

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

Trade Mark Application No. T05/25465Z
10 November 2009

IN THE MATTER OF TRADE MARK APPLICATION NO T05/25465Z

**IN THE NAME OF
ROMANSON CO., LTD**

**AND
OPPOSITION THERETO BY
FESTINA LOTUS, S.A.**

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

Ms. Teresa O'Connor (Infinitus Law Corporation as instructed by Henry Goh (S) Pte Ltd) for the Opponents
Ms. Shanti Jaganathan (Harry Elias Partnership) for the Applicants

Cur Adv Vult

GROUND OF DECISION

This is an opposition against trade mark application number T05/25465Z as shown below:-


J.ESTINA

with respect to Class 14 in relation to the following goods “*wrist watches, electric watches, desk clocks, alarm clocks, necklaces, rings, bracelets, earrings, medals and brooches*” (“Application Mark”).

2 The Opponents, Festina Lotus, S.A. (“Opponents”) is the owner of various trade mark registrations in Singapore in Classes 14, 3, 9, 18, 25 and 16.

3 The Applicants, Romanson Co., Ltd. (“Applicants”) filed the trade mark application for the Application Mark on 16th December 2005. The said trade mark application was then accepted and advertised in the Trade Marks Journal on 24th May 2006.

Chronology of the Matter

4 The Opponents filed their Notice of Opposition on 22 September 2006. The Applicants filed their Counter-Statements on 22 January 2007. The Opponents filed evidence in support of the opposition on 6 May 2008. The Applicants on the other hand filed evidence in support of the application on 13 November 2008. The Opponents filed their evidence in reply on 22 May 2009. At the Pre-Hearing Review on 18 June 2009, the Opponents indicated that this is one of the opposition proceedings between the parties in multiple jurisdictions over the years. The Applicants’ counsel informed that they will be seeking their clients’ instructions as to whether they will be defending the application. Subsequent to the Pre-Hearing Review, the Applicants indicated in writing that they are proceeding for a full hearing. In view of this, the Further Pre-Hearing Review scheduled for 16 July 2009 was vacated. A hearing date was set down for 13 October 2009. However, as counsel for the Applicants were involved in arbitration / court hearings in the month of October, the full hearing was subsequently set down for 10 November 2009.

Opponents’ Evidence

5 The Opponents’ evidence was declared by Javier Riba, the Managing Director for the Opponents. There are two statutory declarations sworn by the Opponents:-

- (i) The Opponents’ Statutory Declaration of 6th May 2008 (“Opponents’ 1st SD”);
- (ii) The Opponents’ Statutory Declaration of 22nd May 2009 (“Opponents’ 2nd SD”).

The Opponents were founded in Switzerland in 1902. It was deposed that the Opponents are one of the world’s leading maker and retailer of watches and other fashionable timepieces.

6 The Opponents had either applied to register or had obtained the registration of their marks in various classes, including class 14, in many countries worldwide. In Singapore, the Opponents filed for registration of its FESTINA & device mark in class 14 as early as 1990 and had obtained registration thereof (T9004265I – see below). The

Opponents also provided a selection of the registration certificates evidencing the registration of the Opponents' marks (in various classes) on a worldwide basis. This includes Japan, India, Republic of Mauritius, Puerto Rico etcetera.

7 The Opponents also deposed that their marks have been heavily advertised and promoted in their major markets and provided copies of selected advertising and promotion materials used in their major markets worldwide to substantiate this claim. The Opponents also provided copies of some of the advertising expenditure statements for marks belonging to Festina Group (of which the Opponents are part of) in various countries. The Opponents deposed that as a result of the advertising and promotional efforts, substantial sales have been generated worldwide as follows:-

Year	Sales (Euro)
2001	62,231,016.24
2002	63,064,169.00
2003	62,954,427.00
2004	78,796,000.00
2005	84,549,000.00
2006	88,492,000.00

Applicants' Evidence

8 The Applicant's evidence was declared by Myoung-chul Shin, the General Manager of the J. Estina division of Jushikhoesa Romanson (also known as Romanson Co., Ltd.) and the Applicants filed the Statutory Declaration on 13th November 2008 ("Applicants' SD"). The Applicants were established in April 1998 as a manufacturer of watches.

9 Having successfully established its watch business, the Applicants ventured into the jewellery market in 2002 as part of its growth and development. As part of the process of the launch of the new line of business, the Applicants constituted a sales and marketing team to come up with a name for the new line of business and eventually selected the trade mark consisting of "J.Estina" and the crown device ("Trade Mark" which is identical to the Application Mark). The Applicants also deposed that they included as part of the brand development exercise, a brand story which would form an integral part of the brand. The brand story was launched together with the introduction of the Trade Mark in 2003. In the brand story, the initial "J" stands for "Jovanna". The Applicants deposed that "Jovanna" is derived from the name of an Italian princess and Bulgarian queen "Jovanna Elizabeth Antonia Romana Maire". Thus the Applicants deposed that "J.Estina" refers to a princess in the story and the crown represents the princess's tiara. There is also the princess's pet cat, "Jena". The Applicants deposed that all goods are developed, designed and sold under the Trade Mark and that they revolve around the brand story.

10 It was deposed that the Applicants have used the Trade Mark continuously in the Republic of Korea since the launch of its new line of business in February 2003. In 2006, the Applicants launched its new line of business under the Trade Mark in China and Vietnam. The approximate sales value of jewellery, watches and horologic articles under the Trade Mark in the said countries is as follows:-

Year	Approximate Value (USD)
2003	1,513,877
2004	9,293,717
2005	17,431,738
2006	29,235,683
2007	38,980,657

11 The Applicants also deposed that since the launch of the Trade Mark in February 2003 the Applicants had been actively promoting the Trade Mark via press circulars, participation in trade exhibitions and advertisements. The approximate amount expended in advertising is as follows:-

Year	Approximate Value (USD)
2003	6,419
2004	596,043
2005	488,163
2006	772,114
2007	448,876

The Applicants also provided samples of advertisements and promotional materials.

12 The Applicants deposed that the Trade Mark is applied and primarily used on jewellery while the Opponents' marks are applied and used mainly on watches, clocks and other chronometric instruments.

Applicable Law and Burden of Proof

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

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

Grounds for Opposition

14 The Opponents raised Sections 8(2), 8(4), 8(7)(a) and s2(1) of the Act in their Notice of Opposition / Statement of Grounds. However, subsequently in the Pre-Hearing Review of 18 June 2009, the Opponents confirmed that they will only be proceeding on

Sections 8(2)(b) and 8(7)(a). Further, at the Pre-Hearing Review, the Opponents also confirmed that they will be proceeding based on Section 7(6) (the Opponents did not specifically mention Section 7(6) in the Notice of Opposition / Statement of Grounds, however, it is apparent from paragraph 14 of the Notice of Opposition / Statement of Grounds that they are relying on this provision).

15 The Applicants made written submissions in relation to the original five grounds as per the Notice of Opposition / Statement of Grounds. However, at the hearing, the Registrar sought confirmation from both parties that the opposition will only be proceeding based on the three grounds as per the Pre-Hearing Review of Sections 8(2)(b), 8(7)(a) and 7(6). Thus submissions in relation to the other provisions of the Act in the Applicants' written submissions are to be disregarded.

