

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

Trade Mark Application No. T0709717I  
27 July 2011

**IN THE MATTER OF A TRADE MARK APPLICATION BY  
SIM MENG SEH TRADING AS PROSPEROUS ENTERPRISE ("APPLICANTS")**

**AND**

**OPPOSITION THERETO BY**

**DOCTOR'S ASSOCIATES INC ("OPPONENTS")**

Hearing Officer: Ms Lee Li Choon  
Principal Assistant Registrar

Mr Prithipal Singh (Prithipal & Associates) for the Applicants

Mr Max Ng and Mr David Wu (with interns Nicol Ng Im, Nicholas Lim) (Gateway Law Corporation) for the Opponents

*Cur Adv Vult*

**GROUND OF DECISION**

1 The Applicants, Sim Meng Seh trading as Prosperous Enterprise, applied to protect the trade mark “” (“the Application Mark”) in Singapore on 26 April 2007 under Singapore Trade Mark No. T0709717I in Class 25 in respect of “Babies diapers of textile; babies pants; bath ropes; bath sandals; beach clothes; boots; boots for sport; camisoles; cap peaks; clothing; football boots; football shoes; footwear; jackets (clothing); jerseys (clothing); jumper (shirt fronts); knitwear (clothing); clothing of imitations of leather; leather (clothing of -); leather (clothing of imitations of); leggings; linen (body-)(garments);

linings (read-made-) parts of clothing; hats; neckties; outer clothing; overalls; overcoats; pyjamas; pants; petticoats; pullovers; pyjamas; ready-made-clothing; ready-made-linings (parts of clothing); robes (bath-); sandals; sashes for wear; scarves; shawls; shields (dress-); shirt fronts; shirt yokes; shirts; shoes; singlets; skirts; slippers; slips (undergarments); socks; soles for footwear; sports (boots for-); sports jerseys; sports shoes; stocking; stuff jacket (clothing); suits; sun visors; suspenders; sweaters; swimsuits; tee-shirts; tights; tip for footwear; togas; top hats; topcoats; trouser straps; trousers; underclothing; underpants; underwear; uniforms; uppers (footwear-); vests; vests (fishing); waterproof clothing; welts for boots and shoes; wristbands (clothing)".

2 The application was accepted and published on 8 June 2007 for opposition purposes. The Opponents, Doctor's Associates Inc, filed their Notice of Opposition to oppose the registration of the Application Mark on 8 October 2007. The Applicants filed their Counter-Statement on 5 February 2008.

3 The Opponents filed evidence in support of the opposition on 16 March 2009. The Applicants filed evidence in support of the application on 11 December 2009. The Opponents then filed their evidence in reply on 31 March 2010. Subsequently, the Applicants filed further evidence in support of the application on 27 July 2010. The Opponents also filed further evidence on 31 August 2010. The Applicants requested for Security for Costs and it was eventually agreed between the parties on 22 February 2011 that Security for Costs for the opposition would be provided by way of a Solicitor's Undertaking for \$7,000 to be provided by the Opponents' agents, Gateway Law Corporation. Both parties requested to cross-examine each other's witnesses. Cross-examination of the Applicants' witnesses Ms Ng Guat Kiow (AW1), Ms Biana Ho Bee Lian (AW2) and Mr Sim Meng Seh (AW3) was conducted on 3 June 2011 and cross-examination of the Opponents' witness, Ms Valerie Pochron (OW) was conducted on 8 June 2011. Both parties agreed to this order of cross-examination. The opposition then proceeded to a hearing on 27 July 2011. Prior to the hearing, the Applicants voluntarily wrote in to the Registrar on 27 June 2011 to restrict their specification of goods to "articles of clothing for women". On 13 July 2011, the Opponents informed that they will proceed with the opposition on the basis of the restricted specification. The Opponents reserved their right on costs with regard to this. At the hearing, the Applicants informed that they were not aware that the Opponents had intended to drop the ground of opposition under section 8(2)(b) until the Opponents' written submissions were served on them on 4 July 2011. The Applicants therefore informed that they also reserved their right on costs with regard to this as they had expended work in addressing the ground of opposition under section 8(2)(b) in their written submissions filed on 1 July 2011. For the purposes of the hearing, the Applicants tendered original clothing items showing how they use their "Subway" mark on women's clothing and these clothing items match the items in the photographs shown at exhibit "SMS-14" of the Applicants' Statutory Declaration executed by Sim Meng Seh on 11 December 2009.

### **Grounds of Opposition**

4 The Opponents rely on sections 8(4)(b)(i) and (ii) and 8(7)(a) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act") as their grounds of opposition.

## **Opponents' Evidence**

5 The Opponents' Statutory Declaration and Opponents' Statutory Declaration in Reply were executed by Valerie Pochron, Attorney of Franchise World Headquarters, LLC, an authorised representative of the Opponents, in the United States of America on 23 February 2009 ("Opponents' 1<sup>st</sup> SD") and 23 March 2010 ("Opponents' SD in Reply") respectively. The Opponents' further evidence was via the Statutory Declaration executed by the same Valerie Pochron in the United States of America on 24 August 2010 ("Opponents' 2<sup>nd</sup> SD").

## **Applicants' Evidence**

6 The Applicants' Statutory Declaration was executed by Sim Meng Seh on 11 December 2009 (Applicants' 1<sup>st</sup> SD). The said Statutory Declaration contained the Statutory Declaration of Biana Ho Bee Lian (AW2's SD) executed on 8 December 2009 and exhibited as exhibit "SMS-4" to the said Applicants' 1<sup>st</sup> SD. The Applicants also filed a further Statutory Declaration executed by the same Sim Meng Seh on 27 July 2010 (Applicants' 2<sup>nd</sup> SD) which contained the Statutory Declaration of Ng Guat Kiow (AW1's SD) executed on 18 June 2010 and exhibited as exhibit "SMS-1" to the said Applicants' 2<sup>nd</sup> SD.

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

7 As referred to above, the applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act").

8 The undisputed burden of proof in an opposition under the Act falls on the Opponents.

## **Background**

9 The Opponents, through their predecessors, first started their fast-food business in Connecticut, USA in 1965 under the commercial name, Pete's Super Submarine. In 1967, they changed their commercial name to "SUBWAY" in connection with their sandwich shops. Today, the Opponents' franchise operations have extended to over 30,498 restaurants in 87 countries. The Opponents claimed that in Singapore, the first use of the Opponents' "SUBWAY" mark was as early as 16 May 1989. The evidence for this was in Opponents' 1<sup>st</sup> SD executed by OW. In cross-examination, OW was presented with a document tendered by the Applicants' counsel that was supposedly taken off the SUBWAY website and in that document, under the "Frequently Asked Questions", it was stated that the first SUBWAY restaurant in Singapore opened in December 1996. As this piece of evidence presented a different date for the commencement of the Opponents' business in Singapore and as the evidence of the Opponents via the Opponents' 1<sup>st</sup> SD was not substantiated by any documentary evidence such as invoices or any other relevant documentary evidence, the Opponents have failed to prove when they commenced their SUBWAY business in Singapore. However, it is clear that all products bearing the Opponents' "SUBWAY" mark are distributed through the Opponents' local franchisees of more than 60 stores around the island.

