitted that since it is an issue of fact, it should be decided in favour of the Applicants due to Rule 59(2)(d). However, the Applicants submitted that as the issue of similarity of marks in this instance involves a novel point regarding comparison of a Chinese character mark with a Roman alphabets mark, some analysis will be provided.

45 At paragraph 14 of the Applicants' SD, it is deposed that a consumer in the relevant market sector who understands Chinese would immediately know that “蘇富比” and “苏富比” refers to "Sotheby's". The Applicants submitted that the starting point is the case of *Sabel BV v Puma AG, Rudolf Dassler Sport, Case C-251/95 [1997] ECR I-6191* where the ECJ laid down the global appreciation approach. According to this approach, the tribunal is to compare marks as a whole *in the way an average consumer would see them* [emphasis by the Applicants]. The Applicants submitted that while there are numerous case law dealing with the issue of similarity, none deals with a comparison of Chinese character mark with a English word mark. The Applicants submitted that rulings in case law are fact specific and thus previous decisions are helpful only to provide a sense of the standards being applied and that they have virtually no value as precedents (Bently and Sherman *Intellectual Property Law (Oxford University Press, 3rd Ed, 2009)* at page 866).

46 The Applicants referred to *Sir Terence Conran v. Mean Fiddler Holdings [1997] FSR 856*. Sir Terence had registered the word "ZINC" in respect of planning, design and interior design of restaurants and brought an action for summary judgment against the defendant who opened a wine bar called the "ZINCBAR" with the letters "zn" located on the one side of the facade on the premises. In granting relief, Robert Walker J explained that the chemical symbol for the element zinc ie "zn" in addition to phonetic equivalents such as "sinc" and "sync" were similar to "zinc". The Applicants submitted that following from this, Chinese characters which are phonetically close to an English word can be said to be similar to the English word as they can be said to be "symbolic" or

"representative" of the phonetic sound of the corresponding syllables in the English word mark.

47 The Applicants submitted that there is no difficulty in deciding that the Registered Mark is identical to the earlier well-known but unregistered Chinese character mark “蘇富比” / “苏富比”. However in determining whether the Registered Mark is similar to the Applicants' Marks, it calls for consideration of whether a Chinese character trade mark can ever be said to be similar to a mark in Roman alphabets, given the difference in language. The Applicants submitted that there is no prohibition against the types and categories of marks that can be said to be similar to one another. The Applicants gave an example of a mark which comprises a device of a camel and submitted that it can be said to be similar to the word "Camel" since they both bring to mind the same object and are pronounced in the same way. The Applicants submitted that when considering a Chinese character trade mark, one must consider the average consumer of the relevant market sector who is conversant in Chinese and is aware of the English mark "Sotheby's".

48 The Applicants submitted that since all relevant circumstances should be taken into account, it should be borne in mind that the Registered Mark will be used in the context where business is conducted in Chinese and the services of the business will be highly similar to the Applicants' business, that is, auctioneering and all its antecedent activities. The Applicants submitted that if auctioneering services are offered and conducted in Chinese without reference to the English word "Sotheby's", a Chinese conversant consumer who was familiar with the earlier mark (Sotheby's) would quite naturally be led to draw a connection between the Chinese mark which sounds very much like "Sotheby's".

49 The Applicants proceeded to compare the marks through the usual tests of visual, phonetic and conceptual similarity.

Visual Similarity

50 The Applicants submitted that when a Chinese character trade mark is being considered, the relevant consumer group must be assumed to comprise Chinese conversant persons who are familiar with the Applicants' trade mark "Sotheby's". Chinese is one of the main languages of Singapore and a Chinese character trade mark will thus not simply appear to be a visual picture but instead be read and pronounced by Chinese conversant consumers. Consequently, the Applicants submitted that visual comparison is not an important factor in this case. The Applicants submitted that there can, of course be no visual similarity between a Chinese character trade mark and an English word trade mark.

Aural Similarity

51 The Applicants submitted that with regard to aural similarity, the Applicants' Marks and the Registered Mark can be said to be similar since the latter is a close approximate phonetic transliteration that can be achieved with Chinese characters. Both

are comprised of 3 syllables, begin with the clearly recognisable sibilance in "Su" / "So" and the 3rd character "Bi" is identical in sound to the last syllable "By". Applying the aforementioned guidance and the fact that a consumer would be considering whether a set of Chinese characters is a trade mark equivalent for an English word, the issue is whether the consumer would reasonably believe or interpret the Chinese character mark as being equivalent to the English one. The Applicants submitted that there is close phonetic similarities between "Su Fu Bi" and "Sotheby's". The fact that the Chinese characters are meaningless would lend greater probability to them being regarded as being equivalent to "Sotheby's".