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

16 Section 8(2)(b) reads:

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

...

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

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

Opponents' submissions

17 The Opponents submitted that both parties are in the similar background trade of watches and jewellery. As the application for registration for the Application Mark was made on 16th December 2005, all the submissions were made in relation to this date.

18 The Opponents submitted that they have used the brand “FESTINA” for over a hundred years. The Opponents' marks were registered in Singapore since 1990 and they are registered in a number of classes. The Opponents submitted that these are normal classes for a company engaged in lifestyle products although their core product is watches. The Opponents submitted that goods in these other classes can be considered as similar to the goods under the Application Mark.

19 The Opponents referred to the Opponents' 1st SD, exhibit JR-3 where the Opponents have provided a selection of registration certificates evidencing registration of the Opponents' marks on a worldwide basis. The Opponents submitted that while there is no information as to the extent of which their marks are well-known in Singapore, their marks are internationally successful. Singapore is reputed as a good place to buy watches and thus the importance of Singapore to both parties.

20 The Opponents submitted that they are the registered proprietors of the marks as follows:-

No.	Trade Mark Number	Class	Application Date	Mark
1.	T9004265I	14 <i>Watches, clocks and other chronometric instruments</i>	12 June 1990	
2.	T0612081I	03 <i>Perfumes and cosmetics</i>	4 July 2005	 FESTINA
3.	T0612082G	09 <i>Spectacles.</i>	4 July 2005	 FESTINA
4.	T0612083E	18 <i>Leather and imitation leather; goods made of these materials not included in other classes; animal skins and hides; trunks and suitcases; umbrellas; parasols and walking sticks; whips, harness and saddlery</i>	4 July 2005	 FESTINA
5.	T0612084C	25 <i>Clothing and footwear</i>	4 July 2005	 FESTINA
6.	T0611103H	16 <i>Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paintbrushes; typewriters and office requisites (except</i>	27 October 2005	 FESTINA

		<i>furniture); instructional and teaching material (other than apparatus); plastic packaging materials (not included in other classes); printers' type; printing blocks and especially ballpoint pens, holders for clips, inkstands, writing materials, nibs, nibs of gold, stylographic pens, penholders; pencils; pencil holders; boxes for pens</i>		
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On the basis of the earlier dates of application for these marks, the Opponents submitted that the above marks are “earlier trade marks” by virtue of Section 2 of the Act.

21 The Opponents submitted that in considering whether likelihood of confusion is made out, one may refer to the guidelines and principles of the global assessment test as adopted in the European decisions of *Sabel BV v Puma AG* [1998] ETMR 1 (“*Sabel*”), *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [1999] ETMR 690 (“*Lloyd Schuhfabrik*”), *Canon Kabushiki Kaisha v Metro Goldwyn-Mayer Inc* [1999] ETMR 1 (“*Canon*”) or the three-step approach in *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”).

22 The global assessment test was adopted by the High Court in Singapore in *Richemont International SA v Goldlion Enterprise (Singapore) Pte Ltd* [2006] 1 SLR 402 (“*Richemont*”), *Mobil Petroleum Company Inc v Hyundai Mobis* [2008] SGHC 104 (“*Hyundai Mobis*”) and by the Registrar of Trade Marks in *Pensonic Corporation Sdn Bhd v Matsushita Electric Industrial Co., Ltd* [2008] SGIPOS and *Hyundai Mobis v Mobil Petroleum Company Inc* [2007] SGIPOS 12. The Opponents submitted that in any event, both *Nation Fittings (M) Sdn Bhd v Oystertec PLC* [2006] 1 SLR 712 (“*Nation Fittings*”) and the Court of Appeal in *The Polo/Lauren Co., LP v Shop-In Department Store Pte Ltd* [2006] 2 SLR 690 (“*Polo case*”) held that the end result will likely be the same regardless of the test applied and thus submitted that they intend to proceed by way of the global assessment test.

23 The Opponents submitted that the various elements from the cases above are as follows:-

- (a) The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their

distinctive and dominant components (*Sabel*) and (*Lloyd Schuhfabrik*) and as applied in *Richemont*.

- (b) The likelihood of confusion must be appreciated globally, taking account of all factors relevant to the circumstances of the case (*Sabel*).
- (c) The matter must be judged by the eyes of the average consumer of the goods in question who is deemed to be reasonably well informed and reasonably circumspect and observant – but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind (*Sabel* and *Lloyd Schuhfabrik*).
- (d) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel*).
- (e) A global assessment of the likelihood of confusion implies an interdependence between the various relevant factors. So a lesser degree of similarity between the marks may be offset by a greater degree of similarity of the goods and vice versa (*Canon*).
- (f) There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it (*Sabel*).
- (g) If the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section (*Canon*).

24 In terms of visual similarity, the Opponents submitted that the Opponents' marks comprise a few different elements but the principal features are a European-style coat of arms or crest and the word "FESTINA". Coat of arms and crests are fairly common elements in many trade marks since historically, the appendage of such designs to a manufacturer's mark indicated royal patronage. However, with the effluxion of time, the use of crests continued more as a design element which lends a "high-class" look to a composite trade mark design. The Opponents submitted that due to the common appearance over the years of various crests in trade marks, the consumer will pay more attention to the remaining portion of the mark which is the word "FESTINA". The Opponents submitted that crests are normally intricately designed with complicated and numerous elements, and it cannot be expected that consumers would recall their exact details except for the impression that some form of royal looking crest was also involved in the mark design.

25 There is visual similarity between the marks because the spellings of the words "J ESTINA" and "FESTINA" both reproduce the portion "ESTINA" which is in itself very distinctive. Further the use of the stylized crown by the Applicants is reminiscent of the coat of arms or crest in the Opponents' registered marks (which includes a small size

crown). One of the guiding principles is that consumers do not have the opportunity to compare both marks side by side and there is imperfect recollection. Given that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, the Application Mark and the Opponents' registered marks will come across to the average consumer as visually similar. The Opponents further referred to the Decision on Opposition No B 765 356 by the Office of Harmonization in the Internal Market ("OHIM") where it was held that "J.ESTINA" was visually similar to "FESTINA" given that the marks have six out of seven letters in common and in the same order.

26 In relation to aural similarity, the Opponents submitted that the Application Mark and the Opponents' registered marks are pronounced practically identically since they both end with "ESTINA". The only difference is that the Application Mark has the letter "J." with a full stop separating it from "ESTINA" whereas the Opponents' registered marks begin with the letter "F". However, even if each mark is pronounced clearly, the Opponents submitted that they are still extremely similar aurally, because there is very little difference between the sounds which the letters "F" and "J" make at the beginning of the word. The Opponents submitted that the emphasis of pronunciation would largely still lie on the "ESTINA" portion. The Opponents refer to the case *Zing Trade Mark [1978] RPC 47* where "ZING" was held similar to "PING" phonetically and visually in respect of sporting articles including golf clubs and *Roamer Watch v African Textile Distributors [1980] RPC 457* where "ROMA" and "ROAMEX" were held similar to "ROAMER" in respect of watches. The Opponents submitted that even if "FESTINA" is not the dominant factor visually, it is at least of equal dominance in view of its verbal function.