10 In Singapore, the Opponents are the registered proprietor of following "SUBWAY" marks:

- (i) T9508869Z "SUBWAY" in Class 42 for "restaurant services";
- (ii) T8903282C "SUBWAY" in Class 30 for "bread rolls and sandwiches"
- (iii) T8903283A "SUBWAY" in Class 32 for "non-alcoholic beverages included in Class 32"
- (iv) T0511828D "SUBWAY" in Class 29 for "garden salads; vegetable and meat salads; milk-based beverages consisting primarily of milk and fruit; potato chips; combination meals consisting primarily of vegetable and meat salads, a snack and a soft drink for consumption on or off the premises";
- (v) T0511829B "SUBWAY" in Class 30 for "sandwiches and wrap sandwiches; baked goods for consumption on or off the premises; snacks namely pretzels, corn chips, tortilla chips, puffed corn curls, popped corn, cakes, pastries, cookies; dressings for salads, sandwiches and wraps, namely, salad dressings used on salads, sandwiches and wraps; combination means consisting primarily of a sandwich, a snack and a soft drink for consumption on or off the premises";
- (vi) T0511830F "SUBWAY" in Class 32 for "soft drinks, fruit-based beverage consisting primarily of fruit and crushed ice and fruit juice drinks containing water, all for consumption on or off the premises";
- (vii) T0511831 "SUBWAY" in Class 43 for "restaurant services; sandwich shop services; catering services; take-out food services".

11 The Opponents provided the figures for their global and Singapore average annual sales of products and services traded under the Opponents' "SUBWAY" marks for the years 1999 to 2008 and they range from about \$3,744,706,136 globally in 1999 and \$660,260 in Singapore in 1999 to \$11,844,156,419 globally in 2008 and \$25,983,619 in Singapore in 2008. From the annual sales figures in Singapore supplied by the Opponents, it is seen that there is a steady increase of about \$1million or more annually from 1999 to 2005 and from 2006 to 2008, the annual sales figures increase from about \$11million to more than \$25million. The Opponents also supplied annual advertising expenditures of the Opponents' "SUBWAY" marks globally and in Singapore from 1999 to 2008. Again from these figures, it can be seen that the advertising expenditure increased over the years, starting from \$91,603,398 globally in 1999 and \$16,507 in Singapore in 1999 to \$525,934,574 globally in 2008 and \$902,734 in Singapore in 2008.

12 The Applicants' business is in retail of apparel. The Applicants' business under the sole proprietorship called Prosperous Enterprise was started in late 1984. In late 1986, the Applicants started selling "unbranded" apparel to Sogo Department Store (S) Pte Ltd ("Sogo"). In 1988, the management of Sogo asked the Applicants to come up with a brand name for the apparel supplied by the Applicants. The Applicants then came up with two options, "Metro" and "Subway", both representing MRT systems in other countries as the MRT system was being introduced in Singapore at about that time. As "Metro" was already used by another department store in Singapore, the Applicants decided to go with the name, "Subway". Subsequently, in the same year (1988), the Applicants applied for registration for the trade mark "Subway" and trade mark registration in Singapore was obtained via T8802414. The registration was valid for ten years and was due to expire in 1995. In 1995, the registration was renewed for another ten years. In 2005, when the registration was again due for renewal, the Applicants overlooked the renewal. The Applicants claimed that by the time this surfaced in 2007, it was too late for renewal and so, the Applicants sought to re-apply the mark, "Subway" for registration and it is this application (T0709717I) that is the subject of this opposition.

13 The Applicants claimed that they started selling apparel under the brand "Subway" in 1988 and they supplied Sogo with "Subway" apparel up to about September 2000 when Sogo went into liquidation. This was substantiated by AW2's SD. AW2's testimony remained intact even upon cross-examination. AW2's evidence is that AW2 joined Sogo around August 1986 and in late 1986, the Applicants started supplying Sogo with knitted apparel with no brand. Although AW2 cannot recall when the Applicants started using the "Subway" brand, AW2 can remember Mr Sim Meng Seh telling her how he came up with the brand "Subway". AW2 can recall Mr Sim telling her that he named his products after the MRT as the Raffles City Mass Rapid Transport was opening at that time and he wanted his products to move very fast, like the MRT. AW2 also said that Mr Sim was told by her boss to apply for trade mark registration and Mr Sim did so in 1988. AW2's evidence is that the Applicants continued to supply Sogo with "Subway" branded apparel up to about the year 2000 when Sogo went into liquidation. AW2 said that initially, the sales were low (about \$20,000 per month) but subsequently, the Applicants was supplying Sogo with the "Subway" branded apparel worth between \$40,000 to \$60,000 per month.

14 The evidence of AW2 is corroborated by AW1 whose evidence is also that the Applicants started supplying Sogo with unbranded apparel in 1986 and that the brand "Subway" was subsequently used by the Applicants for the apparel supplied to Sogo by the Applicants about two years later (that is, 1988). AW1's evidence also remained intact upon cross-examination.

## MAIN DECISION

### Ground of Opposition under Section 8(4)

15 Section 8(4)(a) of the Act reads:

#### **"Relative grounds for refusal of registration**

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

- (a) the earlier trade mark is well known in Singapore; and
- (b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —
  - (i) would indicate a connection between those goods or services and the proprietor of the earlier trade mark, and is likely to damage the interests of the proprietor of the earlier trade mark; or
  - (ii) if the earlier trade mark is well known to the public at large in Singapore –
    - (A) would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or
    - (B) would take unfair advantage of the distinctive character of the earlier trade mark."