Conceptual Similarity

52 The Applicants submitted that the conceptual similarity can be said to arise simply because the Registered Mark is meant to be a close transliteration of the sound of "Sotheby's" and both are meaningless names. Achieving phonetic similarity is an accepted and normal way of deriving Chinese trade marks from English marks. Therefore to achieve similarity in concept, all that is required is for the transliteration to be a successful approximation. The references to wealth or fortune in the Chinese trade mark would only serve to reinforce a conclusion by a Chinese consumer that "Su Fu Bi" was the Chinese trade mark equivalent of "Sotheby's" since Sotheby's fame is synonymous with wealth and prestige.

53 The Applicants submitted that whether a sign is similar to an earlier mark is an issue of fact. The Registered Proprietors must be taken to have admitted to this assertion in the Statement of Grounds. Thus, the Applicants submitted that the Registrar may decide that the Registered Mark is similar not only to the earlier Chinese well-known mark but also to the English word mark "Sotheby's".

Likelihood of Confusion

54 The Applicants submitted that given that the signs are similar and the services are similar and / or identical, the Registrar would also have no difficulty in reaching the conclusion that there is a likelihood of confusion, which is also an issue of fact. In determining whether there is a likelihood of confusion, the perception of the average consumer of those goods and services must be taken into account.

Common means of referring to the Registered Proprietors amongst Chinese speakers

55 The Applicants submitted that it is common for the Chinese speaking public to give well known Western Companies a Chinese equivalent for everyday usage. For example, Quaker Oats has become known as "Old Man Brand" (*Lao Ren Pai*) due to the image of the old man in the logo and Toblerone has become known as "Triangle Brand" (*San Jiao Pai*). Alternatively, Western companies themselves adopt and project the Chinese equivalent to the press and media. As such, the Applicants' name has undergone a phonetic transliteration to the form "Su Fu Bi" (“苏富比”). This transliteration is a

close approximation to the sound of the name and each individual character has meanings which are linked to the Applicants' business, namely "to revive, wealth, compare". As the 3 characters read together have no separate meaning it is also clear from this transliteration that it is referring to a name or brand.

Target Audience

56 The sectors of the public targeted by the Sotheby's Group are the educated, middle to upper classes Singaporeans. Mandarin is compulsory within Singaporean schools for ethnic Chinese students until the age of 16 and older generations of ethnic Chinese Singaporeans who may not have benefited from the modern education system are more likely to have grown up speaking Mandarin as their mother tongue. As such, Mandarin is the most frequently spoken language at home for 58.8% of the population (2000 Singapore census statistics). Considering the elevated literacy rate and the prevalence of Mandarin amongst the Singapore population and that the 3 characters which form the Registered Mark are written in simplified form which is customary in Singapore, the Applicants submitted that it is clear that the majority of the population would easily be able to recognise and understand the Registered Mark within the Chinese media. This means that they would be able to make a connection between the Registered Mark and the Applicants.

Risk that the public may believe the goods come from the same source

57 The possibility of the public making a connection between the Applicants and the Registered Proprietors is therefore enough to present a likelihood of confusion. Since the public is used to seeing the characters in the Registered Mark to refer to the Applicants there is a strong likelihood that they will view the Registered Mark (apart from being in calligraphic form) as identical to how the Applicants' Chinese character mark is printed in the media.

58 To summarise the likelihood of confusion, the services provided by both parties are identical and the marks are aurally and conceptually very similar. The Applicants' mark is highly distinctive and the Registered Mark has no additional meaning when read as a whole which might serve to differentiate it from the Applicants. Appreciated as a whole, the Applicants submitted that the marks are similar enough to cause confusion in the public mind between the 2 parties and as such, registration would be contrary to Section 8(2)(b).

Decision on Section 8(2)(b)

59 As I have already concluded that the ground on bad faith has been made out, there is no need for me to look into the other grounds for invalidation since, as mentioned above, once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion. Nevertheless for the sake of completeness, I will proceed to assess the other objections raised.

60 It is noted that the Court of Appeal in Singapore in the *The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd* [2006] 2 SLR(R) 690 (“*Polo Case*”) at [7] and [8] commented that the step by step approach in the case of *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”) is more appropriate than the global assessment test enunciated by the European Court of Justice in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199:

The trial judge, applying the three-step approach enunciated in British Sugar plc v James Robertson & Sons Ltd [1996] RPC 281 (“British Sugar”), held that the sign “POLO PACIFIC” was not similar to “POLO” and that there was no likelihood of confusion on the part of the public. Consequently, he held that the respondent had not infringed the appellant’s mark within the meaning of s 27(2)(b). We should add that the trial judge did not accept the respondent’s argument that the better approach should be the global assessment test enunciated by the European Court of Justice in cases such as Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199 and Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117 which focused on the ultimate question whether or not there was a likelihood of confusion. In that test, all the other matters mentioned in s 27(2)(b) would be just factors or circumstances to enable the court to come to the ultimate issue as to confusion.

In our opinion, having examined the express wording of s 27(2)(b), the step-by-step approach adopted in British Sugar is conceptually more appropriate and is in line with the structure of the provision....”

[Emphasis mine.]

The Court of Appeal in the *Polo Case* at [15] while noting the differences between Section 8 and Section 27 nevertheless took the view that the same approach could be adopted for these sections.