27 In relation to conceptual similarity, the Opponents submitted that the marks are conceptually similar as they both comprise a combination of a foreign sort of name with a device which hints at royalty. In the alternative, the Opponents submitted that both the Application Mark and the Opponents' marks are conceptually neutral as they are merely names and as such are devoid of any specific concept.

28 The Opponents submitted that the Applicants' goods are identical / similar to the Opponents' goods. The Opponents submitted that "*wrist watches, electric watches*" in the Applicants' specification are identical to "*watches*" in the Opponents' specification while "*desk clocks, alarm clocks*" are identical to "*clocks*" in the Opponents' specification.

29 With regard to the remaining goods in the Applicants' specification namely "*necklaces, rings, bracelets, earrings, medals and brooches*", the Opponents submitted that as held in *British Sugar* and followed in *Richemont* and *Hyundai Mobis*, the following factors may be used to assess if the goods are similar:-

- (a) the respective uses of the goods;
- (b) the respective users of the goods;
- (c) the physical nature of the goods;

- (d) the trade channels through which the goods reach the market;
- (e) for self-serve consumer items, whether in practice they are found or likely to be found, in particular, on the same or different shelves; and
- (f) the extent to which the respective goods are competitive.

30 The Opponents submitted that “*necklaces, rings, bracelets, earrings, medals and brooches*” are worn for adornment as fashion accessories and the Opponents registered goods “*watches*” are not only functional items but also worn for adornment and as fashion accessories. Design, value and fashion statement are as much a factor of the purchase of wristwatches as they are in the purchase of jewellery. A watch is chosen and worn to complement other jewellery which is to be worn by the consumer. Thus the Opponents submitted that the uses of the goods are similar and given the nature of the goods, the users of the goods are identical. The Opponents further submitted that the Opponents’ marks in classes 3, 18 and 25 are further extensions of the fashion accessorizing and dressing of the consumer and thus must be considered as being similar to these goods. They are all goods which enhance the lifestyle of consumers.

31 The Opponents also submitted that the physical nature of the goods are similar as both sets of goods can be made of metals, precious metals, leather and are worn on the person. In terms of trade channels, the sellers of the Opponents’ goods will also be sellers of the Applicants’ goods in many instances for example, departmental stores, specialist stores selling fashion accessories, jewellery and watch stores. The goods are also competitive as they operate in the same market segment and vie for the same customers. Consumers can buy the Applicants’ goods in place of the Opponents’ goods.

32 The Opponents thus concluded that the Applicants’ goods are identical / similar to the goods provided by the Opponents.

33 In order to assess the likelihood of confusion the circumstances that should be considered are (*Hyundai Mobis*):-

- (a) the degree of distinctiveness of the Opponents’ mark;
- (b) the degree of similarity between the marks;
- (c) the degree of similarity between the goods;
- (d) the perception of the average consumer;
- (e) the risk that the public may believe the goods come from the same source;
- (f) the absence of steps taken by the Applicants to distinguish their goods from the Opponents’ goods.

34 The Opponents also quoted the *Polo case*:-

“the question of likelihood of confusion has 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 come from the same source or economically-linked sources...Steps taken

by the defendant to differentiate his goods from those of the registered proprietor are also pertinent...So also is the kind of customer who would be likely to buy the goods”.

35 The Opponents referred to *Sabel* where it was held that there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either per se or because of the use that has been made of it. The Opponents submitted that the Opponents’ registered marks are highly distinctive since there is no known meaning of the foreign-sounding name “FESTINA” and the component “ESTINA” is highly distinctive and recognizable.

36 In considering the likelihood of confusion, it is to be judged through the eyes of the average consumer who is deemed to be reasonably well informed, circumspect and observant but who rarely has the chance to make direct comparisons between marks and must instead rely upon their recollection which is imperfect (*Sabel*). The Opponents referred again to the Decision on Opposition No B 765 356 by OHIM (“OHIM Decision”) where it was held that “J.ESTINA” may be perceived by the general public as a name, that is, the initial “J” followed by the surname “ESTINA”. In such cases, consumers would focus more on the last part, namely the surname “ESTINA” which is identical to the last six letters of the Opponents’ marks.

37 The Opponents submitted that consumers of the goods on which the Application Mark and the Opponents’ marks will be used may be fashion conscious but it cannot *a fortiori* be assumed that they cannot be misled or mistaken. The Opponents submitted that the similarity between the marks and the identical / similar goods are such that there is a high possibility that the Application Mark may result in confusion or be seen as another venture by or connected with the Opponents.

38 The Opponents concluded that the average consumer perceives the mark as a whole and does not analyse its various details and that the global appreciation of the aural, visual or conceptual similarity must be based on the overall impression of the marks in particular their distinctive and dominant components. It is clear that the distinctive and dominant component of the Opponents’ marks is “FESTINA” with or without a crest and the Application Mark being “J.ESTINA” with a crown, the two marks are confusingly similar.

Applicants’ submissions

39 In relation to opposition under this provision, the Applicants made the following submissions.

40 With respect to the limb which relates to similar marks and identical goods, the Applicants submitted that by virtue of the requirement of identity in the goods, the Opponents’ marks in classes 3, 9, 18, 25 and 16 are irrelevant and should not be considered. The Applicants submitted that the goods are clearly not identical goods and thus these marks in these classes should be disregarded altogether. In relation to the limb

which relates to similar marks and similar goods, the Applicants submitted that the goods in these classes are also not similar or of the same description.

41 Therefore, the Applicants submitted that what is left for the purposes of objection under this provision is the Opponents' mark in class 14 (that is, T9004265I see above - "Opponents' class 14 mark"). The Applicants submitted that taking into consideration the goods for which the Application Mark relates, that is, "*wrist watches, electric watches, desk clocks, alarm clocks, necklaces, rings, bracelets, earrings, medals and brooches*" it is clear that these goods are not identical to the goods for which the Opponents' class 14 mark is registered, namely "*watches, clocks and other chronometric instruments*". The Applicants submitted that even assuming that the goods are taken to be identical in the sense that in spirit, there is an overlap particularly when dealing with watches and clocks, the provision will not apply for the following reasons.

42 The comparison of the marks will only be made between the Application Mark and the Opponents' class 14 mark since as mentioned above in paragraph 40, the Opponents' marks in other classes should be disregarded. The Applicants submitted that it is clear from the representations of the Application Mark and the Opponents' class 14 mark that they are not identical.

43 The Applicants referred to *Aristoc v Rysta (1945) 60 RPC 87* and submitted that a person familiar with the Opponents' class 14 mark would in no way associate it with the Application Mark due to the differences in the marks in totality. The first impression is that the Application Mark stands on its own without any reference whatsoever to the Opponents' class 14 mark.

44 The Applicants quoted from the *Pianotist Co.'s Application (Pianola) (1906) 23 RPC 774:-*

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

45 The Applicants also referred to *Sabel* for the principles that:-

- (i) The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; and
- (ii) The likelihood of confusion must be appreciated globally, taking account of all factors relevant to the circumstances of the case.