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

16 The Opponents argued that as the application for registration of the Application Mark was made in April 2007, the Registrar should examine circumstances as at that time and that the fact that the Applicants had prior registration for "Subway" is irrelevant. The Opponents

relied on the Singapore Court of Appeal case of *Mobil Petroleum Co, Inc v Hyundai Mobis* [2010] 1 SLR 512, a case based on the old section 8(3) which the Opponents said was in pari materia with the present section 8(4). The Opponents submit that as both parties have conceded that the marks are similar, the first element that an essential part of the Application Mark must be identical or similar to an earlier trade mark is established. On whether the Opponents' trade mark is well known, the Opponents submit that the Applicants have conceded that the Opponents' "SUBWAY" mark is well known for sandwiches and fast foods. In addition, the Opponents argue that the Opponents' "SUBWAY" mark is well known in Singapore as they are one of the largest franchisors in the world and have enjoyed rapid growth and consistent increases in the annual sales of products and services traded under the "Subway Marks" in their franchise business in Singapore which runs more than 60 franchise outlets as of 23 February 2009. The Opponents pointed to their gross sales figures for their business in Singapore which is in excess of \$25million. The Opponents also pointed to evidence, in particular, evidence in Exhibit A of the Opponents' SD in Reply which shows that Opponents' "SUBWAY" business tops Entrepreneur's Franchise 500 and that Opponents' business is expanding fast in places like Hyderabad and even all the way to Guam in the pacific. On the specific use of the Opponents' "SUBWAY" logo in relation to products in Class 25, the Opponents pointed to the Opponents' 1<sup>st</sup> SD, in particular Exhibit D, which shows that items such as infant bibs, visors, caps, T-shirts, polo shirts and so forth bearing the Opponents' "SUBWAY" logo that are made available through their online store. From this particular exhibit, these products under the "SUBWAY" logo were available in 2009 from the online store run by the Opponents. The Opponents also submit that because they have to supply their franchisees with standard uniform that have to be worn by service personnel in the Opponents' franchised outlets, the Opponents have shown use of the "SUBWAY" trade mark in relation to Class 25 goods.

17 The Opponents pointed to their cases against other companies in OHIM (Europe Trade Mark Office), before the court in Colombia and Indonesia where they have succeeded against these companies on the basis that the Opponents' "SUBWAY" mark is well known.

18 On the element on unfair advantage, the Opponents say that even if the Applicants had used their "Subway" mark before the date of the application for registration of the Application Mark in 2007, that cannot be a valid justification or defence. The Opponents point to the difference in wording between section 8 and section 55. The Opponents argue that under section 8(5), a trade mark that is similar to an earlier mark that is well known is to be refused unless the application was *filed* before the earlier mark became well known (emphasis mine). However, under section 55(6), the proprietor of a well known mark is disentitled to injunction if the use of the trade mark in contention began before the proprietor's mark became well known in Singapore. The Opponents argue that because of the differences in language, it is the legislative intent that there should be no further reading of the exception to section 8(4) apart from what has been provided for in section 8(5), which means that as long as the date of subject application is after the Opponents' became well known, the Applicants' registration shall be refused. The Opponents' point is that it should not matter that the Applicants had used or been using the "Subway" mark before the date of the subject application. That is to say, section 8(4) operates to stop a person from registering his mark in the face of an earlier well known mark. This is in contrast to section 55 which prevents a person from using a mark similar to a well known mark, even as a business identifier. The Opponents also raised the point that whereas section 55 has other exceptions such as acquiescence for more than 5 years, there is only one exception under section 8(4) which relates to the filing of the application and this further reinforces the Opponents'

contention that evidence of prior use by the Applicants cannot be taken into consideration under section 8(4).

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

19 The Applicants distinguished the three cases referred to by the Opponents (OHIM, Colombia and Indonesia) by saying that the marks in contention in these cases were in relation to identical goods or services and there is also no evidence of prior use by the other party unlike in this case. The Applicants submit that in this case, however, the Applicants have been using his "Subway" trade mark before the Opponents came to Singapore. The Applicants argue that the evidence shows that the Applicants commenced use of his trade "Subway" trade mark in 1988 and this is clearly before the Opponents started using their "SUBWAY" trade mark in Singapore, regardless of whether it was 1989 or 1996 that the Opponents first came to Singapore. The Applicants pointed to the fact that the Applicants have been using this mark in relation to clothing for 23 years and that for 23 years, the Opponents did not take action against him. The Applicants' contention is that if in 23 years, the Applicants' trade mark "Subway" has not posed a problem for the Opponents, it is simply illogical to now draw the conclusion that there would be confusion amongst the public.

20 The Applicants' other main contention is that there is no free riding in the present case as the Applicants had used the "Subway" trade mark before the Opponents came to Singapore.

21 On the distinction between section 8(4) and section 55, the Applicants argue that the Opponents' conclusion that prior use is irrelevant for section 8(4) is illogical. The Applicants further argue that the approach taken by the Court of Appeal in *Campomar SL v Nike International Ltd* [2011] SGCA 6 ("*Nike*") should be adopted and that is that all relevant circumstances and all relevant evidence as at the date of the hearing should be taken into account. The Applicants also refute the Opponents' contention that they supply clothing under the "SUBWAY" trade mark to their franchisees as this was not proven. The Applicants objected to the inference proposed by the Opponents that because they operate via a franchise arrangement, there is sale of clothing and other Class 25 items by the Opponents to their franchisees. The Applicants also point to the fact even if it is accepted that there is online sale of Class 25 goods under the "SUBWAY" trade mark by the Opponents, the evidence shown by the Opponents only shows such sale occurring in 2009. The Applicants also argue that the evidence of the Opponents relate to their global revenue and promotion for their food business and that the evidence did not show that there was sale of clothing items under the "SUBWAY" trade mark at all.

22 The Applicants contend that the burden is on the Opponents to prove that there is confusion and that the Opponents have failed to do so. This is because, the Applicants have been using the "Subway" trade mark for 23 years now and there has not been a single instance of confusion. Since the Opponents need to prove that there is a confusing connection between the goods of the Applicants and the Opponents, the Opponents have failed to establish the ground of opposition under section 8(4). The Applicants further say that whilst they concede that the Opponents' "SUBWAY" mark in Classes 29, 30, 32, 42 and 43 are known to the public, the Opponents' mark is not well known in respect of goods from other classes, especially Class 25 goods. The Applicants also cited the example of "Subway Niche" that was used as a trade mark by another entity that operates a café selling cakes, pastries and cookies and they have been around since 1987 as can be seen from a printout from the

computer system (BizNet) of the Accounting and Corporate Regulatory Authority (ACRA). The Applicants therefore say that the co-existence of other "Subway" marks shows that there is no confusion and that the Opponents' "SUBWAY" mark is not well known in relation to other goods or services other than for their sandwiches and sandwich joints. The Applicants rely on the *case In the Matter of a Trade Mark Application by Seiko Advance Ltd and Opposition Thereto by Seiko Holdings Kabushiki Kaisha (trading as Seiko Holdings Corporation [T0718802F]* in which the Principal Assistant Registrar, Ms Anne Loo, in assessing the evidence lodged by the Opponent found that the Opponent may be well known for watches but not for goods in other classes.

23 The Applicants further argue that in any event, there is no unfair advantage or dilution as the Applicants have been using their "Subway" trade mark for more than 23 years now and there is no free riding of the Opponents' "SUBWAY" mark.