61 Further, the Court at [8] and [28] laid down the test to be applied with regards to Section 8(2):

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...

“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.]

62 It is trite law that in order to assess the similarities between marks, the visual, aural and conceptual aspects of the marks must be considered. 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.

63 Further, there is a need to consider, in this case, the distinctiveness of the Applicants' Marks. The High Court in *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* [2005] SGHC 175 had this to say at [27]:

In the present case, the differences are obvious: the addition of the word “PACIFIC” together with the sign’s different font and design. The question, then, is whether these differences are enough so as not to capture the distinctiveness of the registered mark. In order to decide this, I first have to consider whether the plaintiff’s mark can be considered to be so distinctive that the differences would not negate the similarity. This is an important issue because a more distinct mark generally receives greater protection...

64 At the outset, it is important to note, as Counsel confirmed at the hearing, that the Applicants are only relying on the Applicants' Marks, that is, the Applicants' marks which are registered earlier with the Registrar for the purposes of an objection under this Section 8(2)(b). The Applicants are not relying on any of their unregistered Chinese character marks on the basis that they are earlier well-known marks.

Visual similarity

65 For ease of reference only, the two marks are as follows:

苏富比	SOTHEBY'S
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It is clear from the above that the marks are visually different. The Applicants in their submissions above, is of the same view.

Aural similarity

66 The Chinese transliteration of the Registered Mark is "Su-Fu-Bi" while the Applicants' Marks consists of "So-the-by's". To my mind, with the exception of the last syllable, that is "Bi" versus "By", the first and second syllables of the marks are different. Thus I am of the view that the marks are aurally different.

Conceptual Similarity

67 While the 3 Chinese characters each respectively mean "to revive, wealth, compare", when viewed as whole, the 3 characters are meaningless. On the other hand, "Sothebys" on its own is meaningless. Two marks which mean the same thing can be taken to be similar in concept. However two marks which are meaningless cannot be taken to be conceptually similar. At most the marks can only be said to be conceptually neutral.

Relative importance of the different facets of similarity

68 As mentioned above, the law does not require all three similarities to be made out before a finding that the marks are similar can be made. In the current case, given that the press releases (Exhibit TGC-3, 5 and 6 of the Applicants' SD, relating to both Hong Kong and Singapore) and the in-house newsletters (Exhibit TGC-4 of the Applicants' SD, relating to Asia in general) appear to be the main avenues through which the Applicants promote their business, the visual aspect of the marks is the most important aspect of the marks.

69 I note that it is possible for an auction to be conducted by way of telephone as well as via the internet over and above the more common way of conducting an auction. By that I refer to an auction conducted with the auctioneer at the podium and with the name of the auction house prominently displayed either on the podium or as part of the backdrop. This reinforces the conclusion that the visual aspect of the marks is rather important. When an auction is conducted over the phone, the aural aspect takes precedence. Via the internet, it would appear that again it is the visual aspect which is the most important aspect of the mark. Taking all of the above into consideration, I am of the view that the visual aspect is comparatively more important than the aural aspect of the mark.

Distinctiveness of the earlier mark

70 While it can be said that the Applicants' Marks are distinctive in relation to the services for which they are registered, in the present case, the differences between “苏富

比” and Sotheby’s is such that they are sufficient so that the Registered Mark does not capture the distinctiveness of “Sotheby’s”.

71 Taking into account all of the above, I am of the view that the marks are more dissimilar than similar since they are visually and aurally dissimilar and conceptually neutral.

Identity / Similarity of Services / Goods

72 This issue is not addressed by the Applicants. The Applicants rely on a number of their earlier marks for the purposes of the objection under this ground (see above). For ease of comparison, the services of the marks are as follows:

Registered Mark	Applicants' Marks
<p>Class 35: Dissemination of advertising matter; television advertising; advertising agencies; public relations; <u>trade fairs (organization of-)</u> for commercial or <u>advertising purposes</u>; business management of hotels; <u>auctioneering</u>; business management of performing artists; business services relating to tendering and bidding; advertising services, namely, planning of advertising campaigns for others.</p>	<p>Class 35: <u>Auctioneering services</u>; formation, maintenance and exploitation of a Register of property (other than real estate); taxation consultation.</p>
	<p>Class 36: Valuation, insurance brokerage and insurance underwriting relating to goods; arranging loans against security; provision of loans; financial guarantees; financial consultation; estate agency services; financial and real estate services; appraisal services for others for fine furniture, fine and decorative art, jewellery, stamps, coins, books and other valuable property.</p>
	<p>Class 42: Research, advice and authentication services relating to the age, provenance, history and value of works of art, antiques and of furniture; hotel and meal reservation services, mail order services in the field of books and catalogues concerning fine furniture and decorative art, antique and collectible articles, and other valuable property.</p>
	<p>Class 41: Education and training services relating to works of art, furniture and antiques; correspondence courses in the fields of fine and decorative art, fine furniture, antiques, jewellery, books, stamps, coins and other valuable personal property; exhibitions of fine and decorative works of art, jewellery, stamps, coins, books, antiques, and other valuable personal property.</p>
	<p>Class 37: Restoration, maintenance and repair of works of art, furniture, carpets, ceramics, clothing, antiques, memorabilia and of collectors items.</p>
<p>Class 39: Packaging and crating of goods;</p>	