46 The Applicants submitted that the dominant component of the Opponents' class 14 mark is the crest. This is not featured in the Application Mark. The Application Mark on the other hand has the word "J.ESTINA" and the device of a crown. Both of these are

not featured on the Opponents' class 14 mark in a prominent manner. The Applicants submitted that the only grouse that the Opponents have seems to be the degree of similarity between "FESTINA" and "J.ESTINA" and this relates to the aural instead of the visual similarity of the marks. In relation to the visual similarity of the marks, the Applicants conclude that when taken in totality and taking into account of the global appreciation test, there are vast differences between the marks.

47 The Applicants submitted that even if both devices are considered they convey different ideas. One would relate to the device of a crown while the other to the device of a crest. The Applicants submitted that while a crown may convey the idea of royalty it can hardly be said that a crest or a coat of arms conveys the same idea. The Applicants submitted that if that were the case, the crest of Singapore would convey the impression of royalty when this is not so. The Applicants concluded that the idea and impression created by the marks are different. On the issue of devices, the Applicants referred to the Malaysian Court of Appeal case of *Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd Japan & Anor [2008] 1 CLJ 46 ("Meidi-Ya")*. The marks in that case were both word marks which incorporated "Meidi-Ya". However, the Appellants' mark had the device of stalks of wheat blowing in the wind which was not found in the Respondents' mark. The Court on the issue of similarity found that the marks could be distinguished. The Court considered the marks in totality and found that the device of the stalks of wheat made the distinction. The Applicants submitted that applying the same principle, it is evident that the Application Mark does not have the device found in the Opponents' class 14 mark. To take it further, the marks are phonetically different (unlike Medi-Ya). The Applicants submitted that this being the case, there are more compelling reasons for the Application Mark to proceed to registration in this case. As per the case of *Newsweek v BBC [1979] RPC 441 ("Newsweek case")*, if the confusion caused is to a "moron in a hurry" the registration should not be refused.

48 In relation to the Opponents' submissions as to the visual similarity of the marks, the Applicants responded as follows:-

(i) In relation to the device of a crown, the mark has to be taken as a whole. The crown device is the only device in the Application Mark while it is very small in the Opponents' class 14 mark which has many other components.

(ii) "FESTINA" is not the dominant subset of the Opponents' class 14 mark. The dominant subset of the said mark is the crest. This is because "FESTINA" is within the crest in the Opponents' class 14 mark which is not so for the Application Mark.

(iii) none of the foreign decisions are binding, including the OHIM Decision. Further, the OHIM Decision does not relate to Opponents' class 14 mark.

49 On the issue of aural similarity, the Applicants submitted that the case of ***London Lubricants (1925) 42 RPC 264*** is instructive and referred to the following passage in the case:-

“the tendency of persons using the English language is to slur the termination of words also has the effect necessarily that the beginnings of words is accentuated in comparison, and...the first syllable of a word is, as a rule, by far the most important for the purpose of distinction”.

The Applicants then submitted that the Application Mark is pronounced as “Jay-Es-Ti-Na” whereas the Opponents’ class 14 mark is pronounced as “Fes-Ti-Na”. The Applicants submitted that clearly the first syllable is different and argued that aurally the marks are different. Further, the Application Mark has 4 syllables while the Opponents’ class 14 mark has 3 syllables. In relation to the Opponents’ arguments with respect to aural similarity, the Applicants responded that just because “ESTINA” is the common denominator does not equate to similarity between the marks.

50 In conclusion, the Applicants submitted that the marks are not visually and aurally similar. The dominant aspects of the marks are different even if the imperfect recollection test is applied. Appreciated globally and on first impression, no sensible person would be confused. Only the Opponents’ class 14 mark is relevant. However, even if all other marks are considered, it would result in a similar conclusion.

Decision

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

51 Section 8(2)(b) reads:

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

...

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

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

52 It is clear that for the application of this provision, the Opponents would have to establish that they have an earlier trade mark. An earlier trade mark is defined in Section 2(1) of the Act as:

“(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) ...

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;”

53 The Opponents submitted that their earlier marks in the various classes (as above) can be considered to be earlier marks. I do not agree with this submission. Section 8(2)(b) requires a comparison to be made between similar marks in relation to identical / similar goods. A cursory glance at the table of the Opponents’ marks in Singapore shows that except for the Opponents’ class 14 mark, the goods for the marks in other classes cannot said to be identical or similar to the goods for the Application Mark. Thus the only mark of the Opponents which can constitute “an earlier trade mark” in this instance is the Opponents’ class 14 mark.

54 In relation to the relevant test under Section 8(2)(b), the Opponents submitted that the Registrar should refer to the guidelines and principles of the global assessment test in *Sabel* as adopted in the High Court in Singapore in *Ritchemont* and *Hyundai Mobis* instead of the three-step approach in *British Sugar*. The Opponents submitted that in any event, both *Nation Fittings* and the *Polo case* held that the end result will likely be the same regardless of the test applied. I note that the Court in the *Polo case* did mention that the end result is the same whether the test in *Sabel* or that in *British Sugar* is applied. The Applicants also relied on the global assessment test in *Sabel* for their analysis. However, for the sake of good order I will apply the 3-step approach as per *British Sugar* since this is specifically endorsed in the *Polo case*.

55 The 3-step analysis in *British Sugar* entails the following:-

- (i) the alleged offending sign must be shown to be similar to the registered mark;
- (ii) both the sign and the mark must be used in relation to similar goods or services; and
- (iii) on account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the public.

56 It is not in dispute that to assess the similarities between the marks, the visual, aural and conceptual similarities must be analysed.

Visual Similarity

57 In terms of visual similarity, I note that “J. Estina” is a dominant aspect of the Application Mark. This is because the word “J.Eestina” constitutes half or more of the Application Mark. The crown device is much smaller in relation to the word “J.Estina”.

58 The Opponents’ class 14 mark on the other hand has the word “Festina” subsumed within the crest which forms the dominant part of the mark. I accept the Opponents’ submissions that crests are normally intricately designed with complicated

and numerous elements, such that generally, consumers would not be able to recall their exact details except for the impression that a crest is part of the mark design. However, I am of the view that the general impression made is still that the mark consists of in essence, a crest. This is different to that of the Application Mark which consists of the word “J.Estina” and a device of the crown of which the word, “J.Estina” is the main component.

59 Thus I am of the view that the marks are visually dissimilar.

Aural Similarity

60 In relation to aural similarity, the Opponents submitted that the Application Mark and the Opponents’ class 14 mark are pronounced practically in the same way since they both end with “ESTINA”. The only difference is that the Application Mark has the letter “J.” with a full stop separating it from “ESTINA” whereas the Opponents’ class 14 mark begin with the letter “F”. The Opponents submitted that even if each mark is pronounced clearly, they are still extremely similar aurally, because there is very little difference between the sounds which the letters “F” and “J” make at the beginning of the word. The Opponents submitted that the emphasis of pronunciation would largely still lie on the “ESTINA” portion.

