

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

Trade Mark Application No. T0701616J
09 February 2010

**IN THE MATTER OF A TRADE MARK APPLICATION BY
TENCENT HOLDINGS LIMITED**

(‘the Applicants’)

And

**OPPOSITION THERETO BY
CHERY AUTOMOBILE CO., LTD**

(‘the Opponents’)

Hearing Officer: Ms Lee Li Choon
Principal Assistant Registrar

Mr Prithipal Singh and Ms Michelle Loi from M/s K.L. Tan & Associates for the Applicants
Mr Patrick Chow from M/s Chow Ng Partnership for the Opponents

Cur Adv Vult

GROUND OF DECISION

1 The Applicants, Tencent Holdings Limited, applied to register Singapore Trade Mark Application No. T0701616J for the mark, “**QQ**” (consisting of the two letters “q” and “q” in upper case in plain font) in Class 12 for use on “Automobiles; bicycles; caravans; cars; carriages; motor vehicles; public transport vehicles; transport vehicles of

land, air and water” (hereinafter referred to as “the Application Mark”). The date of application was 24 January 2007.

2 The application was accepted for registration and published on 15 June 2007 for opposition purposes. The Opponents, Chery Automobile Co., Ltd filed their Notice of Opposition on 12 October 2007. The Applicants contested the opposition by filing their Counter-statement on 25 January 2008. The Opponents filed evidence in support of their opposition on 8 August 2008 and subsequently, pursuant to the Registrar’s direction at the Pre-Hearing Review on 30 July 2009, a supplemental Statutory Declaration with the exhibits translated in English was also lodged on 27 August 2009. The Applicants filed evidence in support of their application on 7 May 2009. The Opponents did not file any evidence in reply. The matter was fixed for a Pre-Hearing Review on 30 July 2009 and thereafter for a full hearing on 9 February 2010.

Grounds of Opposition

3 In their Notice of Opposition, the Opponents objected to the registration of the Application Mark under Sections 7(6), 8(2)(a), 8(2)(b), 8(4), 8(7)(a) and 8(7)(b) of the Trade Marks Act (Cap 332, 2005 Revised Edition) (“the Act”), namely, that the Application Mark should be refused registration as the application is made in bad faith (Section 7(6)); that because the Application Mark is identical with the Opponents’ well known mark which is an earlier trade mark and because the Application Mark is to be registered for goods similar to those for which the Opponents’ mark is protected, there exists a likelihood of confusion on the part of the public (Section 8(2)(a)); that because the Application Mark is similar to the Opponents’ well known mark which is an earlier trade mark and the Application Mark is to be registered for goods identical with or similar to those for which the Opponents’ mark is protected, there exists a likelihood of confusion on the part of the public (Section 8(2)(b)); that the Application Mark should be refused registration because the Application Mark is identical with or similar to the Opponents’ earlier trade mark that is well known in Singapore and the use of the Application Mark (the later mark) in relation to the goods for which the Application Mark is sought to be registered would indicate a connection between those goods and the Opponents and is likely to damage the interests of the Opponents who are the proprietor of the earlier well known mark (Section 8(4)); that the Application Mark should be refused registration because use of the Application Mark in Singapore is liable to be prevented by virtue of any rule of law, in particular, the law of passing off, protecting the Opponents’ unregistered trade mark or other sign used in the course of trade (Section 8(7)(a)); and that the Application Mark should be refused registration because use of the Application Mark in Singapore is liable to be prevented by virtue of an earlier right, in particular by virtue of the law of copyright (Section 8(7)(b)). At the hearing, the Opponents informed that they would not be proceeding on the ground of opposition under passing off under Section 8(7)(a) and the Applicants requested that the Registrar take this into account when assessing costs.

Opponents' Evidence

4 The Opponents' evidence consists of the Statutory Declaration of Geng Zhiwei declared on 4 August 2008 (hereinafter, "Geng's SD") and a Supplemental Statutory Declaration of Chan Yee Hang declared on 25 August 2009 (hereinafter, "Chan's SD").

5 The Opponents were first founded in 1997 by five state-owned investment companies in Anhui Province, China. Over the decade, the Opponents have rapidly developed and have now become the fourth largest passenger vehicle manufacturer in China. The Opponents now have two automobile manufacturing plants, a transmission plant, an automotive engineering and research institute and an automotive planning and design institute and they employ 23,000 people and have total assets of over RMB 22 billion. During the years 2001 to 2003, the Opponents developed a model of mini automobiles with a distinctive appearance of a small and smooth outline with round headlights and rear mirrors. They took on the name, "QQ" for this new model of cars. Various designs of the mark, "QQ" (different fonts were used and in some, there were some design elements such as strokes representing eyelashes over the "QQ" eyes) were also used. The first car bearing the "QQ" mark was manufactured in December 2002. In July 2003, the Opponents' "QQ" cars were officially launched in China. The first application to register the "QQ" mark for cars in China was filed in March 2003. Subsequently, there were three other applications to register the "QQ" mark in China (one in January 2006 and two in November 2006 respectively). All the applications which now belong to the Opponents are still pending registration. Counsel for the Applicants said at the hearing that the applications face opposition proceedings in China.

6 Through Geng's SD, the Opponents said that the annual sales volume of the Opponents' cars bearing the "QQ" mark in China during the years 2003 to 2007 in units are 25186, 49339, 115372, 132280 and 130186 respectively. The Opponents have also expended much expenditure in advertising their cars bearing the "QQ" mark in different media including television, newspapers, magazines, radio, outdoor advertising and the Internet. The annual promotional expenditure spent on the Opponents' "QQ" cars in the years 2003 to 2007 are USD2,005,757, USD14,379,989, USD3,976,425, USD5,975,677, USD9,971,495. For 2008 up to April 2008, the promotional expenditure was USD985,130.