	freight forwarding, freighting, delivery and storage of works of art, furniture, carpets, ceramics, clothing, antiques, wine, jewellery, memorabilia and of collectors items and other valuable personal property.
	Class 14: Objects of art in precious metals; fine jewellery; precious stones; clocks; coins; watches.
	Class 16: Books, catalogues, magazines, bulletins, and newsletters concerning fine and decorative art, antique and collectible articles and other valuable property; paintings, drawings, prints, posters, photographs, illustrations and animation art; postage stamps; autographs; manuscripts; sheet music; maps and atlases; comic books.
	Class 18: Antique and collectible articles, namely trunks, bags and cases, umbrellas, walking sticks, canes, luggage and saddles.
	Class 19: Non-metallic sculptures; statues of stone, concrete or marble; tiles (ceramic or earthenware); stained glass windows and panels.
	Class 20: Wood and metal furniture; decorative mirrors; sculptures of wood, bone, ivory, shell, amber or mother of pearl.
	Class 21: Fine and decorative articles of glassware and porcelain; ceramics, tiles, figurines, lacquered and cloisonne objects, paperweights, baskets, snuff boxes and other decorative objects not of precious metal.
	Class 25: Designer and celebrity clothing and footwear; T-shirts and hats; vintage clothing and costumes.
	Class 33: Wine and spirits.
	Class 27: Carpets, rugs and wall hangings.

73 It is clear from the above that "*auctioneering*" appears in relation to both the Registered Mark as well as the Applicants' Class 35 mark. Thus the limb in relation to identical services has been made out.

74 In relation to the limb with regard to similar goods / services, the test for similarity of goods / services is that laid out in ***British Sugar*** and the following factors should be considered although it is not necessary for all of the requirements to be satisfied before the goods / services can be treated as similar:

- (a) the nature of the goods / services;
- (b) the end users of the goods / services;
- (c) the way in which the goods / services are used;

- (d) whether the respective goods / services are competitive or complementary, how those in the trade classify the goods / services and the trade channels through which the goods / services 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.

75 Applying the *British Sugar* test, it would appear that "*exhibitions of fine and decorative works of art, jewellery, stamps, coins, books, antiques, and other valuable personal property*" in the Applicants' Class 41 registration is similar to "*trade fairs (organization of-) for commercial or advertising purposes*" in the Services Claimed. Therefore the limb in relation to similar services is also satisfied.

Likelihood of Confusion

76 A I have concluded that the marks are dissimilar, there is no need for me to look into this element. However, I will look into this issue for completeness. It is clear that in coming to a conclusion in relation to this element, all external factors can be taken into account.

77 The current case is peculiar in that it entails earlier marks which consist of English words in Roman alphabets and the Registered Mark which consists of 3 Chinese characters. Thus it is pertinent to the comparison process at this stage as to whether the target audience of the Applicants understand *both* English and Chinese.

78 In order to answer the above query, there is a need to verify the demographics of the target audience of the Applicants. The Applicants in their written submissions (reproduced above) submitted that their target audience is the "educated, middle to upper class Singaporeans" (by "Singaporeans" I take the Applicants to mean the "Singapore public"). The Applicants also submitted that taking into account of the prevalence of Mandarin amongst the Singapore population (based on the Singapore 2000 census statistics which shows that about 59% of the population speaks Chinese) and elevated literacy rate (the Applicants did not make any reference to any census to substantiate this statement), the population would be able to draw the connection between the Registered Mark (which consists of Chinese characters) and the Applicants' Marks (which consists of English alphabets).

79 It is the Applicants' evidence that the Sotheby's Group has held and continues to hold 2 auctions featuring South East Asian paintings in Singapore every year since 1996 (paragraph 12 of the Applicants' SD). The Applicants deposed that Singapore has been and currently is the Sotheby's Group's regional auction headquarters for auction sales of South East Asian paintings. I also refer to Exhibit TGC-3 of the Applicants' SD. For the period 2002 to 2007, most of the press releases for auctions during this period prominently state, in their header, that the auction is in relation to South East Asian paintings.

80 In view of the above, it would be reasonable to conclude that art enthusiasts from the Southeast Asian region would also attend and thus be part of the Applicants' target audience. There is no reason to restrict the Applicants' target audience to the Singapore public. The question is then whether such target audience of the Applicants' target audience would be bilingual in Chinese and English. I think it is more probable that the answer is "no". Or, at the very least, there is no evidence tendered to show that this portion of the Applicants' target audience is bilingual in Chinese and English as such.