61 I agree with the Opponents’ submissions. While the word in the Application Mark is “J.Estina”, it is likely that the average consumer will pronounce it as “Jestina”. Taking this into account and the fact that there is little difference between the sounds which the letters “F” and “J” make at the beginning of the words such that the emphasis of pronunciation would largely lie on the “ESTINA” portion, I am of the view that the marks are aurally similar.

Conceptual Similarity

62 In relation to conceptual similarity, the Opponents submitted that the marks are conceptually similar as they both comprise a combination of a foreign sort of name with a device which hints at royalty. In the alternative, the Opponents submitted that both marks are conceptually neutral as they are merely names and as such are devoid of any specific concept.

63 I note the Opponents’ submissions that historically, the appendage of crest-like designs to a mark indicated royal patronage but that over time, the use of crests is considered to be a design element which merely lends a “high-class” look to a mark design. This is not so for a device of a crown. A device of a crown used to, and continues to this day, connotes and evokes the idea of royal patronage.

64 Thus I am of the view that the marks are conceptually dissimilar.

Similarity of Goods

65 For ease of reference, the goods for which the Application Mark relates to is “*wrist watches, electric watches, desk clocks, alarm clocks, necklaces, rings, bracelets, earrings, medals and brooches*” while the goods for which the Opponents’ class 14 mark is registered for are “*watches, clocks and other chronometric instruments*”.

66 Opponents submitted that “*wrist watches, electric watches*” in the Applicants’ specification are identical to “*watches*” in the Opponents’ specification while “*desk clocks, alarm clocks*” are identical to “*clocks*” in the Opponents’ specification. With regards to the remaining goods in the Applicants’ specification namely “*necklaces, rings, bracelets, earrings, medals and brooches*”, the Opponents submitted that following the factors expounded in ***British Sugar***, the goods can be considered to be similar for the following reasons.

67 The Opponents submitted that “*necklaces, rings, bracelets, earrings, medals and brooches*” are worn for adornment and “*watches*” are not only functional items but also worn as fashion accessories. Design is as much a factor in the purchase of watches as they are in the purchase of jewellery.

68 The Opponents also submitted that the physical nature of the goods are similar as both sets of goods can be made of metals, precious metals etcetera and are worn on the person. In terms of trade channels, the sellers of the Opponents’ goods will also be sellers of the Applicants’ goods in many instances for example, departmental stores. The goods are also competitive as they operate in the same market segment and vie for the same customers. Consumers can buy the Applicants’ goods in place of the Opponents’ goods.

69 The Opponents thus concluded that the Applicants’ goods are identical / similar to the goods provided by the Opponents.

70 The Applicants submitted that the goods under the Application Mark are not identical to the goods for which the Opponents’ class 14 mark are registered for. The Applicants’ case is that even if “*wrist watches, electric watches, desk clocks, alarm clocks*” are considered to be identical to “*watches, clocks and other chronometric instruments*” in the sense of the spirit, the provision does not apply as the marks are different.

71 I do not think there is an issue in relation to the identity between “*wrist watches, electric watches, desk clocks, alarm clocks*” and “*watches, clocks and other chronometric instruments*”. It is clear that there is an overlap between the two specifications and as such the goods are identical. The main contention is in relation to the similarity between “*necklaces, rings, bracelets, earrings, medals and brooches*” and “*watches, clocks and other chronometric instruments*”.

72 In order to assess the similarity of goods, it is necessary to look through the factors in **British Sugar** (as above). Applying the factors to the instance case:-

- (i) watches and jewellery both have a similar use of being articles of adornment. However, one particular function of a watch which cannot be replicated by jewellery is that of telling the time;
- (ii) following the argument above with respect to the uses of the goods, both goods will share one same group of users. However, there will be consumers who are mainly interested in buying a watch for its function only and thus would not be interested in jewellery;
- (iii) the physical nature of the goods can be considered to be similar since both can be made of metal etcetera;
- (iv) there will be some trade channels through which both goods reach the market for example, departmental stores, as submitted by the Opponents. However, I note that there will be speciality shops which only sell one type of goods and not the other;
- (v) the goods can be, to some extent, competitive. However, it is noted that they cannot be regarded as, and are not, substitutes. This is because the functions of both goods are not exactly the same (see above).

73 The conclusion of the above analysis is that there is some similarity between “necklaces, rings, bracelets, earrings, medals and brooches” and “watches, clocks and other chronometric instruments”.

Likelihood of Confusion

74 The Court the **Polo case** made further elaborations in relation to this element following their endorsement of the **British Sugar** test as follows:-

“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.”;

Neither does it mean that if the mark and the sign are similar, and they are used on similar goods, that there will ipso facto be confusion in the minds of the public.”; and finally,

“The question of likelihood of confusion has 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 come from the same source or economically-linked sources...But that is not all. Steps taken by the defendant to differentiate his goods from those of the registered proprietor are also pertinent. So also is the kind of customer who would be likely to buy the goods of the appellant and the respondent.”

[Emphasis all mine].

75 From the evidence tendered, both marks have not been used in Singapore. Thus an analysis would have to be made on the basis of a notional, normal and fair use of the marks. Applying the above principle, in order to assess the likelihood of confusion, it will be necessary to consider all relevant surrounding circumstances, including the nature of the goods, the price of the goods, the nature of the consumers, the nature of the industry and the respective trade channels.

76 In relation to the nature of the goods, the goods are watches and fashion accessories. In the analysis above, it is noted that the uses of these two categories of goods have some areas of overlap but that the goods are not substitutes. However, I note that in this day and age, whether one buys a watch for the purposes of adornment or for its functionality, watches can be regarded as fashion statements. Thus, it would be fair to say that both types of goods are normally bought after much scrutiny and are not bought at whim.

77 As I have to consider a notional, normal and fair use of the marks, I have to assign an average price for the goods. I note that for both the Opponents and the Applicants, there are copies of invoices of goods sold in overseas markets in the respective currencies (although I note that the invoices of the Applicants in relation to jewellery do not provide the price per item see MCS-4 of the Opponents' 1st SD). For the Applicants, in relation to watches, the webpage at JR-9 of the Opponents' 2nd SD also provided some indication as to the approximate price range of the goods in South Korea. However, these figures would at most be indicative only since the same kind of goods can be priced differently in different markets. Thus, say for example, that the watches are sold at an average price of SGD400-00. At such a price, the customers are not likely to be careless with their purchase. They would be more cautious and purchases will be made with much thought and consideration.

78 In relation to the nature of the customers, since these are personal items which can be regarded as fashion statements, the customers would be a conscious lot. They would be discerning as to their purchase and the degree of attention exercised by the consumers would be greater. Further with extensive branding exercises which such products are generally made to go through (this is so in the instance case as can be seen from the respective statutory declarations), it is not unusual that consumers of these products would exercise some form of brand loyalty. This further reduces the likelihood of confusion since they would take pains to ensure that they are purchasing products of a particular brand. Before I leave this point it is important to remember that the average consumer in Singapore is one who is literate, educated, exposed to the world and not easily hoodwinked but an ordinary sensible man and not a moron in a hurry (*McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR 177).