#### ***Decision on section 8(4)(b)(i)***

24 The first requirement under section 8(4) is that the whole or an essential part of the Application Mark has to be identical with or similar to the Opponents' mark. It is not disputed that the marks in question are very similar, if not identical. Thus, this requirement is fulfilled. I will now proceed to deal with the ground of opposition under section 8(4) in two parts – first, under section 8(4)(b)(i) which requires the earlier trade mark to be well known in Singapore and second, under section 8(4)(b)(ii) which requires the earlier trade mark to be well known to the public at large in Singapore.

25 As stated by the Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 ("*Amanresorts*") ([229]), "*In recognition of the fact that many trade marks are potentially "well known in Singapore", Parliament has granted such trade marks only one advantage over ordinary trade marks, namely, the former are protected from registration and/or the use of identical or similar trade marks on dissimilar goods or services – such protection takes the form of protection covered by the "damaging connection" condition in s 8(4)(b)(i) and s 55(3)(a) of the current TMA*", section 8(4)(a) and (b)(i) is applicable where the marks are either identical or similar but in relation to dissimilar goods or services. In this case, the Opponents do not have an earlier registration for "SUBWAY" for Class 25 goods. Thus, whether the Opponents' "SUBWAY" mark, is well known in Singapore can become very material because, if the Opponents' mark is well known in Singapore and use of the Application Mark in relation to "articles of clothing for women" would indicate a connection between such goods for which registration is sought by the Applicants and the Opponents and is likely to damage the interests of the Opponents, then the Application Mark cannot be registered even though the Opponents do not have a prior registration for Class 25 goods in Singapore.

26 Having established that the Opponents' "SUBWAY" mark is identical or similar to the Application Mark, the elements that have to be established before registration shall be refused under section 8(4)(b)(i) are:

- (i) that the Opponents' "SUBWAY" mark is well known in Singapore
- (ii) that the Applicants' use of "Subway" in relation to articles of clothing for women would indicate a *connection* between the Applicants' products and the Opponents and is *likely to damage* the interests of the Opponents

*Is the Opponents' "SUBWAY" mark well known in Singapore?*

27 Section 8(5) provides, "A trade mark shall not be refused registration by virtue of subsection (4) if the application for the registration of the trade mark was filed before the earlier trade mark became well known in Singapore, unless it is shown that the application was made in bad faith." From this provision, it is clear to me that I have to assess whether the Opponents' "SUBWAY" mark was well known in Singapore as at the date of the Application Mark, that is, 26 April 2007 as section 8(4) only blocks registration of a trade mark vis-a-vis an earlier trade mark that is already well known in Singapore at the time of the filing of the said trade mark. This is the only interpretation to section 8(5). I disagree with the interpretation proffered by the Opponents' counsel, that because section 8(5) refers to "application" as opposed to "use" in section 55(6) (a corresponding provision for the application of an injunction by a well known mark owner against infringing use), section 8(5) has made prior use an irrelevant consideration or that I cannot take into consideration prior use in establishing whether the Opponents have made out their case under section 8(4).

28 In assessing whether a trade mark is "well known in Singapore", 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;
- (a) 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.

29 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 ***Amanresorts*** at [137] 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." As stated in ***Amanresorts*** ([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*. The High Court in *Ferrero SPA v Sarika Connoisseur Café Pte Ltd* [2011] SGHC 176 (*Ferrero*) at [158] quoting the Court of Appeal in *Amanresorts* at [139], also held that in determining whether a trade mark is well known in Singapore, the *most crucial factor* is that set out in section 2(7)(a) of the Act, viz, “the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore”. Thus, it is very clear that, if the Opponents' "SUBWAY" mark is well known to the relevant sector of the public in Singapore, the Opponents' "SUBWAY" mark shall then be deemed to be well known in Singapore.

30 It shall first be considered as to the “degree to which [the Opponents’ mark] is known to or recognised by any relevant sector of the public 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 to which the trade mark is applied;

(b) all persons in Singapore involved in the distribution of the goods to which the trade mark is applied;

(c) all businesses and companies in Singapore dealing in the goods 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* has settled this issue as “the actual consumers and potential consumers of, specifically, the [Opponents’] goods only (([142] to [154]), specifically, [154]). Applying the law to the facts of this case, the relevant sector of the public would be the actual and potential consumers in Singapore of the Opponents’ goods, that is, consumers who will buy Opponents' sandwiches from Opponents' outlets. The question is, is "SUBWAY" well known to this “relevant sector of the public”? And the relevant point in time to determine this question is 26 April 2007.

31 It is first to be noted that the Opponents do not own registrations for "SUBWAY" in relation to Class 25 goods in Singapore. Their registrations for "SUBWAY" (T8903282C, T89,03283A, T9508869Z, T0511828D, T0511829B, T0511830F, T0511831D) in 1989, 1995 and 2005 are all for restaurant services and products such as sandwiches and beverages like soft drinks and so forth.

32 The Opponents claimed that in Singapore, the first use of the Opponents' "SUBWAY" mark was as early as 16 May 1989. However, this claim was not substantiated with invoices or any other documentary proof from franchisees. The Opponents' witness, OW, cited extreme administrative difficulties in obtaining these from franchisees in Singapore as the reason for the lack of documentary proof. In cross-examination of OW, Applicants' counsel tendered a copy of a page taken off the "SUBWAY" website by the Applicants sometime in 2010 and this exhibit was marked "OW-1". In exhibit "OW-1", there was a statement which states that the first restaurant in Singapore was opened in December 1996 at the Orchard Hotel. As OW could not explain the discrepancy between what was stated in the Opponents' 1<sup>st</sup> SD and that in "OW-1", I shall take the later date of 1996 as the date of Opponents' first use of their "SUBWAY" mark in Singapore for the purpose of assessing whether the Opponents' mark, "SUBWAY" is well known to the group of consumers as described above as at 26 April 2007.

33 The Opponents' evidence is that there are now more than 60 "SUBWAY" stores in Singapore. The Opponents' average sales of products traded under the "SUBWAY" mark in

Singapore for the years 1999-2008 were as follows: 1999: \$660,260; 2000: \$1,607,802; 2001: \$2,458,178; 2002: \$3,216,033; 2003: \$4,073,560; 2004: \$6,056,274; 2005: \$8,741,111; 2006: \$11,836,430; 2007: \$18,130,844. From this, it can be seen that by April 2007, the Opponents' annual sales of products under the "SUBWAY" mark in Singapore has increased to more than \$11million. If I take Opponents' first use to be sometime in end 1996, by April 2007, the Opponents' use of their "SUBWAY" mark would have been for more than 10 years. And as provided by the Opponents, the number of outlets operating in Singapore is more than 60 outlets. Suffice to say that the Opponents' "SUBWAY" outlets are seen in many places in Singapore and have become a common sight in Singapore. The Opponents' business is in sandwiches and they sell their sandwich fast-food through their many outlets in Singapore and from the evidence of their annual sales, it is clear that the Opponents' business through their many outlets operated by franchisees is a thriving business as at April 2007. To the relevant sector of the public who have seen the Opponents' "SUBWAY" outlets and who have consumed Opponents' "SUBWAY" sandwiches, I am satisfied that the Opponents' "SUBWAY" mark is known to them. Thus, applying section 2(7)(a) read with section 2(8), my conclusion is that the Opponents' mark is well known in Singapore since it is deemed so once I have established that the Opponents' mark is well known to the relevant sector of the public, being actual and potential consumers in Singapore of the Opponents' goods.