7 The Opponents started their first exports to Syria in 2001. Since then, the Opponents have exported their "QQ" cars to over 60 countries and regions throughout the world. For the 5 consecutive years preceding 2008, the Opponents have ranked number one as the leading Chinese exporter of passenger cars. In addition, the Opponents' "QQ" automobiles have also received numerous awards and titles in China, including, "The Most Wanted Mini Automobile of Shanghai Citizens" in 2004, "The Most Popular Mini Automobile" in 2005, "The Best Selling Mini Automobiles" in 2005, "The Best Creative Design" in 2005, "The Best Selling Mini Automobile" in 2005, "The Most Popular Brand" in 2006, "The Most Popular Mini Automobile" in 2006, "The Most Competitive Brand" etc.

8 In Singapore, the Opponents commenced sales of the “QQ” cars in July 2006. The Opponents’ cars are sold through its sole distributor, Vertex Automobile Pte Ltd. Through Geng’s SD, the Opponents tendered as evidence sample copies of sales invoices of the Opponents showing export of the “QQ” cars to Vertex Automobile Pte Ltd. Through Geng’s SD and Chan’s SD, the Opponents also provided exhibits showing sample copies of advertising material of the Opponents’ “QQ” cars in Singapore and exhibits showing sample copies of invoices for the Opponents’ promotional expenditure. In July 2007, to celebrate the first anniversary of the sale of the Opponents’ “QQ” cars, the Opponents organised a celebration event VERTEX-CHERY-BRATION carnival which displayed the Opponents’ “QQ” cars along with other automobiles.

Applicants’ Evidence

9 The Applicants’ evidence in support of their application consists of the Statutory Declaration of Wang Xiaoxia declared on 15 April 2009 (hereinafter, “Wang’s SD”). Through Wang’s SD, the Applicants declared that they were founded in November 1998 by Mr Ma Huateng in China. In June 2004, the Applicants went public on the main board of the Hong Kong Stock Exchange. The Applicants carry on an established business in respect of online service portal in China. Among the services, “QQ”, the Applicants’ instant messaging platform, has been very popular. The Applicants also offer the following products and services under their “one-stop online life service” through the various “QQ” brand names: (i) Instant Messaging service (QQ, QQDoctor, QQMailbox and QQDownload); (ii) Mobile and Telecommunications Value-added Services (3G.QQ.com, Super QQ, QQ Notice and Super Message); (iii) Interactive Entertainment Service (QQ Game, MMOG, QQ Fantasy, QQ Three Kingdoms, QQ Huaxia, QQ Dancer, QQ Nanaimo, QQ Speed, QQ R2Beat, QQ Tang, QQ PET and QQ Battle Platform); and (iv) Internet Value-added Service (Qzone, QQ Membership, QQ Show, QQ Music, QQ Live and QQ Show). As of 31 March 2008, the number of registered QQ Instant Messenger users has exceeded 783.4 million. Active users numbered more than 317.9 million. QQ Games counted about 4 million users simultaneously on-line.

10 In October 2008, the Applicants were awarded the title of “Model National Cultural Industry Base” by the Ministry of Culture-sponsored Second Conference on National Cultural Industry in Xian, China. During the years 2001 to 2008, the Applicants have also been valued and awarded as the most used Internet service portal company in China. The Applicants’ ranking and press releases include the following: “Patent’s Top 100” in July 2008; “Excellent Patent Award of China” in July 2008; “Tencent invests RMB550million in Chendu” in May 2008; “QQ.com to be exclusive service sponsor for 2010 World Exposition” in April 2008; “Tencent inaugurates China’s first Internet research institute” in October 2007; “QQ.com releases reporting strategy for the 2008 Olympics” in July 2007; “Tencent was awarded ‘Best Chinese Lifestyle Brand’ in July 2007; “Tencent QQ’s peak simultaneous online user accounts broke 20 Million” in 2006; “Tencent was evaluated as an “Enterprise with Intellectual Property advantages in Shenzhen” in May 2006; “Tencent was ranked No.17 on Technology Fast 500 Asia Pacific Winners 2004” in December 2004; “QQ Game was ranked No.1 in Domestic Casual Game Portals” in August 2004; “Mobile QQ’ won the champion for sms business by Guangdong

Monterneternet” in May 2004; “Tencent introduced QQ card” in May 2002; “Tencent’s ‘Mobile QQ’ won 2 prizes in ‘Ericsson Mobile Internet Application’ competition” in March 2002; “Tencent participated in the Beijing Comdex 2001 Exhibition” in April 2001; “Tencent QQ awarded ‘Editor’s choice’ by Personal Computer magazine” in February 2001; “Tencent released QQ 2000 version” in November 2000; and “Tencent launched its Instant Messaging service – QQ99 beta build 0210”.

11 The Applicants’ “QQ” (with design) mark is registered in South Africa in 2001 in respect of goods in Class 9 and telecommunications services and the like in Classes 38 and 42. The “QQ” mark in plain font has also been registered in respect of telecommunications services in Class 38 in South Africa since 2002. In China, the Applicants applied for registration of their “QQ” mark in plain font for automobiles in Class 12 (the subject Class of goods that is in dispute) in 2002 and obtained registration thereof on 7 March 2008. The Applicants also have a registration for their “QQ” mark in Lebanon since 2005. In addition to these, the Opponents owned registrations for the plain font “QQ” mark for Class 12 goods in Israel and Lebanon and both registrations date back to November 2005. The Applicants also provided a list of applications filed by them for their “QQ” marks (some in plain font and some in stylised form) in Class 12 in countries such as the USA, Japan, Singapore (the subject application in dispute), Egypt, Russia, Vietnam, Indonesia, South Korea, India, Malaysia, Hong Kong, Macau, Taiwan and Europe through the Community Trade Mark. Through Wang’s SD, the Applicants have also declared, “*the annual sales of products bearing the mark “QQ” in Class 12 throughout the world from fiscal year 2006 through fiscal year 2008*” to be about S\$455,501, S\$387,892 and S\$186,197. In Exhibit G of Wang’s SD, there were pictures of scooters and references to them as “QQ01 号”, “QQ03 号”; “QQ06 号”; “QQ10 号” as well as other pictures of scooters with references to them as “QQ” in combination with other Chinese characters.