79 In relation to the nature of the industry, there is a proliferation of different brands and products to choose from, from the lower-end range to the much higher-end luxury range. Under such circumstances, consumers will be more deliberate and circumspect

during their selection and purchase to ensure that they are buying exactly what they are looking for.

80 In relation to trade channels, there are the departmental stores and the specialist boutiques. In the event that both marks are sold via specialist boutiques, it would greatly reduce the likelihood of confusion. I note that the Applicants have specialist stores for their overseas markets (see exhibit MCS-05 of the Applicants' SD). However, as there is no evidence of sales in Singapore as yet, this cannot be taken into account. With regards to sales via departmental stores, one would only need to take a stroll down say Takashimaya to note that there are separate counters for the different brands of watches and jewellery. Thus it is the visual appearance of the marks which would be the main differentiating factor. As I have decided above that the marks are visually dissimilar, this mode of sale will further reduce the likelihood of confusion.

81 There is also another issue to be taken into account and that is steps taken by the Applicants to differentiate their goods from that of the Opponents. I refer to paragraphs 7 to 9 of the Applicants' SD. It is noted that early into the launch and development of their jewellery line, the Applicants had engaged in a branding exercise and sought to develop a brand story which provides a basis for the development and design of their products and of which their products revolve around. The Applicants embarked to launch the new line of business in 2002. This is followed with a market research into the possible new names from which the Trade Mark was derived from. The Applicants then proceeded to create a story telling strategy which would form an integral part of the brand. The Applicants launched the story with the introduction of the Trade Mark in February 2005.

82 As described above, in the brand story, the initial "J" stands for "JOVANNA" which is derived from the name of an Italian princess and Bulgarian queen. Thus "J.Estina" stands for "JOVANNA ESTINA". In the story, J.Estina is a princess and the crown device represents the princess's tiara. Jovanna also keeps a pet cat "Jena". I refer to MCS-03 in the Applicants' SD. It can be seen, at pages 7, 11 and 25 that the Applicants sought to portray a romantic, fairytale-like image from the brand story for the products through the consistent portrayal of a princess, her dainty tiara and her pet cat. I refer also to MCS-05 of the Applicants' SD which contains samples of the Applicants' promotional materials. Page 1 of this exhibit again contains an image described above. Page 18 onwards of MCS-05 of the Applicants' SD contains several pages of the Applicants' jewellery lines. One look and one can fairly say that they portray and concoct the kind of image and ideas as described above. In relation to watches, I refer to the Opponents' 2nd SD at JR-9. Again from the webpage containing the watches, it can be seen that the watches too are advertised in a way which concocts the same ideas as described above.

83 In contrast the Opponents tend to portray a more mature and sensual image for their products. This can be gleaned from some of the magazines which the Opponents chose to advertise their products. I refer to JR-4 of the Opponents' 1st SD. Some examples include pages 14, 35, 58, 74 and 79.

84 Taking into account all the factors and the evidence filed, I am of the view that there will be no likelihood of confusion. The opposition under section 8(2)(b) therefore fails.

Decision

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

85 Section 8(7)(a) reads:

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

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

Opponents’ submissions

86 The Opponents submitted that the elements of a passing off action as restated in ***Reckitt & Colman Products Ltd v Borden Ltd [1990] RPC 341*** (“***Reckitt***”) and as stated in ***Alteco Chemical Pte Ltd v Chong Yean Wah t/a Yamayo Stationery Manufacturer [2000] 1 SLR 119*** (“***Alteco***”) are as follows:-

- (a) It must be shown that the Opponents have reputation or goodwill in the business;
- (b) That the use of the Application 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 Opponents as a result.

87 The Opponents submitted that the Opponents’ business has goodwill or reputation in Singapore and that the Opponents’ marks have become distinctive of the Opponents’ goods and are identified exclusively with the Opponents’ goods. The Opponents submitted that the fact that they have registered their marks since 1990 shows that the Opponents have reputation and goodwill in the business. The Opponents also submitted that taking into account of the fact that they are a leading watch manufacturer in Europe, their participation in the Basle Watch Fair for many years, their success in Hong Kong and Japan, their sponsorship of “Tour de France” and the fact that they have been in the business for about a hundred years, the Opponents would be known to the watch trade in Singapore.

88 In relation to advertising expenditure, the Opponents referred to exhibit JR-5 of the Opponents’ 1st SD which includes copies of advertising statements for marks including “FESTINA” belonging to the Festina Group (of which the Opponents are part of) in different countries. The Opponents submitted that this goes towards the repute of the Opponents. With respect the sales volume, the Opponents referred to paragraph 13 of the Opponents’ 1st SD (see paragraph 7 above). Taking both into account, the Opponents

submitted that they show the success and repute of the Opponents which should be known to all watch makers worldwide.

89 In relation to misrepresentation the Opponents pointed to the confusing similarity of the marks and submitted that such would amount to misrepresentation leading to confusion or deception that the goods of the Applicants originated from the Opponents or that there is a business connection between the Applicants and the Opponents. The Opponents further submitted that Singapore is a watch retailers' centre and many tourists come to Singapore with the purpose of buying a watch as prices are perceived to be lower here. Those tourists who are familiar with "FESTINA" from their home countries such as Hong Kong and Japan may be easily confused when they see the "J.ESTINA".

90 As a result, the Opponents submitted that there is a real risk of damage to the Opponents in that they will suffer an erosion of their goodwill. The Opponents concluded that this is an appropriate case for the likelihood of damage to be readily inferred. The Applicants and Opponents are in direct competition - their goods are identical or similar, both parties trading in the same market and using the same trade channels and competing for the same customers.

Applicants' submissions

91 For the elements of an action for passing off, the Applicants referred to ***Erven Warnink v Townsend & Sons*** [1979] 3 WLR 68 ("***Erven Warnink***") and the case of ***Reckitt***. The Applicants submitted that the two cases were adopted in ***Nation Fittings*** and the criteria is set out as follows:-

- (i) the claimant would have to show goodwill and reputation;
- (ii) the actions of the defendant are likely to / have actually caused misrepresentation;
- (iii) damages have been suffered as a result.

92 On the issue of reputation and goodwill, the Applicants referred to ***Syarikat Zamani Hj Tamin & Anor v Yong Sze Fun & Anor*** [2006] 5 MLJ 262:-

"On the case of Spalding (AG) & Bros v AW Gamage it was held by Lord Parker that the property that was protected in a passing-off suit is goodwill. At page 284 His Lordship said:

"there appears to be a considerable diversity of opinion as to the nature of the right, the invasion of which is subject of what are known as passing-off actions. The more general opinion appears to be that the right is a right of property. The view generally demands an answer to the question – property in what? Some authorities say property in the mark, name or get-up improperly used by the Defendant. Others say, property in the business or goodwill likely to be injured by the misrepresentation. Lord Herschell in

Reddaway v Banham expressly dissents from the former view; and if the right invaded is a right of property at all, there are, I think, strong reasons for preferring the latter view.”

The Applicants also referred to *Burberry’s v JC Cording & Co. Ltd* [1909] 26 RPC 693 at 701:-

“ if an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property to protect which it is granted is not property in the word or name but property in the trade or goodwill which will be injured by its use.”

