

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

Trade Mark Application No. T0815031F
23 August 2011

IN THE MATTER OF A TRADE MARK APPLICATION BY

KARELIA TOBACCO COMPANY INC.

AND

OPPOSITION THERETO BY

BASIC TRADEMARK S.A.

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

Ms Regina Quek and Ms Cheryl Tong (One Legal LLC) for the Opponents

Ms Jacqueline Baruch (Drew & Napier LLC) for the Applicants

Cur Adv Vult

GROUND OF DECISION

The Applicants, Karelia Tobacco Company Inc., applied to register their mark
T0815031F

Kappa

for the following goods in class 34:

Processed or unprocessed tobacco, smokers' articles, tobacco products, cigarettes, cigars, cigarillos, tobacco, cigar and cigarette holders, cigars and cigarette cases, ashtrays, cigar clippers, tobacco pipes, pouches for tobacco, cigarette lighters, pocket devices for rolling cigarettes, cigarette papers, humidors for tobacco products, matches ("the Application Mark").

2 The Opponents, Basic Trade Marks S.A. filed their Notice of Opposition on 8 April 2009. The Applicants filed their Counter-Statement on 16 October 2009. The Opponents filed their amended Notice of Opposition on 7 December 2009 to correct a typographical error. The Applicants also filed their amended Counter-Statement on 9 December 2009 also to correct a typographical error. The Opponents filed their evidence on 16 June 2010. The Applicants filed their evidence on 16 December 2010. Finally, the Opponents filed their evidence in reply on 16 June 2011. On 30 June 2011, the Registrar sent a letter in relation to Pre-Hearing Review ("PHR") issues to the parties. The matter was finally set down for a hearing on 23 August 2011.

Grounds of Opposition

3 In the response slip to the Registrar, the Opponents relied on the following sections of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("TMA") for the opposition:

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

However, at the hearing, the Opponents confirmed that they will not be proceeding on Section 8(4)(b)(ii).

Opponents' Evidence

4 The Opponents' evidence was declared by Mr Domenico Sindico, a proxy and officer of the Opponents. As mentioned above, the Opponents' evidence was filed on 16 June 2010 ("Opponents' 1st SD") and the Opponents' evidence in reply was filed on 16 June 2011 ("Opponents' 2nd SD").

Applicants' Evidence



5 The Applicants' evidence was declared by Ms Efstathios Karelias, the general manager of the Applicants ("EKSD") and Ms Jacqueline Baruch, a Director of the Applicants' agent ("JBSD").

Applicable Law and Burden of Proof

6 The applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) ("TMA"). Under the TMA, there is no overall onus on the Applicants either before the Registrar or in opposition proceedings. Thus the undisputed burden of proof in the present case falls on the Opponents.

Background

7 The Opponents are a member of the BasicNet group (the reference "Opponents" shall include references to the group). It is currently wholly owned by Basic Properties B.V., which is in turn wholly owned by BasicNet S.p.A. which has been listed on the Italian Stock Exchange since 1999. The Opponents operate in the clothing, footwear and accessories sector for sport and recreational wear on which the trade marks applied

include KAPPA, ROBE DI KAPPA, ,  ("KAPPA Marks"). The KAPPA Marks were created at different stages of the growth of the Opponents/their predecessors in title.

8 The Opponents operate through a worldwide network of 53 distributors/licensees operating in 92 countries as of 31 December 2005, with which growth strategies are coordinated and to which collections of international interests and marketing tools are supplied. The estimated annual sales revenue captured by the Opponents' licensees worldwide is as follows:

Year	Revenue (EUR) in thousands	Revenue (SGD) in thousands
1998	200,092	387,780
1999	194,082	350,991
2000	207,012	330,004
2001	237,211	381,015
2002	242,962	411,143
2003	203,894	402,150
2004	234,435	492,841
2005	241,540	500,478
2006	237,973	474,906
2007	275,656	569,053
2008	305,534	634,784

9 The Opponents are the owner of numerous trade mark registrations and applications for the KAPPA Marks in Singapore as well as in 70 other territories around the world including Austria, Australia, China, Denmark, European Community, Finland, France, Germany, Hong Kong, Italy, Republic of Korea, Sweden, Switzerland, United Kingdom, United States of America (see paragraph 19 of the Opponents' 1st SD).