12 The Applicants have also filed oppositions against the Opponents’ applications to register the “QQ” mark for Class 12 goods in countries such as Hong Kong, Peru and China. In China, there are 4 applications filed by the Opponents for the “QQ” mark for Class 12 goods (automobiles, cars) that are pending opposition by the Applicants, with one application filed by the Opponents in 2003, two in 2005 and one in 2006.

13 The Applicants’ first use of the “QQ” mark was as early as February 1999. The Applicants aver that over the years, the Applicants have diversified their product range and have acquired various companies so as to extend their reach within and beyond the internet service. As evidence of this, the Applicants provided a list of the names of various distributor companies (Exhibit I of Wang’s SD).

Applicable Law and Burden of Proof

14 Under the applicable law which is the Trade Marks Act (Cap 332, 2005 Rev Ed), there is no overall onus on the Applicants either before the Registrar or in opposition proceedings. The undisputed burden of proof in such an opposition falls on the Opponents.

MAIN DECISION

Opposition under Section 7(6)

15 Section 7(6) of the Act provides that, “A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

Opponents’ submissions

16 The Opponents submitted that the Applicants could not claim to be the bona fide proprietor of the “QQ” mark, both in the choice of the mark and in the goods claimed. The basis is that the Applicants have been using the “QQ” mark only in the channel of trade concerned with telecommunication and internet services. The Opponents also pointed out that Exhibit I shows only distribution in China.

17 Further, the Opponents submitted that at the time when the Applicants made the application under Class 12, there was no evidence whatsoever to show that the Applicants had prior use of the mark, “QQ” for Class 12 goods. On the other hand, the Opponents have as early as 2003 used the mark on automobiles and related products in China. Both the Applicants and Opponents are China-based companies. The Opponents submitted that although in 2003, the “QQ” marks were used by both the Applicants and Opponents, the “QQ” marks were used for different classes of goods or services altogether. By 2006, when the Opponents first launched their automobiles under the “QQ” mark in Singapore, use by the Opponents of the “QQ” mark for automobiles in Singapore would have been noticed by the Applicants. Thus, when the Applicants filed their application 6 months later in January 2007, the Applicants would have knowledge of the Opponents’ use of the “QQ” mark for automobiles in Singapore. Further, as both the Opponents and the Applicants are China-based companies, the Applicants would have known of the Opponents’ use of the “QQ” mark for automobiles in China. This knowledge of the Opponents’ use and claim to the “QQ” mark on the part of the Applicants makes the Applicants’ application to register the “QQ” mark for the same category of goods, i.e., automobiles, an unacceptable commercial behaviour. That is to say, the Applicants’ knowledge and the surrounding circumstances at the time of the Applicants’ application to register the Application Mark constitute bad faith on the part of the Applicants.

Applicants’ submissions

18 In response, the Applicants submitted that the test for determining bad faith is that enunciated by Chao Hick Tin JA in the Court of Appeal decision in *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and Another and Another Appeal [2009] 2 SLR 814* where he said: “Plainly [bad faith] includes dishonesty and, as I would hold, [it] includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area [of trade] being examined.” The Applicants also

cited the case of *Harrison v Teton Valley Trading Co Ltd [2004] 1 WLR 2577* wherein the English Court of Appeal held that the test for bad faith is a combined test which consists of a subjective element (viz, what the particular applicant knows) and an objective element (viz, what ordinary persons adopting proper standards would think). The Applicants argued that what the Opponents must show is that when the Applicants applied for registration of the “QQ” mark, the Applicants’ behaviour falls short of acceptable commercial behaviour and the Applicants knew of facts which, to an ordinary person, would have made the latter realize that what the Applicants did would be regarded as breaching those standards.

19 The Applicants pointed out that it was the Applicants who first had the registration for the “QQ” mark for Class 12 goods in China. The Applicants have been using their mark since 1999, albeit it was used in 1999 for telecommunication and internet services. Nonetheless, it was coined by the Applicants in 1999. In contrast, the Opponents only started using their mark in 2003, 4 years after the Applicants had actually coined the mark. The Applicants argued that if there was any bad faith, it fell on the Opponents instead.

20 On the Opponents’ ground of submission that the Applicants have not used the mark in Singapore, the Applicants cited the cases of *Marhani Bte Abd. Mutalib trading as SaudiPetrol v Esquire Associates and the Hearst Corporation [1999] SGIPOS 4* and *Proctor & Gamble Company v Tohtonku (S) Pte Ltd [2002] SGIPOS 3* where the Registrar noted that non-use per se, if it is prior to the registration of the mark, is insufficient to show no intention to use the mark. The Applicants submitted that they have the intention to use the mark and the application was therefore not made in bad faith.

21 The Applicants further contended that in fact, the rightful owner of the mark, “QQ” is the Applicants as they were the ones who came up with the mark in 1999. As the Applicants have coined the mark, they also have every right to use the mark and diversify into other areas of trade.

22 The Applicants also submitted that the allegation of bad faith is a serious one and the evidence put forward by the Opponents is insufficient to show bad faith on the part of the Applicants.