34 The Applicants argue that it can only be concluded that the Opponents' "SUBWAY" mark is well known for sandwiches but not well known for clothing, in particular, women's clothing. It is acknowledged that from the Opponents' evidence, it is not clear that the Opponents have used their "SUBWAY" mark on Class 25 items or that if they had used their "SUBWAY" mark, the use in relation to Class 25 items has been or is substantial. Through Exhibit "D" of the Opponents' 1<sup>st</sup> SD, the Opponents sought to adduce evidence of sale of their "SUBWAY" mark on Class 25 items such as caps, visors, T-shirts, bibs and so forth through their online store, <http://shop.subway.com/onstore/listing.asp> (web page being extracted on 30 January 2009). This is the only single piece of evidence showing use of the "SUBWAY" mark on Class 25 goods by the Opponents.

35 Having said that, it is not necessary for me to distinguish whether the Opponents' mark is well known for sandwiches only or whether the Opponents' mark is well known for Class 25 goods as well. Whether the Opponents' mark is well known or not is to be seen from the perspective of the actual and potential consumers of the Opponents' goods and once it is determined that the Opponents' mark is well known to this group of consumers, the Opponents' mark is deemed well known in Singapore by virtue of section 2(8). Thus, on the requirement that the Opponents' earlier mark must be "well-known", it does not matter that the evidence does not show that the Opponents' "SUBWAY" mark is well known for the goods sought to be registered in the Application Mark such as women's clothing or such other goods that fall in Class 25.

36 Having assessed that the Opponents' mark is deemed well known in Singapore, it is also not necessary for me to look at the other factors to determine whether the Opponents' mark is well known in Singapore. However, for completeness, I will now turn to the guidelines listed in section 2(7)(b)-(e). On the duration, extent and geographical area of the use and promotion of the Opponents' mark, the Opponents have used the "SUBWAY" mark in the USA since 1967 and there are over 30,498 "SUBWAY" restaurants or outlets in 87 countries. The evidence shows that the Opponents have been promoting the "SUBWAY" brand extensively and they have been named the "number one" franchise opportunity in all categories by the Entrepreneur's Franchise 500 in 2009 and 2010 (see Exhibit "A" in

Opponents' SD in Reply). The Opponents' global annual sales exceeded \$11billion in 2008 and copies of articles in magazines, publications and newspapers show Opponents' reach in places like India, Australia, Europe, Dubai, Russia and even Barbados. As for registrations for "SUBWAY", other than the abovementioned registrations in Singapore for restaurant services and food products such as sandwiches and drinks, the Opponents also owned registrations for "SUBWAY" in classes 7, 9, 20, 21, 24, 25, 29, 30, 31, 32, 33, 35, 38, 41, 42 in many countries such as Hong Kong, United Kingdom, Australia, New Zealand, Europe and the USA.

37 Weighing all the factors in section 2(7)(b)-(e), I am convinced that the Opponents' "SUBWAY" mark is well known in Singapore. At this point, I will quote the Court of Appeal in *Amanresorts* ([229]) that, "*it will be recalled that it is not too difficult for a trade mark to be regarded as "well known in Singapore" – essentially, the trade mark in question need only be recognised or known by "any relevant sector of the public in Singapore" [emphasis added] (see s 2(7)(a) of the current TMA), which sector could in certain cases be miniscule.*" As the threshold is not very high, I am satisfied that the Opponents' "SUBWAY" mark is well-known to the relevant sector of the public in Singapore and therefore, well known in Singapore.

38 It is clear that the Applicants have used the same word, "Subway" for their goods being articles of clothing for women and that under section 8(4)(b)(i), whilst the use must be in relation to goods or services, there is no requirement that the goods or services must be similar.

*Is there a damaging connection between the Applicants' goods and the Opponents*

39 Next, I will move on to the other requirements that need to be established under this ground of opposition in section 8(4)(b)(i), namely, whether use of the Application Mark on the goods sought to be registered (articles of clothing for women) would indicate a connection between the goods claimed and the Opponents and whether the interests of the Opponents are likely to be damaged as a result.

40 The Court of Appeal in *Amanresorts* ([161]-[177], [229] and [233]) held that the term "connection" in section 55(3) which is in pari materia to section 8(4)(b)(i) does not mean mere connection, but a connection which is likely to give rise to confusion. In *Amanresorts*, the Court of Appeal in *Amanresorts* ([75]-[76]) noted that the tests to be adopted for the purposes of the "connection" requirement and the "likely to damage the [Opponents'] interests" requirement would yield the same results as those obtained from applying the corresponding tests vis-à-vis the claim for passing off which are, whether the [Applicants] have made a misrepresentation to the relevant sector of the public which causes that section of the public to mistakenly think that the [goods] have the same source as or is connected with the Opponents' [goods], and whether such misrepresentation has resulted in or is likely to result in damage to the interests of the Opponents. As settled in *Amanresorts* ([77]), whilst actual confusion is not necessary, confusion is an essential element and I must be able to infer a likelihood of confusion from the surrounding facts. The question to be asked is: Would the people in Singapore with goodwill towards [Opponents'] mark be confused into thinking that the Applicants' "Subway" women's clothing comes from the same source as the Opponents' "SUBWAY" sandwiches? I think the answer is no for the following reasons:

- (i) First, the Opponents' "SUBWAY" sandwiches are only sold through specialised outlets operated by Opponents' franchisees. The Applicants'

"Subway" clothing for women on the other hand are sold through departmental stores such as BHG.

- (ii) Second, the Opponents' "SUBWAY" restaurants or outlets carry the brand name of the Opponents, "SUBWAY" in a prominent manner and the brand name is displayed in the typical green and yellow colour combination and in a particular font or style. The Applicants' use of "Subway" on the other hand is on the label on goods which displays the word "Subway" in a pink background and white lettering colour combination (see photographs of Applicants' clothing items at "SMS-14" of Applicants' 1<sup>st</sup> SD). The overall look and feel of the Applicants' trade mark as used by the Applicants in the pink and white colour combination and in a different font is very different from the usual green and yellow colour combination of the Opponents' "SUBWAY" sandwich outlets.
- (iii) Third, if at all, the Opponents' use of "SUBWAY" on clothing items or items such as caps and so forth is through the uniform or attire worn by staff working or serving in Opponents' restaurants or outlets. If one were to encounter the Applicants' goods in a departmental store, which is a totally different setting, one will not be confused into thinking that the Applicants' "Subway" clothing is somehow connected with the Opponents' "SUBWAY" restaurants or outlets. The Opponents have not tendered any concrete evidence that shows that the Opponents sell clothing items or other Class 25 goods under their "SUBWAY" mark in a general setting or through departmental stores.
- (iv) Finally, the two industries are totally different. One would not imagine that a trader rendering restaurant or fast food services would branch out into the clothing business, in particular, business dealing in women's clothing such as knitwear specifically.