81 In relation to the Singapore public, the Applicants referred to the Singapore 2000 census. The relevant date in this instance is the date of application for a declaration of invalidity of the Registered Mark which is 27 March 2009. As at this date, the census referred to by the Applicants is 9 years old. Further, just because that 59% of the Singapore population speaks Chinese, it does not necessarily mean that the cohort reads and understands Chinese. Even if I were to assume that 59% of the cohort is literate in Chinese, it does not mean that this 59% is *bilingual* in both Mandarin and English. Last but not least, even if I were to accept that 59% of the Singapore population is bilingual in both Mandarin and English, that does not necessarily mean that the Applicants' target audience, which comprises of the "educated, middle to upper" strata of the Singapore population, consists of a sufficient number of persons who are sufficiently bilingual in Chinese and English to be able to make a meaningful comparison between the marks. I am not suggesting that the Applicants' target audience (in relation to the Singapore public) is not bilingual in Chinese and English. All I am saying is that there is insufficient evidence tendered for me to make a conclusion in relation to this issue.

82 The only facet of the Applicants' target audience which is shown through the evidence is that they are generally the middle to upper strata of the Singapore population, as submitted by the Applicants. I refer to the Exhibit TGC-3 of Applicants' SD (which is not paginated) which includes press releases for the Sotheby's Group as well as the sale results of the same. Page 21 of the tab entitled "Singapore Sales Figures" of the same exhibit shows the sale results for 22 October 2006. I note that the lowest price fetched by a painting was SGD168,000 and the highest price fetched by another painting was SGD677,600. Similarly, page 20 of the same tab of same exhibit shows the sale results for 14 April 2006. It can be concluded from the above that the Applicants deal with relatively expensive items. Thus, in order to be able to purchase a painting or item from the Applicants, the target audience of the Applicants would need to be relatively well-off.

Conclusion

83 On the whole, there is therefore insufficient evidence to show that the target audience are sufficiently bilingual in both English and Chinese to make a confusing connection between the Applicants' Marks "SOTHEBY'S" (in English) and the Registered Mark “苏富比” (in Chinese). In addition, as I have already found above that the Applicants' Marks (in English) and the Registered Mark (in Chinese) are not similar. Thus the ground of objection under Section 8(2)(b) is not made out. At this juncture I would like to make 2 comments. Firstly, I agree with the Applicants' submissions that there is no prohibition against the types and categories of marks that can be said to be

similar to one another; however, each case is very much dependant on the facts surrounding the case. Secondly, the issue of confusing similarity for trade marks is governed by the provisions of the legislation as well as case law and may at times lead to conclusions which may well be different from a marketing perspective.

Ground of Invalidation under Section 8(4)

84 Section 23(3)(a)(iii) reads:

23.— (3) The registration of a trade mark may be declared invalid on the ground

—

(a) that there is an earlier trade mark in relation to which —

...

(iii) where the trade mark has been registered pursuant to an application for registration of the trade mark made on or after 1st July 2004, the conditions set out in section 8 (4) apply...

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

Section 8(4) of the Act 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 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.*

[Emphasis all mine.]

Last but not least, “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.*

Applicants’ Submissions

85 The Applicants submitted that the issue under Section 8(4)(b)(i) is whether, having regard to the fact that the Applicants' earlier mark is well-known to the relevant market sector, use of the Registered Mark in relation to the services for which it was sought to be registered would indicate a connection between those services and the Applicants and is likely to damage the Applicants.

86 As "Sotheby's" and “蘇富比” / “苏富比” are well – known marks, they are also to be considered as being "earlier trade marks" as defined under Section 2 of the Act and can thus fall to be considered under Section 8(4)(b)(i) and (ii) of the Act.

87 The Applicants submitted that if the Registered Mark is regarded to be similar to the Applicants' Marks and furthermore that there is a likelihood of confusion under Section 8(2)(b), then this ground would have been made out. A likelihood of confusion is akin to a sign being taken as indicating a connection between those services and the proprietor of the earlier trade mark. This will lead to damage to the interests of the proprietor of the earlier trade mark as there is no control over the quality or method of supply of the services under the Registered Mark. As per paragraph 22 of the Applicants' SD, the Applicants have for more than 260 years cultivated their reputation as the premier international auction house and the marks "Sotheby's", “蘇富比” / “苏富比” are indelibly associated with them.

88 The Applicants submitted that the issue under Section 8(4)(b)(ii) is whether, having regard to the fact that the Applicants' earlier mark is well known to the public at large, use of the Registered Mark would cause dilution in an unfair manner of the distinctive character of the earlier well-known mark or would take unfair advantage of the distinctive character of the earlier well-known mark. The Applicants submitted that again these are assertions of fact that the Registered Proprietors must have taken to have admitted. The Applicants submitted that if the Registered Mark is permitted to be used by the Registered Proprietors, it will undoubtedly dilute the exclusivity of the use of the Applicants' Chinese character trade marks “蘇富比” / “苏富比”. The Applicants submitted that these earlier trade marks hitherto had a distinctive character. The use of the Registered Mark would also take unfair advantage of the distinctive character of “蘇富比” / “苏富比” since consumers would not be able to discern the difference between the suppliers of services under those identical Chinese characters.