Decision on Section 7(6)

23 The High Court in *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd [2009] SGHC 280* (hereinafter, “*PT Swakarya*”) has provided a systematic approach for the analysis of the issue of bad faith. First, an allegation of bad faith is a serious matter and should not be lightly inferred (refer to Lai Siu Chiu J’s comments at [60] to [62] wherein the learned judge also made reference to statements made by Chao Hick Tin JA in *McDonald’s Corp v Future Enterprises Ltd [2005] 1 SLR 177* (hereinafter, “*McDonald’s*”) at [78]). This point first originated from the English case, “*Royal Enfield Trade Marks [2002] RPC 24* where it was held at [31], “*An allegation that a*

*trade mark has been applied for in bad faith is a serious allegation...A plea of fraud should not lightly be made...and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts...In my judgment precisely the same considerations apply to an allegation of ...bad faith made under section 3(6) (which is in pari material with our section 7(6)). It 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**" (emphasis mine).*

24 Second, the concept of bad faith includes dishonesty and 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 (refer to Lai Siu Chiu J's judgement in "**PT Swakarya**" at [66] and [67]). There is a subjective element, viz the mental state of the Applicants and an objective element, viz, the perspective of reasonable and experienced men in the particular area being examined. That is to say, I have to look at the mental state of the Applicants (in this case, the knowledge that they have at the relevant time) and assess that mental state from the perspective of reasonable and experienced men in the particular area being examined. I have to ask whether the knowledge of the Applicants was such that their decision to apply for registration for the "QQ" mark for Class 12 goods would be regarded as in bad faith by reasonable and experienced men adopting proper standards. And the relevant point in time for this assessment of the mental state of the Applicants from the perspective of reasonable and experienced men is the date of application viz, as at 24 January 2007.

25 I turn now to apply the above analysis to the facts of this case. The case of the Opponents is that, at the time of the application, which is 24 January 2007, the Applicants had knowledge of the Opponents' use of the "QQ" mark in respect of automobiles in China since 2003 as both the Applicants and Opponents are China companies. The other relevant circumstances that the Opponents cited to support their case are that the Opponents have commenced use of the "QQ" mark in respect of automobiles in Singapore for about 6 months prior to the Applicants' application and that the Applicants have not started use of the "QQ" mark in respect of Class 12 goods in Singapore. It is not clear from the evidence whether the Applicants have already diversified into the automobiles trade, whether in China or elsewhere. The Applicants have provided a list of the names of distributor companies in China through Exhibit I of Wang's SD but that list does not show what trade these distributor companies are in or whether the Applicants have been selling goods through them or what goods the Applicants have been selling through them in the China market. The Opponents raised the point that Exhibit I showed only distributor companies in China. Thus, whilst it is noted that the Applicants have been in the telecommunications and internet business since 1999, it is not clear from the evidence if the Applicants have already diversified beyond their telecommunications and internet business and if so, what business areas they have diversified into, in China and/or elsewhere.

26 Nonetheless, there was no evidence to show that the Applicants have no intention to diversify into the automobiles business, in China or elsewhere. The fact remains that the Applicants have obtained registration for the mark "QQ" for Class 12 goods or

automobiles in China itself (one registration for “QQ” in a stylised form for Class 12 goods, the application of which was filed as early as 14 November 2002 which predates the Opponents’ first launch of the “QQ” cars in China) and elsewhere, they have either applied for registration (plain font “QQ” for Class 12 goods in the USA in 2005; stylised form “QQ” for Class 12 goods in Japan in 2007; plain font “QQ” for Class 12 goods in Egypt; stylised form “QQ” for Class 12 goods in Russia in 2007; plain font “QQ” for Class 12 goods in Vietnam in 2007; plain font “QQ” for Class 12 goods in Indonesia in 2007; stylised form “QQ” for Class 12 goods in South Korea in 2007; plain font “QQ” for Class 12 goods in India in 2007; plain font “QQ” for Class 12 goods in Malaysia in 2005; stylised form “QQ” for Class 12 goods in Hong Kong in 2007; stylised form “QQ” for Class 12 goods in Europe through the Community Trade Mark in 2007; stylised form “QQ” for Class 12 goods in Macau in 2007; plain font “QQ” for Class 12 goods in Taiwan in 2007) or even obtained registration (plain font “QQ” for Class 12 goods in Israel in 2005; plain font “QQ” for Class 12 goods in Lebanon in 2005).

27 In addition to the above, a perusal of Exhibit G of Wang’s SD does show sample copies of advertising materials that featured pictures of scooters with references incorporating the mark, “QQ” in plain font, although it is not clear as to the dates of these materials and where and how they were used and in relation to what type of goods or services they were used.

28 Taking into consideration the above surrounding circumstances or background, the question I must ask is whether the Applicants, in applying for registration of the “QQ” mark for automobiles have acted dishonestly or in a manner that falls short of acceptable commercial behaviour as judged by reasonable and experienced persons adopting proper standards. As it is not disputed, I shall take it that the Applicants had knowledge of the Opponents’ use of the “QQ” mark in China in relation to automobiles. But, surely knowledge per se cannot be equated to dishonesty that amounts to bad faith. The fact remains that the Applicants started using the “QQ” mark first, albeit in relation to a different sphere of business. The other fact is that the Applicants have taken steps to seek protection for the “QQ” mark for automobiles or Class 12 goods in China and in many other countries. Although the evidence does not establish use by the Applicants on Class 12 goods per se, Exhibit G of Wang’s SD showed some semblance of interest at least in the use of the mark “QQ” in relation to scooters. Even if I were to take it as a fact that the Applicants have not presently gone beyond their telecommunications and internet business with their “QQ” mark, I am still unable to conclude that the Applicants’ behaviour has fallen short of acceptable commercial behaviour. There is simply insufficient evidence for me to draw such a conclusion. The fact remains that traders are entitled to seek registration for their trade marks on the basis of intent to use. Traders are not precluded from seeking registration simply because they have not started trading in the area of business concerned. It is to be noted that the Applicants have also asserted their interest in Class 12 goods in the country of origin of both parties, i.e., China by opposing the Opponents’ applications for the registration of the “QQ” mark in China.