41 For the reasons cited above, I am of the view that use of the Application Mark on the goods sought to be registered (articles of clothing for women) would not indicate a connection between the goods claimed and the Opponents and therefore, this element under section 8(4)(b)(i) is not made out. Similarly, the element of likelihood of damage to the interests of the Opponents is also not made out. In conclusion, there is no damaging connection as it is unlikely that the Applicants' use of "Subway" on articles of clothing for women would indicate a connection between the Applicants' goods and the Opponents.

#### *Conclusion*

42 Accordingly, the ground of opposition under section 8(4)(b)(i) fails.

#### ***Decision on section 8(4)(b)(ii)***

- 43 Under this ground of opposition, the Opponents must prove the following elements:
- (i) That the Opponents' "SUBWAY" mark is "well known to the public at large in Singapore"
  - (ii) That the Applicants' "Subway" mark is identical or similar to the Opponents' "SUBWAY" mark;
  - (iii) That the Applicants' "Subway" mark used in relation to the goods in question, being articles of clothing for women, would either:

- a. Cause dilution in an unfair manner of the distinctive character of the Opponents' "SUBWAY" mark; or
- b. Take unfair advantage of the distinctive character of the Opponents' "SUBWAY" mark

*Is the Opponents' "SUBWAY" mark well known to the public at large in Singapore?*

44 The Act does not define what constitutes, "well known to the public at large in Singapore". However, in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*Louis Vuitton*"), the Court of Appeal made this observation at [94]:

*"The expression "well known to the public at large" should be given a sensible meaning, bearing in mind that by virtue of s2(8) of the Act, where a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore. Thus the test "well known to the public at large in Singapore" must mean more than just "well known in Singapore". To come within the former test, the mark must necessarily enjoy a much higher degree of recognition. It must be recognised by most sectors of the public though we would not go so far as to say all sectors of the public. This approach would be in line with the US approach in determining famous marks."*  
(emphasis mine).

45 I have already looked at the factors in section 2(7) and concluded that the Opponents' "SUBWAY" mark is well known in Singapore. The question is, is the Opponents' mark recognised by *most sectors* of the Singapore public? In *Ferrero* ([155]), the High Court found the "Nutella" marks to be well known to the public at large in Singapore. The High Court came to this finding primarily from the evidence which shows that the "Nutella" bread spread is carried by 94% to 98% of the stores in Singapore and the results of the Plaintiff's survey of 410 survey respondents show that the "Nutella" bread spread is well known to respondents of the survey with 88.53% of the respondents being familiar with "Nutella" and 70.2% of the respondents having known "Nutella" for more than five years. In *Ferrero*, there was also evidence showing more than twenty independent articles in the print media such as the Straits Times making reference to or featuring the story behind the "Nutella" spread.

46 There is no survey evidence in this instance. So, unlike the *Ferrero* case where there was survey evidence to convince the High Court of the reach and popularity of the "Nutella" brand such that the High Court can come to the conclusion that the "Nutella" brand is well known to most sectors of the public, the evidence of the Opponents in this case is not as satisfactory. Although the Opponents' evidence is that there are more than 60 "SUBWAY" restaurants or outlets in Singapore, the evidence does not show where these 60 "SUBWAY" restaurants or outlets are. It is not clear from the evidence that these 60 "SUBWAY" restaurants or outlets are situated in all areas, from the Central Business District area to downtown areas like Orchard Road to neighbourhood areas like HDB towns. For HDB towns, I am looking more specifically at food places. Unlike "Nutella" spread which is carried by 94% to 98% of the stores in Singapore, the Opponents' "SUBWAY" sandwiches are only sold through about 60 or so specialized outlets or restaurants operated by franchisees. Further, unlike the "Nutella" spread which is a general consumption product, I am unable to conclude that the Opponents' "SUBWAY" sandwiches are consumed by most sectors of the public. While it is not doubted that the Opponents' "SUBWAY" sandwiches are popular with the younger consumers and working adults, I am not certain that sandwiches are consumed by most sectors of the public, especially the older consumers whose Asian diet

may not include sandwiches. The Opponents have tendered evidence of articles in the print media making reference to or featuring the "SUBWAY" brand and the expansion plans and reach of the Opponents through their "SUBWAY" brand. However, unlike the case in *Ferrero*, these articles are not in major local print media such as the Straits Times which clearly has an extensive reach in the local public. More specifically, the articles tendered by the Opponents refer to the Opponents' "SUBWAY" opening in places like Afghanistan, Mangalore, Calcutta, Uruguay and the Opponents' expansion plans for "SUBWAY" in places like Russia and Europe. A number of the articles are not in English. Thus, these articles do not show the situation in Singapore and the Opponents' reach and popularity in Singapore cannot be gleaned from these articles. I have in the above considered the factors in section 2(7) that are relevant for considering whether the Opponents' "SUBWAY" mark is "well known in Singapore", a lower threshold. These factors are also relevant in determining the degree to which the Opponents' "SUBWAY" mark is known in Singapore and thus, regard must be had to them. Suffice to say that whilst I am satisfied that the Opponents' "SUBWAY" brand is well known in Singapore, I am unable to conclude that the Opponents' "SUBWAY" brand is well known to most sectors of the public. I will therefore conclude that the evidence does not show that the Opponents' "SUBWAY" mark is well known to the public at large in Singapore.

47 As the evidence does not show that the Opponents' "SUBWAY" brand is well known to the public at large, the ground of opposition under section 8(4)(b)(ii) necessarily fails and I do not need to analyse the other elements. For the sake of completeness, I will proceed to analyse the other elements briefly. It is clear that the Applicants have used the same word, "Subway", as the trade mark for their goods being articles of clothing for women and that under section 8(4)(b)(ii), whilst the use must be in relation to goods or services, there is no requirement that the goods or services must be similar. The next element that I need to assess is whether there is dilution in an unfair manner of the distinctive character of the Opponents' "SUBWAY" mark; or whether the Applicants have taken unfair advantage of the distinctive character of the Opponents' "SUBWAY" mark.