This position that the right to be protected in a passing-off suit is the goodwill in the business was subsequently accepted in *Star Industrial Co Ltd v Yap Kwee Kor* [1976] 2 FSR 256 and in the decision of *Erven Warnink*.

93 The Opponents concluded that it is clear from the cases above that goodwill is the benefit added to the business through extensive trading operations which attracts custom. The trade mark or the get-up is the badge and indicia which indicates and identifies the goodwill and the business. The Opponents submitted that from the facts presented, there is no indication that the Opponents had provided any evidence to show that their earlier marks (which includes the Opponents’ class 14 mark) are recognized in Singapore or if there is any goodwill and reputation in their business in Singapore. Goodwill must be local, given the territorial nature of trade mark protection. For this proposition, the Applicants referred to the *Meidi-Ya* case as well as *Future Enterprise Pte Ltd v Tong Seng Produce Pte Ltd* [1998] 1 SLR 1012 (“*Future Enterprises*”). The Applicants submitted that from the evidence presented there is nothing to show presence in Singapore to generate any business or goodwill sufficient to establish a cause of action in passing off. This is fatal to an action in passing off.

94 In response to the Opponents’ submissions that they have reputation and goodwill in the business, the Applicants responded as follows:-

- (i) the Opponents’ mark in Japan is not the Opponents’ class 14 mark as can be seen from the invoices (JR-6 of the Opponents’ 1st SD);
- (ii) the Opponents’ marks secured in the different countries, may not relate to the Opponent’s class 14 mark (JR-3 of the Opponents’ 1st SD);
- (iii) the mark in the advertisement for “Tour de France” is again not the Opponent’s class 14 mark. Further, not everyone knows about this sporting event (JR-4 of the Opponents’ 1st SD).
- (iv) in relation to advertising expenditure referred to (JR-5 of the Opponents’ 1st SD), the Applicants submitted that the promotional expenditure does not relate to Singapore, and not even the Asian countries of Hong Kong and Japan.

95 With respect to the requirement of misrepresentation, the Applicants submitted that this is looked at in the context of the similarity of marks, which, as submitted by the Applicants, does not arise. The Applicants further sought to support this contention by relying on the *Meidi-Ya* case. The Applicants submitted that the court in that case held that there was no confusion and a similar finding, on more compelling reasons, have to be the order of the day in this case.

96 Last but not least, the Applicants submitted that given the lack of goodwill, reputation and misrepresentation, the issue of damages does not arise and could equally be dismissed.

Decision

97 It is not in dispute that the three essential elements for an action in passing off are (i) goodwill; (ii) misrepresentation; and (iii) damage.

Goodwill

98 The Opponents submitted that the fact that they have registered their mark since 1990 shows that the Opponents have reputation and goodwill in the business. The Opponents also submitted that being a leading watch manufacturer in Europe and a participator in the Basle Watch Fair for many years, their success in Hong Kong and Japan, their sponsorship of “Tour de France” and the fact that they have been in the business for about a hundred years, the Opponents would be known to the watch trade in Singapore. The Opponents also referred to *Alteco* for the proposition that that there is no need to show actual business goodwill, and that it is sufficient to have reputation.

99 During the hearing, the Applicants referred extensively to *Future Enterprises* for the proposition that goodwill is territorial in nature and that it existed only where trade existed. I also refer to *Law of Intellectual Property of Singapore (Sweet & Maxwell, Rev Ed, 2009)* by Ng-Loy Wee Loon at paragraph 17.2 and note that the requirement of such territorial goodwill is very much still applicable in the local context subject to certain exceptions. Thus the said proposition applies in the instance case. It is clear from the evidence that the Opponents have no business presence in Singapore. There is no evidence of any sales or promotion in Singapore. All of the Opponents’ evidence in relation to sales and promotion relate to sales and promotion overseas. Further, as the Applicants point out, the various registration certificates and invoices in the different countries (JR-3 and JR-6 respectively of the Opponents’ 1st SD), may not pertain to the Opponents’ class 14 mark.

100 The comments made in *Alteco* in relation to this issue must be understood in its context. In *Alteco*, this comment was made in the context where for example, a manufacturer who had expended huge amounts of money in putting together the get-up and advertisement of a product before the actual start of business finds that his rival has imitated that get-up and started trading even before the said manufacturer. In such a case, a passing-off action by the manufacturer would be defeated on the basis that the

manufacturer had not acquired goodwill by actual trading. In *Alteco*, the judge commented that if such a situation were allowed, that is "...[i]f trading is insisted on, it would make an ass of the law." This is not the scenario here and thus *Alteco* does not assist the current situation.

101 In view of the above, the element of goodwill is not made out.

Misrepresentation

102 I have found earlier under the ground of opposition for Section 8(2)(b) that no likelihood of confusion arises. For the same reasons, there will be no misrepresentation if the Application Mark is used, such that it leads or is likely to lead the public to believe that goods offered by the Applicants are goods of the Opponents.

Damage

103 As the Opponents have not succeeded in proving the first two elements for the action for passing off, there is no need to look into whether the element of damage is made out.

104 The ground of opposition under Section 8(7)(a) therefore fails.

Ground of Opposition under Section 7(6)

105 Section 7(6) reads:-

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

Opponents' submissions

106 In relation to the approach with respect to this provision, the Opponents referred to *Gromax Plastics v Don & Low Nonwovens Ltd [1999] RPC 367* where Lindsay J stated as follows:-

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

[Emphasis mine].

Commenting on the passage above the Appointed Person in *Demon Ale Trade Mark [2000] RPC 345* stated:-

“These observations recognize that 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”.

107 The Opponents submitted that the presence of bad faith is to be adjudged as at the filing date of the application, that is, 16 December 2005 and that the Applicants have filed the application in bad faith due to the following:-

- (a) The Applicants had, by 7th December 2004, become aware that the Opponents were opposed to Applicants’ use and registration of “J.ESTINA” since an opposition had been filed against the Applicants’ Community Trade Mark Application No. 2-983-385.
- (b) The Applicants must have known of the Opponents’ brand “FESTINA” due to the successful sales of the Opponents’ watches in Hong Kong and Japan (JR-6 of the Opponents’ 1st SD which relates to invoices of goods sold in these countries). The Opponents had made numerous sales of their goods to Festina Japan since 2003 and similarly to Hong Kong as well. The Opponents submitted that based on the figures in these invoices, which amounted to 908,000.00 Euros (approximately SDG 1,816,000.00), it can be seen that the Opponents have sizeable markets in these countries which again shows that the Opponents’ marks are highly established. The Applicants being an established watch manufacturer and retailer in South Korea would be expected to be familiar with the market situation and the successful watch brands in Hong Kong and Japan since these markets are traditionally very close to South Korea.

Further, the Opponents submitted that the Opponents’ marks are well-known internationally (JR-3 of the Opponents’ 1st SD) and that the Opponents have been in business for about a hundred years. The Opponents submitted that any serious watch dealer would have known about the Opponents’ marks. The Opponents also referred to JR-4 of the Opponents’ 1st SD which includes selected copies of advertising and promotional materials used by the Opponents in its major markets worldwide. Some of the advertising materials show that the Opponents have been involved in “Tour de France” via being the official time-keeper as well as the sponsorship of teams. The Opponents submitted that “Tour de France” being an internationally known sports event indicated the extent to which the Opponents’ marks are known worldwide.