29 Thus, on the issue of bad faith, there is no concrete evidence for me to make a firm finding, other than to conjecture possible inferences from the surrounding

circumstances (for eg, the possible inference that the Applicants may have applied for the “QQ” mark for automobiles so that they can block the Opponents and they have no intention whatsoever to trade in automobiles whether soon or in the future). And this is not good enough. As stated above, bad faith is a serious allegation and a conclusion of bad faith *is rarely possible by a process of inference*. Further, in addition to this principle that bad faith must be distinctly alleged and distinctly proved, there is also the principle that the overall burden of proof falls on the Opponents. Therefore, on the whole, I find that the Opponents have failed to prove distinctly that the Applicants, in applying for registration of the Application Mark in respect of Class 12 goods, have acted in bad faith.

30 Accordingly, the Opponents’ opposition under Section 7(6) on the ground of bad faith fails.

Opposition under Section 8(2)

Opponents’ submissions

31 The Opponents submitted that the “QQ” mark is a well known mark and therefore, protected under Section 8(2) of the Act. The Opponents submitted that, of the guidelines listed in Section 2(7) of the Act, the most important point is whether the mark is recognized by the relevant sector of the public in Singapore. The Opponents submitted that the relevant sector of the public in Singapore in this case would be the consumers, the potential buyers and persons who are interested in or are enthusiastic about cars. The Opponents submitted that whilst it has been said in the case, *Novelty Pte Ltd v Amanresorts Ltd and Another [2009] SGCA 13 (“the Amanresorts” case)*, that there is no single universally applicable test, one must apply objectivity to it. The Opponents argued that one should not ignore extra-territorial considerations when assessing how well known a mark is from the perspective of the “relevant sector of the public”.

32 On the Opponents’ evidence for saying that the “QQ” mark is well known, the Opponents said that they have manufactured “QQ” cars since December 2002 and have launched “QQ” cars in China in 2003. There is a history of at least 8 years. “QQ” has been used by the Opponents since 2003 and “QQ” under Class 12 has been applied for registration in China by the Opponents since 2006. The Opponents said that they have had extensive sales in China. The Opponents have also promoted their “QQ” automobiles widely and this could be seen from the publicity and promotional expenditure for “QQ” cars. In 2006, when the Opponents launched their cars in Singapore, there was extensive publicity and many advertisements. The Opponents argued that the relevant sector of the public is not a big group here as the value of the goods here is big - \$16,000 to \$68,000 for each car on the average. On that basis, the Opponents submitted that it would not be difficult to conclude that the Opponents’ “QQ” cars are well known to the relevant sector of the public. The Opponents also urged the Registrar to consider the fact that when it comes to buying cars, the consumer and the public would have done comparisons with other brands of cars of the same range. Thus, the Opponents said that the sales volume of cars in Singapore soon after launch would serve as evidence that “QQ” is a well known mark for cars in Singapore. The Opponents also stressed another significant point

concerning the factual matrix which is that, this was the first China-brand car in Singapore.

33 The Opponents submitted that given all the above circumstances, a short period of about 6 months from the Opponents' launch to the Applicants' application should not per se mean that the Opponents' "QQ" mark cannot be a well known mark as there was no statutory stipulation of a minimum period before a mark can become a well known mark. The Opponents urged the Registrar to look at the circumstances and arrive at an objective conclusion, that the Opponents' "QQ" mark is indeed a well known. Thus, given that the Applicants' mark is identical to that of the Opponents' mark and for similar goods and there is a likelihood of confusion, the Opponents argued that allowing the registration would be contrary to Section 8(2)(b) and Section 8(2)(a).

Applicants' submissions

34 The Applicants submitted that the burden is on the Opponents to establish that "QQ" is a well known trade mark. The Applicants tried to differentiate the evidence in the "*Amanresorts*" case from the present case. The Applicants said that unlike the "*Amanresorts*" case, which had overwhelming evidence that the Plaintiffs' mark was well known, here the Opponents, cannot by any stretch of imagination, establish that the mark is well known. The period in contention is 6 months before 24 January 2007. The Applicants argued that the Opponents have to show that during this period, the Opponents' mark has become well known. The Applicants agreed with the Opponents that the crux of the matter is whether the "QQ" mark is well known by the "relevant sector of the public", the definition of which the Applicants also agreed with the Opponents, that is, in this context, consumers, buyers and persons interested in cars.

35 The Applicants urged the Registrar to consider the evidence, pointing to Exhibit-7 of Geng's SD: (i) one sales invoice dated 6 June 2006 for 20 units of car; (ii) another document, dated 18 October 2006 which shows a total of 170 units of car; (iii) yet another document, dated 30 November 2006, which showed another 80 units. The Applicants tried to show that the grand total quantum was 270 units during the relevant period. The Applicants argued that that was hardly sufficient volume to reach a finding that the Opponents' "QQ" mark was well known to the relevant sector of the public as at 24 January 2007.

36 Next, the Applicants argued that the Opponents' evidence did not show sale of cars to the relevant sector of the public as what the Opponents have shown is merely sales to the dealer. The Applicants argued that if the dealer did not sell to the consumer, there would be no sale to the consumer. The Applicants thus argued that the sales to the dealer cannot be translated to sales to the end consumers.

37 The Applicants conceded that the marks are identical or similar and the goods are similar. However, the Applicants' contention is that to qualify for refusal under Section 8(2), the Opponents must show that the mark is a well known mark and the Opponents have not been able to do that.

38 The Applicants also argued that the Opponents must also show that there is a likelihood of confusion. On this point concerning the likelihood of confusion, the Applicants used what the Opponents have said, that the “QQ” cars is priced within the range \$16,000 and \$68,000 and as consumers would have done price comparisons before they purchase cars, the Applicants pointed out that there would be no likelihood of confusion as no consumer who buys a car costing between \$16,000 to \$68,000 would buy a car without knowing the source of the car.