*Whether there is unfair dilution of distinctiveness of Opponents "SUBWAY" mark*

48 On "dilution", the meaning of "dilution" is defined in section 2(1) of the Act as follows:

"dilution", in relation to a trade mark, means the lessening of the capacity of the trade mark to identify and distinguish goods or services, regardless of whether there is –

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

I have already reached the conclusion that there is no likelihood of confusion on the part of the public but this is not detrimental to the Opponents' case as clearly laid down in section 2(1). In *Amanresorts* at [225], the Court of Appeal made it clear that "dilution" in the context of the Act refers to both dilution by blurring and by tarnishment. As the Opponents did not say that there was tarnishment, I will only focus on dilution by blurring. The Court of Appeal in *Amanresorts* at [179] stated that the protection against dilution by blurring was to ensure that a trade mark well known to the public at large should be protected from "*gradual whittling away or dispersion of [its] identity and hold upon the public mind...by its use upon non-competing goods*". The Court of Appeal cited the example of "Rolls Royce": "*If you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce candy, in ten years you will not have the Rolls Royce marks any more*". Based on the "Rolls Royce example", it is quite clear to me that there would be dilution by blurring per se of the

Opponents' "SUBWAY" mark if the Application Mark for articles of clothing for women is registered (provided that "SUBWAY" is well known to the public at large in Singapore which I have already concluded that this is not the case).

49 But, section 8(4)(b)(ii) requires that use of the Application Mark by the Applicants to cause dilution of the distinctive character of the Opponents' mark "in an unfair manner". The facts of this case are rather special. The Applicants' evidence shows that the Applicants have been selling apparel; mainly ladies' apparel such as knitwear, under the brand "Subway" since 1988 and this was before the Opponents started its "SUBWAY" business in Singapore. As I have stated above, the Opponents' claim that they started their "SUBWAY" business in Singapore in 1989 is not substantiated and as such, I will take the Opponents' first use in Singapore to be in 1996. Regardless of whether I take the Opponents' first use in Singapore to be in 1989 or 1996, the fact is that the Applicants started using their "Subway" mark for clothing goods before the Opponents. The Applicants even had protection via a trade mark registration for the "Subway" mark for Class 25 goods prior to the Opponents' registration for "SUBWAY" for Class 30 goods (bread rolls and sandwiches) and Class 29 goods (non-alcoholic beverages) in 1989 via T8903282C and T8903283A. The Applicants also owned the registration for "Subway" for Class 25 goods from 1988 to 2005. It was the Applicants' failure to renew the registration when it fell due for renewal in 2005 that resulted in the Applicants losing the protection by registration for their "Subway" mark for Class 25 goods from 2005. The Applicants said that they had allowed their trade mark registration to lapse due to sheer oversight and inadvertence. The fact is also that the Applicants did seek to reclaim protection by applying for registration in 2007 which application is now under opposition by the Opponents. The Opponents did not dispute that the Applicants have been using the "Subway" mark despite the lapse in registration. Although the Opponents tried to discredit the Applicants' evidence, I am convinced, through the consistent evidence of Sim Meng Seh, Biana Ho Bee Lian and Ng Guat Kiow, that the Applicants have been using the brand "Subway" for ladies' clothing items since 1988. As the Applicants have been using the mark, "Subway" for Class 25 goods and more specifically, on articles of clothing for women (which is the restricted specification that the Applicants now seek) since 1988, the Applicants have their own goodwill attached to their business under the name, "Subway" for such goods. As such, even if there is dilution by blurring, I am unable to find that the Applicants' continued use of the Application Mark to which goodwill has attached since 1988, has caused dilution "*in an unfair manner*".

*Whether there is taking of unfair advantage of the distinctive character of the Opponents' "SUBWAY" mark*

50 In the same way that I am unable to conclude that the Applicants' use of their "Subway" mark has caused dilution "in an unfair manner", for the same reasons, I am also unable to conclude that the Applicants' use of their "Subway" mark has taken "unfair advantage" of the distinctive character of the Opponents' "SUBWAY" mark.

*Whether prior use by the Applicants can be taken into consideration in an opposition under section 8(4).*

51 The Opponents pointed to the difference in legislative wording in section 55(6) (which relates to an application for an injunction taken out by the proprietor of a well known trade mark against the use of a similar trade mark) and section 8(5) (which relates to a defence in a case against the registration of a trade mark that is similar to that of a well

known trade mark) and say that because of the difference in wording, prior use by the Applicants cannot be taken into consideration in an opposition under section 8(4). Section 55(6) provides that the proprietor of a well known trade mark cannot be entitled to an injunction against the use of a similar trade mark by another trader if that trader has been using the trade mark before the proprietor's mark became well known in Singapore. Section 8(5) provides that an application cannot be refused registration if the application for a mark similar to a well known trade mark was filed before the well known trade mark became well known in Singapore. The Opponents' argument is that because the defence in section 8(5) is focussed on the filing date of the application unlike the defence in section 55(6) which is focussed on the date of use, prior use by the Applicants is irrelevant for the purposes of an opposition under section 8(4). I disagree. I do not see how the difference in legislative wording between section 55(6) and section 8(5) can lead to the inference that the Applicants' prior use is irrelevant insofar as the ground of opposition under section 8(4) is concerned. This is because, in the wording in section 8(4) itself, it is the "use" of the Application Mark by the Applicants that I have to assess to determine if the "use" would "indicate a connection..." or if the "use" would "cause a dilution in an unfair manner.." or if the "use" would "take unfair advantage..". Thus, if I have to assess the Applicants' use of the Application Mark, it is clear that I should not disregard any prior use by the Applicants. In fact, prior use would be relevant and has to be taken into account in the context of assessing if there was a "damaging connection" under section 8(4)(b)(i) or "unfair dilution" under section 8(4)(b)(ii)(A) or "unfair advantage" under section 8(4)(b)(ii)(B).

### *Conclusion*

52 Accordingly, the ground of opposition under section 8(4)(b)(ii) fails.

### **Ground of Opposition under section 8(7)(a)**

53 Section 8(7)(a) of the Act reads:

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***

54 The Opponents submit that whether the pivotal issue is whether as at April 2007, the Application Mark would be liable to be prevented by virtue of passing off. The Opponents argue that they have shown evidence that the Opponents do engage in the sale of clothing via an online store. The Opponents submit that the Registrar must draw an inference that in setting up a franchisee stall in Singapore, invariably there would be merchandising and sale of equipment and uniform to the franchisee and as a result, there would be the tangible goodwill in relation to those items as well. The Opponents' contention is that there is no need to show goodwill in relation to any particular goods as what is required is that there is sufficient goodwill in the Opponents' business in such a way that if the Opponents were to attach the trade mark to other products such as cups etc as is the case with merchandising, that brand would assist the Opponents to sell those products and thus, the first element for passing off is made out. The Opponents say that the issue is not when the Applicants first started their mark (in 1988) but the issue is whether the Applicants should be stopped in April 2007.

55 On misrepresentation, the Opponents submit that the test is not whether the actual or potential consumers are actually deceived but whether there is a chance of a deception or confusion arising in the minds of the purchasing public. The Opponents submit that this is very likely and argue that the OHIM decision supports this conclusion.