10 The KAPPA Marks have been in use in Singapore as well as many other countries around the world as well (see paragraph 21 of the Opponents' 1st SD). In Singapore, the

KAPPA Marks have been in use since about March 1997 in respect of a variety of products including apparel, accessories, underwear and footwear.

11 The Applicants was formed in 1888 in Kalamata, Greece. The name of the Applicants is taken from the family name of the founders, and is also the family name of the current directors. The Applicants are the leading cigarette manufacturer in Greece with worldwide sales in 70 countries including numerous EU countries and especially in Greece and Bulgaria, where the Applicants enjoy a double digit market share. Their main brand is KARELIA SLIMS which, due to its wide appeal and success has also been listed and sold in many prominent airport duty free outlets around the world. The Applicants are also the proprietors of other KARELIA brands including KARELIA LIGHTS, KARELIA BLUE, KARELIA ROYALS, GEORGE KARELIAS & SONS and KARELIA ULTRA. Many of the Applicants' other brands feature the name KARELIA in the brand name. Thus, both the Applicants' name and the vast majority of their brands begin with the letter "K", which is "Kappa" in Greek.

MAIN DECISION

Ground of Opposition under Section 8(4)(b)(i)

12 Section 8(4)(b)(i) of the TMA reads:

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

(a) the earlier trade mark is well known in Singapore; and
(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —

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

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

"earlier trade mark" means —

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

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

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

The definition of a “trade mark” and “sign” are also provided under Section 2(1):

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

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

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

- (a) any registered trade mark that is well known in Singapore; or
- (b) any unregistered trade mark that is well known in Singapore and that belongs to a person who —
 - (i) is a national of a Convention country; or
 - (ii) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in Singapore.

Section 2(7) of the TMA also provides:

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

- (a) the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore;
- (b) the duration, extent and geographical area of —

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

Section 2(8) of the TMA further provides that:

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

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

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




[Emphasis all mine.]

Opponents' Submissions

13 The Opponents submitted that the KAPPA Marks are the subject of registrations or applications in many countries. They are registered in Singapore under the following trade mark registration numbers:



No.	Trade Mark	Trade Mark No.	Priority Application Date /	Class	Status
1.	KAPPA	T0405184D	Priority Date: 25	16	Registered



			April 2003 Application Date: 13 October 2003		
2.	KAPPA	T0405185B	Priority Date: 25 April 2003 Application Date: 13 October 2003	18	Registered
3.	KAPPA	T0405186J	Priority Date: 25 April 2003 Application Date: 13 October 2003	25	Registered
4.	KAPPA	T0405187I	Priority Date: 25 April 2003 Application Date: 13 October 2003	28	Registered
5.	KAPPA	T0521776B	Application Date: 19 October 2004	9	Registered
6.	KAPPA	T0605218Z	Application Date: 21 March 2006	14	Registered
7.	ROBE DI KAPPA	T0600444D	Priority Date: 23 December 2004 Application Date: 21 June 2005	9	Registered
8.	ROBE DI KAPPA	T0600445B	Priority Date: 23 December 2004 Application Date: 21 June 2005	16	Registered
9.	ROBE DI KAPPA	T0600446J	Priority Date: 23 December 2004 Application Date: 21 June 2005	18	Registered
10.	ROBE DI KAPPA	T0600447I	Priority Date: 23 December 2004 Application Date: 21 June 2005	25	Registered
11.		T8201883C	Application Date: 16 April 1982	25	Registered
12.		T0003661A	Application Date: 9 March 2000	9	Registered
13.		T0003660C	Application Date: 9 March 2000	9	Registered

14.		T0320002A	Application Date: 25 April 2003	18	Registered
15.		T0320003Z	Application Date: 25 April 2003	25	Registered
16.		T0320004H	Application Date: 25 April 2003	28	Registered

collectively "Singapore KAPPA Marks".