Decision on Section 8(2)

39 The Opponents are proceeding on both grounds of opposition under Section 8(2)(a) and Section 8(2)(b). Section 8(2)(a), (b) provides as follows:

“Relative grounds for refusal of registration

8. –

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

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

(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.”

To qualify as a ground for refusal of registration, the Opponents must first establish that they have an “earlier trade mark”. An “earlier trade mark” is defined in Section 2 as follows:

“ ***“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;”

(emphasis mine)

40 Thus, the first question to ask is whether the Opponents have an “earlier trade mark” which was a well known trade mark at the date of the subject application, that is, as at 24 January 2007. According to the definition set out in Section 2(1) of the Act:

“ ***“well known trade mark” means –***

(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 (ie, a country which is a party to the Paris Convention for the Protection of Industrial Property of 20 March 1883 or a member of the World Trade Organisation); 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...” (emphasis mine).

And in assessing whether a trade mark is “well known in Singapore” within the meaning in Section 2(1) above, the matters in Section 2(7) may be relevant. Section 2(7) states: “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.

41 It is clear that the factors listed in Section 2(7) above are not an exhaustive list as Section 2(7) makes it explicit that it shall be relevant to “take into account *any* matter from which it may be inferred that the trade mark is well known”. The Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and Another [2009] SGCA 13* (hereinafter, the “*Amanresorts case*”) said that the court is ordinarily free to disregard any or all of the factors listed in Section 2(7) as the case requires (subject to one particular factor which will be elaborated on later), and to take additional factors into consideration. Thus, it is clear that the factors in Section 2(7) (with the exception of the factor in Section 2(7)(a) which has a deeming effect in Section 2(8)) are merely a set of guidelines to assist the Registrar in determining whether the mark is a well known trade mark. Section 2(7)(a), however, has a special effect. This is because of Section 2(8) which states 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.”

42 With the above analysis as to the operation of our legislative provisions as regards “well known trade marks”, it shall first be considered as to the “degree to which [the Opponents’ “QQ” mark] is known to or recognised by any relevant sector of the public in Singapore”. As stated in the “*Amanresorts case*” at [140], once it is determined that the

trade mark in question *is well known to “any relevant sector of the public in Singapore”* (emphasis mine), the deeming provision in Section 2(8) kicks in and *the mark is deemed to be well known in Singapore*. In Section 2(9), “relevant sector of the public in Singapore” in Section 2(7) and 2(8) 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.

As for the ambit of “all actual consumers and potential consumers in Singapore of the goods”, the “*Amanresorts case*” has settled this issue as “the actual consumers and potential consumers of, specifically, the *Opponents’* goods only (see [142] to [154], specifically, [154]). Applying the law to the facts of this case, the relevant sector of the public would be actual and potential consumers in Singapore of the *Opponents’* cars, distributors of cars and other businesses and companies dealing in cars. The question I have to ask is, is the *Opponents’* trade mark, “QQ” well known to this “relevant sector of the public”? And the relevant point in time to determine this question is as at the date of 24 January 2007. If the answer is yes, then the *Opponents’* “QQ” mark is deemed to be well known in Singapore and by virtue of Section 2(1), the *Opponents’* mark, “QQ” would be “an earlier trade mark”.

43 I shall now examine the evidence produced by the *Opponents*. It is not disputed that the *Opponents* commenced sales of their cars bearing the *Opponents’* “QQ” mark in Singapore from July 2006. Thus, as at 24 January 2007, the *Opponents’* cars bearing the “QQ” mark have been on sale in Singapore for about 6 months. The *Opponents’* cars are sold in Singapore through their sole distributor, Vertex Automobile Pte Ltd (“the *Opponents’* distributor”). Turning to the copies of sales invoices produced by the *Opponents* as evidence of the sale of their “QQ” cars in Singapore, we see evidence of a total of 20 units shipped to the *Opponents’* distributor in June 2006; a total of 170 units shipped to the *Opponents’* distributor in October 2006; and a total of 80 units shipped to the *Opponents’* distributor in November 2006. Thus, the evidence shows that, as at 24 January 2007, the date of the subject application, the *Opponents* had shipped a grand total of 270 units of automobiles to the *Opponents’* distributor in Singapore. This volume is relevant to the question as to the degree to which the *Opponents’* cars bearing their “QQ” are known to the actual and potential buyers of the *Opponents’* cars and to the distributors of cars. In my assessment, 270 units of automobiles in our Singapore market can hardly be said to have a sufficiently wide reach to enable me to make a finding that the *Opponents’* “QQ” automobiles are well known to the relevant sector of the public as at the date of the subject application.

44 Next, I turn to the evidence produced by the *Opponents* showing the advertising and promotion activities of the *Opponents* relating to their “QQ” cars as at the date of the subject application, i.e., 24 January 2007, to assess the degree to which the *Opponents’* “QQ” cars are known or recognised by the relevant sector of the public in Singapore as at the said date. The evidence comprised of sample copies of advertising materials of the