Decision on Section 8(4)

89 As I have held that the ground of bad faith has been made out, again there is no need for me to look into this ground. However, I will look at it briefly for the sake of completeness.

90 It is clear from the definition of an "earlier trade mark" and a "well-known trade mark" that they include unregistered trade marks. Therefore in this instance, the Applicants' Chinese character trade mark “蘇富比” / “苏富比” can be taken into account in addition to the Applicants' Marks. At this juncture that I do not think it is necessary to draw a distinction between the 2 versions of the Chinese characters.

Whether “蘇富比” / “苏富比” are well known trade marks

91 The Court of Appeal in ***Novelty Pte Ltd v Amanresorts Ltd and another [2009] SGCA 13 ("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.]

92 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.]

93 Further, Section 2(9) provides that in Section 2(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 in *Amanresorts* clarified at [145 – 154] that:

A “relevant sector of the public in Singapore” under s 2(9)(a) of the TMA covered the actual consumers and potential consumers of the plaintiff’s goods or services only, as opposed to all actual consumers and potential consumers of the type of goods or services to which the plaintiff’s trade mark was applied.

94 Finally the Court in *Amanresorts* commented at [229]:

Finally, it will be recalled that it is not too difficult for a trade mark to be regarded as “well known in Singapore” – essentially, the trade mark in question need only be recognised or known by “any relevant sector of the

public in Singapore” [emphasis added] (see s 2(7)(a) of the current TMA), which sector could in certain cases be miniscule...

[Emphasis mine.]

95 It is important to recall that the relevant date in this instance is 11 October 2007 which is the date of application for registration of the Registered Mark.

Taking this into consideration, some of the references made to “蘇富比” / “苏富比” cannot be taken into account. For example, Chinese press releases which include use of “蘇富比” in Hong Kong cannot be taken into consideration as they were dated August 2008.

Applying the factors listed in Section 2(7):

- (i) I refer to Exhibit TGC-7 of the Applicants' SD. There are 5 articles featured on the online version of *Lianhe Zaobao*, which is one of the major Chinese paper in Singapore, making references to “苏富比”. The articles are dated between the years 2000 to 2005.
- (ii) There were also in-house newsletters (dated between the years 1994 to 1998 - TGC-4 of the Applicants' SD), which makes reference to “蘇富比” and an artistic calligraphic representation of “蘇富比”. The Applicants deposed that the newsletters were circulated to the Sotheby's Group's clients in Asia.
- (iii) I refer to Exhibit TGC-9 where it includes a list of registrations by Sotheby's Group. Registrations of the Chinese character trade marks consisting / containing “蘇富比” / “苏富比” were made in China, Taiwan, Hong Kong and Macau. The period for the dates of application / registration ranges from 1982 to 2006.

96 Taking all of the above into account, as a whole, I am of the view that it can be said that the Applicants' Chinese character trade mark “蘇富比” / “苏富比” are well-known in Singapore in that “蘇富比” / “苏富比” are well-known to either (i) actual and potential consumers in Singapore of; (ii) persons in Singapore involved in the distribution of; or (iii) business and companies in Singapore dealing in, the services to which “蘇富比” / “苏富比” relates. Thus “蘇富比” / “苏富比” is a well-known trade mark and can be considered as an earlier trade mark.

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

97 In relation to the Applicants' Marks, following the decision in relation to the ground of opposition under Section 8(2)(b), the first requirement is not made out in that the whole or an essential part of the Registered Mark is not identical or similar to the

Applicants' Marks. Thus in relation to the Applicants' Marks there is no need for me to consider the other elements under this provision and the ground of objection under Section 8(4)(a)(b)(i) is not made out.

98 However, it is clear that the Applicants' Chinese character trade mark “蘇富比” / “苏富比” are essentially similar to the Registered Mark. Thus there is a need to ascertain whether “蘇富比” / “苏富比” fulfil the other requirements of Section 8(4) below.

Whether use of the Registered Mark would indicate a connection between the Services Claimed and the Applicants and is likely to damage the interests of the Applicants

99 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 later mark would indicate a (confusing) connection between the services for which the later mark is sought to be registered and the proprietor of the earlier mark, and that such is likely to damage the interest of the proprietor of the earlier mark.

100 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 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)(a)(b)(i), while the “unfair dilution” condition in Section 55(3)(b)(i) corresponds to that in Section 8(4)(a)(b)(ii)(A) and finally, that the “unfair advantage” condition corresponds to that in Section 8(4)(a)(b)(ii)(B).

101 The Court of Appeal in *Amanresorts* also commented at [234] that the test to be adopted for the "connection" requirement and "likely to damage the [Applicants'] interests" elements in Section 55(3)(a) of the Act would yield the same results as those obtained from applying the corresponding tests for a claim for passing-off, subject to the distinction that the tests in relation to misrepresentation and damage under passing-off concern the Applicants' goodwill while the corresponding tests under Section 55(3)(a) concern the interests of the Applicants only.