- (c) The Applicants' explanation regarding the derivation of the name "J.ESTINA" is highly questionable (paragraph 21 of the Opponents' 1st SD and paragraph 6 of the Opponents' 2nd SD).
- (d) The Applicants' choice of the Trade Mark was driven by the desire to copy the very successful "FESTINA" trade mark which has been used by the Opponents for about a hundred years.

108 Last but not least, the Opponents submitted (in response of the submissions of the Applicants that there is no issue of bad faith as the marks are not similar – see below) that for the issue of bad faith, only the motives of a party is relevant. Similarity per se is not a definitive requirement.

Applicants' submissions

109 The Applicants did not make any written submissions in relation to this issue. However, their submissions at the hearing were that there is no issue of bad faith given that the two marks are totally different.

110 The Applicants also made submissions in relation to the derivation of the Trade Mark although not specifically with respect to the issue of bad faith. The Applicants submitted that the Applicants' choice of the Trade Mark was in no way motivated by that of the Opponents. The Applicants submitted that the Trade Mark is largely based on and revolves around an Italian princess and her pet cat (see above). The device of a crown symbolizes the princess's tiara. The Applicants had merely imported aspects of the princess's identity such as the alphabet "J" from her name "Jovanna" and her tiara. The Applicants have not maintained that the subject mark is indeed the princess's name. The Trade Mark is a coined term inculcating all aspects of the brand story. The Applicants submitted that all three elements (a princess, her tiara and her cat) are often featured and manifested in the products manufactured by the Applicants.

111 The Applicants submitted that the Opponents cannot say that they have ownership over "ESTINA" since the Opponents' registered marks relate to "FESTINA". The Applicants also submitted that the Opponents seem to be taking the position that use of "ESTINA" in any part of a mark is confusingly similar to their marks which cannot be the correct position at law.

Decision

112 The Opponents' case under this ground is that the Applicants are very likely to have been aware of the Opponents' reputation given that the Opponents are well-known internationally and have been in business for about a hundred years. In particular, the Applicants must have known of the Opponents' brand due to their successful sales in Hong Kong and Japan. The Applicants being an established watch manufacturer and retailer in South Korea would be expected to be familiar with the market situation in Hong Kong and Japan since these markets are traditionally very close to South Korea.

The Opponents also submitted that the Applicants' explanation regarding the derivation of the name "J.ESTINA" is highly questionable and that the Applicants' choice of the Trade Mark is driven by the desire to copy the very successful "FESTINA" trade mark.

113 However, such actions are not sufficient to show that the Applicants fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the relevant area of trade. They are insufficient to make out a case of bad faith. It bears reiterating that an allegation of a bad faith under Section 7(6) is a serious allegation and should not be upheld unless it is distinctly proved.

114 The ground of opposition under Section 7(6) therefore also fails.

Other Issues

115 The Applicants also made submissions in relation to other issues raised during the opposition. Amongst others, the Opponents submitted that:-

(i) decisions made in other jurisdictions are at best persuasive as those oppositions were premised on different facts and circumstances; and

(ii) the Applicants had given the impression that the Trade Mark is not used on watches.

116 The Applicants submitted that the opposition decision in South Korea Opposition No. 40-2006-000245 was in relation to a related mark "Estina Donna & Device" and not in relation to the Application Mark. On the other hand, the opposition in relation to Korean Trade Mark Application No. 2002-0046412 for the mark "J.Estina" in class 14, was dismissed on the grounds that the subject mark is dissimilar to the Opponents' trade mark "Festina and Coat of Arms device". The Korean Patent Office was of the view that due to the differences between the marks, there is no likelihood of confusion nor is there any likelihood that the ordinary consumers or dealers would be deceived. With respect to the OHIM Decision, the Applicants submitted that the decision was uncontested for commercial reasons as they were seeking to use the mark "Jovanna Estina" instead in Europe. The Applicants also submitted that the Censure issued by the Arbitration Panel at Baselworld 2006 has no bearing on the Opposition at hand. The decision was only limited to the duration of the show.

117 In relation to the contention that the Applicants have given the impression that the Trade Mark is not used on watches, the Applicants submitted that the Opponents' contention in their statutory declaration that the Applicants have given the impression that the Trade Mark is not used on watches (and thus accordingly, the Application Mark will not be used on watches) is misconstrued since it is clearly spelt out in the specifications for the Application Mark that watches are included.

118 My response to the above two submissions are as follows:-

(i) Decisions made in other jurisdictions generally serve as a guide. The relevancy of each decision will depend on the similarity of the laws of the particular jurisdiction with that of Singapore as well as the actual facts of the case.

In this instance I note that the Opponents have raised the OHIM Decision at several points to support their case that the marks are similar. I note from page 2 of the OHIM Decision (JR-8 of the Opponents' 1st SD) that the opposition is based on several of the Opponents' marks, three of which are word marks and three of which are figurative marks. In the current case, the Opponents' class 14 mark is a composite / figurative mark (since "FESTINA" is subsumed within the device). However as there are no snapshots of the figurative marks, it is difficult to make a comparison between those marks and that of the Opponents' class 14 mark to assess the relevancy of the OHIM Decision. At page 3 of the OHIM Decision, under "Comparison of the marks" the earlier trade mark is stated to be "FESTINA". It is noted that the Opponents have several variants of the "FESTINA" mark. For the current opposition, only the Opponents' class 14 mark is pertinent.

119 In relation to Decision of the Panel of Baselworld 2006 (JR-11 of the Opponents' 1st SD) ("Baselworld Decision") it is noted that first and foremost it is not decision of an IP office. On the cover page of the Baselworld Decision, it is indicated that the Opponents' marks consist of a word mark and a "FESTINA & Device" mark. As above, as there are no snapshots of the Opponents' earlier marks, it is difficult to make a comparison between those marks and that of the Opponents' class 14 mark to assess the of the Baselworld Decision.

120 In relation to the issue of the Applicants seemingly trying to convey an impression that the Trade Mark is used solely on their new line of business (which is their jewellery line), I note that the Applicants have alluded to the use of the Trade Mark on watches at paragraphs 10 and 14 of the Applicants' SD respectively as follows:-

- (a) *"The approximate value of sales of "Jewellery, Watches, Horological articles by the Applicant under the Trade Mark for the period 2003 to 2007 in [Republic of Korea, China and Vietnam] is as follows..."; and*
- (b) *"From the various advertisements...it can be seen that the Trade Mark is applied and used primarily on jewellery...".*

[Emphasis all mine].

Conclusion

121 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, the opposition fails on all grounds of the opposition. Trade Mark application number T05/25465Z may proceed to registration. Accordingly, costs, to be taxed, if not agreed, are awarded to the Applicants.

Dated this 8th day of February 2010.

Sandy Widjaja
Principal Assistant Registrar of Trade Marks
Hearings & Mediation Division
Intellectual Property Office of Singapore