Opponents' "QQ" and "CHERY" cars in Singapore, presumably in the local newspapers, in the English and Chinese languages dated 9th December 2006, 16th December 2006, 23rd December 2006, 30th December 2006; 6th January 2007, 13th January 2007 and 20th January 2007 (*there are also copies of advertising materials after the date of the subject application but as these do not go towards showing the degree to which the Opponents' "QQ" cars are known to the relevant sector of the public in Singapore as at the relevant date which is the date of the subject application, they are not included in this analysis*); sample copies of invoices for the Opponents' promotional expenditure issued by ADK to the Opponents' distributor showing a total expenditure of \$48,136.52 for the promotion of "Chery QQ" automobiles in January 2007 (*there were also copies of invoices showing total expenditure of \$44,165.23, \$45,401.39, \$39,936.17, \$30,818.15, \$95,414.35, \$65,737.93, \$48,799.01 and \$33,553.38 for the months February 2007 to September 2007 respectively, but as these expenditures were incurred after the relevant date for the purpose of the assessment here, they are not included in this analysis*); and a copy of the newspaper CARBUYERGUIDE published in Singapore which showed a listing of the prices of different kinds and brands of automobiles and which showed the Opponents' "Chery QQ" cars with a description, "First Chinese car to hit town trades on its cute looks and low price". From the above evidence, I can conclude that the Opponents had started to promote their "Chery QQ" automobiles from about December 2006 and this is less than 2 months preceding the date of the subject application. With just under 2 months of promotion of the Opponents' "Chery QQ" automobiles, I am again unable to make a finding that the Opponents' "QQ" automobiles are known to or recognised by the relevant sector of the public in Singapore, namely, the potential and actual buyers of the Opponents' "QQ" automobiles and the distributors of cars in Singapore. There is also a mixture of both the "QQ" and the "CHERY" marks that it is not clear that the recognition by the relevant sector of the public in Singapore goes to the "QQ" mark per se.

45 I also took into account the promotion of the Opponents' "QQ" automobiles done in conjunction with their first anniversary celebration event, the "VERTEX-CNERY-BRATION-CARNIVAL" in July 2007, noting however, that little weight, if at all, can be put on this piece of evidence for the purpose of assessing the degree to which the Opponents' "QQ" automobiles are known to or recognised by the relevant sector of the public in Singapore as at the date of the subject application as the event was after the said relevant date. Again, I would also note that in use, the Opponents refer to their automobiles as "CHERY QQ" or as "QQ" in conjunction with "CHERY" most of the time and not "QQ" by itself. From all of the above evidence, in applying the guideline in Section 2(7)(a), I am unable to conclude that the Opponents' "QQ" automobiles are well known to the relevant sector of the public in Singapore.

46 I now turn to the other guidelines listed in Section 2(7)(b)-(e). On the duration, extent and geographical area of the use of the Opponents' "QQ" mark, the evidence shows that sale of the Opponents' "QQ" automobiles started in mid 2003 in China. The sales volume in China has steadily increased over the years from 25,186 units in 2003 to 130,186 units in 2007. Similarly, the Opponents have also increased their annual expenditure on promotion of their "QQ" automobiles, from USD2,005,757 in 2003 to USD9,971,495 in 2007. Other than China, the Opponents aver that they have exported

their products to over 60 countries, with Syria being the first country they exported to in 2001. It is however not clear if the Opponents' automobiles are sold in neighbouring countries such as Malaysia, the Philippines and Thailand. Taking into account that, as at the date of the subject application, it has only been about three years plus since the first launch of the Opponents' automobiles in China in 2003, there is insufficient evidence to prove that the reputation of the Opponents' "QQ" mark has an extensive geographical reach, such that it has spread to Singapore. The evidence therefore cannot lead me to conclude that the Opponents' "QQ" mark is well known in Singapore, notwithstanding that the Opponents did not start to trade in Singapore until about 6 months before the relevant date.

47 The Opponents also aver that they have now become China's first automotive manufacturer to sell cars, automotive parts and their own unique technology to foreign countries and that they have received various awards and titles, including, "The Most Wanted Mini Automobile of Shanghai Citizens" in 2004, "The Most Popular Mini Automobile" in 2005, "the Best Creative Design" in 2005, "The Best Selling Mini Automobile" in 2005, "the Most Popular Automobile Brand" in 2005, "The Most Popular Brand" in 2006, "the Most Popular Mini Automobile" in 2006, "the Most Competitive Brand" and others. On the promotion of the Opponents' "QQ" mark, the evidence as highlighted above has been noted. The main point concerning the evidence above is that while the Opponents' reputation in China may well be a different story, there is insufficient evidence to extrapolate that and extend it to Singapore. On the registration of the Opponents' "QQ" mark, it is also noted that the first application in China was made on 23 January 2006, about a year preceding the date of the subject application in Singapore and all 3 applications in China for "QQ" in different stylisations or fonts are still pending registration. From the Applicants, it is learnt that the applications in China are pending opposition by the Applicants.

48 On the whole, having assessed the evidence submitted concerning the Opponents' "QQ" mark under the other guidelines listed in Section 2(7)(b) to (e), I am still unable to conclude that the Opponents' "QQ" mark is well known in Singapore. In short, the Opponents have failed to prove that their "QQ" mark for automobiles is well known in Singapore.

49 Having reached the above conclusion, it is clear that the Opponents have failed to prove that they have an "earlier trade mark" on which the grounds of opposition under Section 8(2)(a) and Section 8(2)(b) can be based. It is therefore not necessary for me to proceed on the other elements that must be proved by the Opponents, namely that the Application Mark is identical or similar and is to be registered for similar or identical goods such that there exists a likelihood of confusion on the part of the public. The opposition under Section 8(2)(a) and Section 8(2)(b) therefore fails.

Opposition under Section 8(4)

Opponents' submissions and Applicants' submissions

50 As the main basis for the ground of opposition under Section 8(4) is that the Opponents' "QQ" mark is a well known mark, the submissions of the Opponents and the Applicants were the same as for the ground of opposition under Section 8(2).

Decision on Section 8(4)

51 Section 8(4) states:

"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."

As I have already concluded above that the Opponents have failed to prove that their "QQ" mark is well known in Singapore and therefore qualifies as an "earlier trade mark", the opposition under Section 8(4)(a) read with Section 8(4)(b)(i) necessarily fails. As the Opponents did not plead specifically that their "QQ" mark is well known to the public at large, presumably because it involves an even higher threshold of "well-knownness", it is not necessary for me to make a finding on the ground of opposition under Section 8(4)(a) read with Section 8(4)(b)(ii).