102 It is clear that the Registered Mark is almost identical or very similar to “蘇富比” / “苏富比”. It is also clear that there is an overlap between the Services Claimed and the services under “蘇富比” / “苏富比” namely, in relation to auctioneering services. Further, “蘇富比” / “苏富比” is rather distinctive in relation to the auctioneering industry. I am mindful that the test should be determined based on "the ordinary, sensible members of the public" (the *Polo Case* at [31]). However, taking into account of all of the above, I am of the view that there is a risk that the public might think that the services come from the same source and thus use of the Registered Mark in relation to the Services Claimed would indicate a (confusing) connection between the Services Claimed and the Applicants.

103 In addition, use of the Registered Mark in relation to the Services Claimed is likely to damage the interests of the Applicants in that there is actual or probable damage via blurring or tarnishment.

The Applicants are one of the key players in the auctioneering industry (see Exhibit TGC-1 of the Applicants' SD in particular, to the article "Roots of Sotheby's Global Art Empire" in an online version of the International Herald Tribune dated 30 April 1994 at the 3rd paragraph) and has been involved in the auction of some notable items in history (see again Exhibit TGC-1 of the Applicants' SD, in particular, the article by New World Encyclopedia, under the section "Noteworthy Collections") In this instance, as the Registered Proprietors did not tender any document / evidence at all throughout the invalidation process, it is not known as to whether the Registered Mark has been used in Singapore and if so, the specifics of such use. In the event that the Services Claimed rendered under the Registered Mark is of the same calibre as the Applicants', there would be probable damage via blurring and in the event that the Services Claimed rendered under the Registered Mark is of a lower calibre than the Applicants', there is probable damage via tarnishment.

104 Taking all of the above into account, I am of the view that in relation to “蘇富比” / “苏 富比”, Section 8(4)(a)(b)(i) has been made out.

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

105 The Court of Appeal in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier [2009] SGCA 53* ("*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.]

106 I have already concluded above that as the Applicants' Marks are not similar to the Registered Mark, and thus Section 8(4)(a)(b)(ii) is not made out in relation to the Applicants' Marks. However, I will briefly look into this element for the purposes of completeness.

107 I refer again to the factors listed out in Section 2(7) as well as Section 2(8) and (9). In relation to the factors listed in Section 2(7), in particular Section 2(7)(a), read together with Section 2(8) and (9), I think it would be fair to conclude that the Applicants' Marks are well-known to the relevant sector of the public in Singapore and thus well-known in Singapore. The Applicants' Marks would be well-known either to (i) all actual and potential consumers in Singapore of; (ii) all persons in Singapore involved in the distribution of; and (iii) all businesses and companies in Singapore dealing in, the services to which the Applicants' Marks relate. I refer to Exhibit TGC-1 of the Applicants' SD in particular, to the article "Roots of Sotheby's Global Art Empire" in an online version of the International Herald Tribune dated 30 April 1994. In the 3rd paragraph, I quote:

Sotheby's and its main rival Christie's are key players in this market.

108 However, whether the Applicants' Marks are well-known to the public at large is another matter. In view of the Court's exposition above as to what the phrase entails, I find it difficult to conclude that the Applicants' Marks are well-known to the public at large in Singapore such that they are recognised by most sectors of the public in Singapore. I accept that the Sotheby's Group has been involved in auctions of notable artworks / items in history, some of which garnered much media attention (Exhibit TGC-1 of the Applicants' SD contains write-ups in relation to the Sotheby's Group. See the last article by New World Encyclopedia, in particular under the section "Noteworthy Collections"). However, in my view, such features now and again do not necessarily mean that the Applicants are recognised by most sectors of the public in Singapore.

109 Thus Section 8(4)(a)(b)(ii) is not made out in relation to the Applicants' Marks.

110 For the avoidance of doubt, Section 8(4)(a)(b)(ii) is also not made out in relation to “蘇富比” / “苏富比”. While it can be said that “蘇富比” / “苏富比” is well known in Singapore by virtue of the fact that it is well-known to a particular sector of the public in Singapore, it can hardly be said that it is well-known to most sectors of the public in Singapore. Further, between the Applicants' Marks and “蘇富比” / “苏富比” it is clear that the Applicants' Marks have been in use for a far much longer period (and thus more reputable). If the Applicants' Marks cannot be said to be well-known to most sectors of the public in Singapore, it is all the more so for “蘇富比” / “苏富比”.

111 In view of all of the above, while Section 8(4)(a)(b)(i) is made out in relation to “蘇富比” / “苏富比”, the rest of grounds of invalidation under Section 8(4) are not made out.

Ground of Invalidation under Section 8(7)(a)

112 Section 23(3)(b) reads:

23.—(3) The registration of a trade mark may be declared invalid on the ground

*—
(b) that there is an earlier right in relation to which the condition set out in section 8 (7) is satisfied,*

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

Section 8(7)(a) of the Act 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.