### *Applicants' submissions*

56 The Applicants argue that it is not possible for the Opponents to allege passing off when the Applicants started their business before them. As the Applicants had been in business for 23 years, he has his own independent reputation now. There is no issue of deception and therefore the passing off action must fail.

### *Decision on section 8(7)(a)*

57 The test for passing off is well established and not in dispute between the parties. The Singapore Court of Appeal in *Amanresorts* (at [36]) applied the trite “classical trinity” test for establishing a case of passing off enunciated in *Reckitt & Colman Products Ltd v Borden Inc* [1990] All ER 873 at page 880 which I will paraphrase as follows:

- (a) First, the Opponents must establish a goodwill attached to the goods which the Opponents supply in the mind of the purchasing public by association with the identifying brand name or indicia under which their goods are offered to the public, such that the brand name or indicia is recognised by the public as distinctive specifically of the Opponents' goods.
- (b) Secondly, the Opponents must demonstrate a misrepresentation by the Applicants to the public (whether or not intentional) leading or likely to lead the public to believe that the goods offered by Applicants are those of the Opponents. Whether the public is aware of the Opponents' identity is immaterial, as long as the goods are identified with a particular source which is in fact the Opponents.
- (c) Thirdly, the Opponents must demonstrate that the Opponents suffer or that they are likely to suffer damage by reason of the erroneous belief engendered by the Applicants' misrepresentation that the source of the Applicants' goods is the same as the source of those offered by the Opponents.

58 In short, the three elements in this classical trinity test are namely, goodwill, misrepresentation and damage. I will now examine whether each of these elements has been satisfied by the Opponents in the present case.

### *Goodwill*

59 It is clear that passing off protects the Opponents' business or goodwill and not the mark used to promote the Opponents' business or goodwill (see *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 2 SLR 550 at [45]) ("*Milleniua*"). Thus, it does not matter whether the Opponents have a trade mark registration for their mark. In this case, it is noted that whilst the Opponents have trade mark registrations for "SUBWAY", none of the registrations is for Class 25 goods. As stated above, the test for goodwill focuses on the

degree of the public's recognition of the Opponents' mark and association of the mark with the Opponents' goods.

60 On "goodwill", the Court of Appeal in *Amanresorts* citing Lord Macnaghten in *The Commissioner of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217, stated this, "*What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has a power of attraction sufficient to bring customers home to the source from which it emanates.*" Thus, it is clear that goodwill is the association of a business on which the Opponents' mark or brand name has been applied with a particular source (which is in fact the Opponents in this case) and this association is an "attractive force which brings in custom". It is also clear that goodwill has to attach to a business that is within a particular jurisdiction and goodwill is different from reputation per se, as it has been stated by the Privy Council in *Star Industrial Co Ltd v Yap Kwee Kor* [1975-1977] SLR 20, a case on appeal from Singapore, that, "*Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried out in several countries a separate goodwill attaches to it in each.*"

61 In this case, it is not disputed at all that the Opponents have goodwill in the mark, "SUBWAY" that is attached to their business in Singapore as at 27 April 2007. It is clear that the Opponents have extended significant effort and resources to build up their goodwill in Singapore. Thus, the first element of goodwill for passing off is established.

#### *Misrepresentation*

62 It is clear from the *Amanresorts* case (see [73]) that in assessing whether there is misrepresentation; the assessment is to be done from the perspective of the actual or potential customers of the Opponents. That is, the question to ask is, would those in Singapore with goodwill towards "SUBWAY" believe that "Subway" clothes emanates from the same source as the Opponents' "SUBWAY" or that the Applicants' "Subway" is somehow connected with the source of the Opponents' "SUBWAY"? And this question has to be assessed as at the relevant date of 27 April 2007. There are two possible types of misrepresentation here. One is misrepresentation as to the trade origin of the Applicants' goods and the other is misrepresentation as to the connection between the Applicants' articles of clothing for women and the Opponents. On the first type of misrepresentation, it is false representation as to the trade source of the Applicants' goods. The second type of misrepresentation is as to connection between the Applicants' goods and the Opponents. For the second type of misrepresentation, it is not necessary that the Opponents and Applicants are competing traders in the same line of business. It would be sufficient to have a false suggestion by the Applicants that the businesses of the Applicants and the Opponents were connected with one another that would damage the reputation and thus the goodwill of the Opponents' business.

63 For a misrepresentation to be actionable under the law of passing off, the misrepresentation must give rise to confusion (see *Amanresorts* case [77]). Although evidence of actual confusion is not necessary, I must at least be able to infer a likelihood of confusion from the surrounding facts. This element of misrepresentation that gives rise to a

likelihood of confusion is a key element in a passing off claim although it is not necessary to prove that the Applicants have an intention to deceive or to mislead the public (see *Nation Fittings (M) Sdn Bhd v Oystertec plc* [2006] 1 SLR(R) 712 at [161]). The important thing is to assess the impact on the relevant sector of the public, being the actual or potential customers of the Opponents. Would the actual or potential customers of the Opponents be deceived into thinking either that the Applicants' goods being articles of clothing for women carrying the "Subway" brand come from the same source as the Opponents' "SUBWAY" sandwiches or would they be deceived into thinking that there is a connection between the two? I have in the above held in the context of the ground of opposition under section 8(4)(b)(i) that there is no likelihood of confusion from all the surrounding circumstances. I do not need to repeat the reasons for my finding. I will just add one more point here. In determining whether there is a likelihood of confusion, I am not to be concerned with the "moron in a hurry" being confused but the standard is that of an ordinary sensible purchaser using ordinary caution (*Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 1 SLR(R) 903 at [24]). Based on the facts and circumstances of this case, I am not convinced that an ordinary sensible purchaser using ordinary caution would be confused into thinking that the Applicants' goods emanate from the Opponents or that the two are somehow connected.

64 Thus, in conclusion, there is no misrepresentation giving rise to a likelihood of confusion in the present case. For completeness, I will now turn to consider the final element of damage.

#### *Damage*

65 On the element of damage, the Opponents must show that, as a result of the Applicants' misrepresentation, there is either actual damage or a likelihood of damage. As the Opponents have failed to prove misrepresentation that gives rise to a likelihood of confusion, a fortiori, I am not convinced there is either actual damage or a likelihood of damage.

#### *Conclusion*

66 As the Opponents have failed to prove there is misrepresentation giving rise to confusion by the Applicants' use of the mark "Subway" in relation to articles of clothing for women, the ground of opposition under passing off (section 8(7)(a)) fails.

#### **Conclusion**

67 On the whole, the opposition fails on all grounds. Accordingly, Trade Mark Application T0709717I shall proceed to registration. The Applicants are entitled to costs to be taxed if not agreed.

Dated this 30th day of September 2011

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