Opposition under Section 8(7)(b)

Opponents' submissions

52 The Opponents submitted that they have an earlier right by way of copyright. While the Opponents would concede that the evidence of both the Opponents and Applicants did not trace the history of the mark, "QQ", the Opponents contended that they were the first to use "QQ" in Singapore. The Opponents further contended that this first use in Singapore equates to first publication in Singapore. By virtue of that, the Opponents contended that copyright is accorded to the Opponents as a result of the Opponents' first use or first publication in Singapore. The Opponents cited the Copyright

(International Protection) Regulations to support their case that copyright is conferred on a foreign work (in this case, the mark “QQ” was created in China) as long as the work is first published in Singapore. As the Opponents first started to use “QQ” in Singapore in 2006, copyright protection as regards “QQ” is conferred on the Opponents from that point onwards. Thus, when the Applicants applied for “QQ” in January 2007, the “earlier right” by virtue of copyright laws have already been vested on the Opponents.

Applicants’ submissions

53 The Applicants submitted that for copyright to subsist, the Applicants must first show the originality in the work. For that, the Opponents must show that there was an original work when it was launched in China. The Applicants contended that the operation of our copyright laws does not permit the Opponents to bring another party’s work to launch it here and then claiming copyright by virtue of first publication in Singapore. The Applicants argued that they have shown that they first used “QQ” in China as early as 10 February 1999 when they first launched the Applicants’ Instant Messaging Service “QQ” and they were thus the first user. In contrast, the Opponents only commenced use of their “QQ” mark from 2003. The Applicants thus contended that the Opponents have not shown originality in “QQ”. The Applicants also said that the Opponents have in fact conceded that the Applicants first used the mark “QQ” in China, before the Opponents did. Thus, the Applicants argued that it was clear that the Applicants had an earlier right to use the “QQ” mark and if any copyright were to subsist, the Applicants were the ones who have that right and not the Opponents.

Decision on Section 8(7)(b)

54 Section 8(7)(b) states:

“8.

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

(b) by virtue of an earlier right other than those referred to in subsections (1), (2) and (3) or paragraph (a), in particular by virtue of the law of copyright or any law with regard to the protection of designs.”

The Opponents claimed that they have an earlier right in the mark by virtue of the law of copyright. Now, the mark consists of the letters “QQ” in plain font. For copyright to subsist, there must first be a subject matter or material that falls within the realm of protection under copyright. Under the current Copyright Act, Chapter 63, 2006 Revised Edition, protection is given to the following types of material: (i) original literary works; (ii) original musical works; (iii) original artistic works; (iv) original dramatic works; (v) sound recordings; (vi) cinematograph films and other types of material.

55 As the mark consists of two plain letters “QQ” with no stylisation whatsoever, the only relevant type of material for my consideration is the category of “literary work”. The question to ask is whether the letters “QQ” qualify as a “literary work”. There is no exhaustive definition of a “literary work” in the Copyright Act. Section 7A(1) of the Copyright Act merely states that a “literary work” includes a compilation in any form and

a computer program. It is not an exhaustive definition. I will now turn to case law for guidance in the determination of whether the letters “QQ” qualify as a “literary work”. In *Exxon Corp & Ors v Exxon Insurance Consultants International Ltd [1982] RPC 69 (“Exxon case”)*, the issue concerns whether, the invented name, “Exxon” constitutes an original literary work that qualifies for protection under copyright. In that case, it was found by the lower court in the UK at [83] that the name, “Exxon” *“is a word which, though invented and therefore original, has no meaning and suggests nothing in itself. To give it substance or meaning, it must be accompanied by other words or used in a particular context or juxtaposition. When used as part of any of the plaintiffs’ corporate names, it clearly has a denominative characteristic as denoting the company in question. When used, as [I] assume it is, with the plaintiffs’ goods, it would clearly have the effect of denoting origin or quality. It is in fact an invented word with no meaning, which is a typical subject for trade mark registration, and which...with adequate user, is capable also of becoming...distinctive of the plaintiffs and their goods at common law.”* On appeal, the appellate court held that, “a literary work would be something which was intended to afford either information and instruction, or pleasure in the form of literary enjoyment” and as the invented word, “Exxon” is neither intended to do nor does either of these things, that is, afford information or instruction or pleasure, it is not a literary work and is therefore, not the subject of copyright.

56 The *“Exxon case”* is directly on point. Like the invented name, “Exxon”, the letters, “QQ” when used by the Opponents in connection with their trade in automobiles, is intended to denote origin or quality and is therefore more appropriate as a subject for trade mark registration. The combination of the letters, “QQ”, does not, and is not intended to afford any information, instruction or pleasure. The letters “QQ” therefore cannot be deemed as a “literary work”. Copyright therefore does not apply here, regardless of whether “QQ” originates from the Opponents or the Applicants. For completeness however, on the issue of originality, I note that the Applicants started using “QQ” in relation to their services earlier than the Opponents. Thus, there is also no doubt as to who started using the letters “QQ” in relation to their business earlier. All in all, the Opponents cannot claim to have any “earlier right” by virtue of the law of copyright to the letters “QQ”.

57 Accordingly, the opposition under Section 8(7)(b) also fails.

Conclusion

58 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the opposition fails on all the grounds of opposition proceeded on.

59 Accordingly, Trade Mark Application T0701616J shall therefore proceed to registration. The Applicants are entitled to costs to be taxed, if not agreed. As the Opponents dropped the ground of opposition under Section 8(7)(a) only at the hearing itself, the Applicants are awarded costs for that ground as well.

Dated this 25th day of February 2010

Lee Li Choon
Principal Assistant Registrar
Hearings and Mediation Division
Intellectual Property Office of Singapore