Applicants’ Submissions

113 The elements of a passing off action as stated by the Singapore High Court in *Alteco Chemical Pte Ltd v Chong Yean Wah t/a Yamayo Stationery Manufacturer* [2000] 1 SLR 119 at [37] – [38] are as follows:

- (a) It must be shown that the Applicants have a reputation or goodwill in the business;
- (b) That the use of the Registered Mark would amount to a misrepresentation leading to confusion or deception; and
- (c) Damage has been caused or is likely to be caused to the Applicants as a result.

Applicants have a reputation or goodwill

114 The Applicants submitted that the Applicants have a long standing reputation within the auction industry and within Singapore attached to both the English mark "Sotheby's" and the Chinese character mark “蘇富比” / “苏富比”. The Applicants have maintained an office here since 1985, was incorporated in 1996 and have conducted business here for close to 15 years.

Registered Mark would amount to misrepresentation causing confusion or deception

115 The use of the Registered Mark by the Registered Proprietors would amount to a misrepresentation. The Applicants submitted that this is an issue of fact which is not denied by the Registered Proprietors. The misrepresentation is that the services of the Registered Proprietors originate from the Applicants or that there is a business connection between the Applicants and the Registered Proprietors.

Damage to the Applicants

116 The Applicants have built their success on providing a superior service in which meticulous care is taken to ensure that the products on auction are genuine and that the entire auction process is executed with professionalism and efficiency. Customers from abroad who are familiar with the brand name "Sotheby's" would expect these same standards when dealing with the Singapore branch of the company. The use by the Registered Proprietors of a similar mark would damage the Applicants as the services provided would be of a lower calibre than is expected and this would tarnish the reputation of the Applicants. In an industry that is reliant on word of mouth and recommendations between clients this would be severely damaging to the Applicants' business.

117 Accordingly, registration and use of the Registered Mark would therefore be contrary to Section 8(7)(a) of the Act.

Decision on Section 8(7)(a)

118 It is clear that a claim under the law of passing off requires three elements to be established: (a) presence of goodwill; (b) misrepresentation; and (c) damage to goodwill: *Amanresorts* at [36] and [37]. The relevant date in this instance is the date of application for registration of the Registered Mark, that is, 11 October 2007.

119 As to what goodwill entails, I refer to *Law of Intellectual Property of Singapore (Sweet & Maxwell, Rev Ed, 2009)* by Ng-Loy Wee Loon at [17.1.2] quoting a passage from *IRC v Muller & Co's Magarine Ltd [1901]AC 217* at 223-224:

It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom....However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates.

[Emphasis mine.]

Pertinently, at [17.1.4]:

...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 his business conducted under that mark...

I will proceed to make the analysis under this Section on the basis of the English mark "Sotheby's" and “蘇富比” / “苏富比”.

Goodwill

120 I refer to Exhibit TGC-3 of the Applicants' SD which includes press releases of auctions conducted by the Sotheby's Group for the period 2002 to 2007 and sale results for the period 1997 to 2006. I note that all of the press releases are in English. Further I also note that all of the Sale Results depict prominently at the top of the page "Sotheby's". In relation to the *Lianhe Zaobao* articles included in Exhibit TGC-7 of the Applicants' SD as mentioned above, all the 5 articles (dated between the year 2000 to 2005), with one exception, refer to auctions by the Sotheby's Group in Hong Kong, London and New York. Therefore, it would appear that there is no evidence of sales conducted under “蘇富比” / “苏富比” in the local context nor is there evidence of sales overseas which can be attributed to use of “蘇富比” / “苏富比” in the local context.

121 In view of the above, based on the evidence tendered, while there can be said to be goodwill in relation to "Sotheby's", I find it hard to come to the same conclusion in relation to “蘇富比” / “苏富比”. It is to be recalled that unlike the requirements under Section 8(4), goodwill encompasses reputation as well as the attractive force which brings in custom.

Misrepresentation

122 In relation to misrepresentation, following the conclusion above in relation to Section 8(2)(b), there can be no misrepresentation in relation to "Sotheby's".

123 In relation to “蘇富比” / “苏富比”, as it is inconclusive as to whether there is goodwill, there is no need for me to look into this element.

124 In conclusion, Section 8(7)(b) is not made out in relation to "Sotheby's" and “蘇富比” / “苏富比” respectively.

Conclusion

125 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the invalidation succeeds under Section 23 read with Section 7(6) and 8(4)(a)(b)(i) but fails under Section 23 read with Sections 8(2)(b), 8(4)(a)(b)(ii) and 8(7)(b) respectively.

126 Accordingly, Trade Mark Registration No. T0720140E is hereby declared invalid. In accordance with Section 23(10) of the Act, the registration is deemed never to have been made, but this shall not affect transactions past and closed. The Applicants are also entitled to costs to be taxed, if not agreed.

Dated this 30th day of December 2010

Sandy Widjaja

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Division

Intellectual Property Office of Singapore