14 The Opponents submitted that all of the above Singapore KAPPA Marks have earlier application dates than the Application Mark and are thus earlier trade marks within limb (a) of the definition in Section 2(1) of the TMA. Further, the Opponents submitted that all of the KAPPA Marks were, before the date of the application of the Application Mark, well known in Singapore and are thus earlier trade marks within limb (b) of the definition in Section 2(1) of the TMA.

15 The Opponents submitted that the Application Mark is clearly identical with and/or similar to the Opponents' word mark KAPPA. The Opponents further submitted that the Application Mark is similar to the Opponents' ROBE DI KAPPA   marks.

16 The Opponents submitted that it is clear that the element "KAPPA" is common to the KAPPA Marks as well as the Application Mark. The Opponents submitted that "KAPPA" is the dominant portion of the KAPPA Marks. In ROBE DI KAPPA and , the words "ROBE DI" simply means "robe of" or "stuff of". Accordingly, "ROBE DI" has less distinctive character than the "KAPPA" element. In addition, for the  mark, the "KAPPA" portion of the mark will be used when the mark is described verbally. In light thereof, the Opponents submitted that the Application Mark is identical and/or similar to the KAPPA Marks.

17 The Opponents referred to sections 2(7), 2(8) and 2(9) of the TMA. The Opponents also referred to *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] SGCA 13 ("*Amanresorts case*") for the proposition that once the mark has fulfilled section 2(7)(a) requirements in that the mark is known to a relevant sector of the public in Singapore, then, as per section 2(8), the mark will be deemed to be well known in Singapore. The Opponents also referred to the *Amanresorts case* for the proposition that the relevant sector of the public in the current case comprises the actual and/or potential consumers in Singapore of the Opponents' goods. Importantly, as per the *Amanresort case*, "it is not too difficult for a trade mark to be recognised as 'well-known' in Singapore

since the trade mark only has to be recognised by any relevant sector of the public which sector could 'in certain cases be miniscule'".

18 The Opponents referred to several pieces of evidence in support of the significant degree to which the KAPPA Mark is known to or recognised by any relevant sector of the public in Singapore, as well as the duration, extent, geographical area of the use and promotion of the KAPPA Marks as follows:


- (a) information on the Group's worldwide network of 53 distributors/licensees operating in 92 countries (as of 31 December 2005);
- (b) estimated annual sales revenue captured by the Opponents' licensees worldwide from 1998 to 2008 relating to goods and/services under the KAPPA Marks;
- (c) estimated annual sales revenue captured by the Opponents' licensees in Singapore from 1998 to 2008 relating to goods/services under the KAPPA Marks;
- (d) sample copies of invoices issued by the Opponents' licensees to various customers in Singapore in relation to sales of goods bearing the KAPPA Marks in Singapore;
- (e) estimated expenditure by the Opponents on sponsorships, advertising and promotion from 1999 to 2008;
- (f) annual expenditure on local direct advertising in Singapore for the KAPPA Marks from 2004 to 2008;
- (g) information on and evidence of the Opponents' sponsorship of numerous sporting events and teams, recreational activities, worldwide and in Singapore;
- (h) date of first use of the KAPPA Marks in Singapore since around March 1997;

19 The Opponents lodged information on, amongst others, the large number of jurisdictions in which the KAPPA Marks are registered or where applications have been filed. In support of the various instances of successful enforcement of their rights in the KAPPA Marks against the Applicant, and the extent to which the KAPPA Marks were recognised as well known by the competent authorities, the Opponents lodged copies of decisions of the intellectual property offices in the different jurisdictions. In support of the significant value associated with the KAPPA Marks, the Opponents have lodged information on and evidence of the ranking of the KAPPA brand in the 2005/2006 World Rankings for the favourite sportswear in the 2006 Football Ranking Fan Awards.

20 In view of all the evidence filed, the Opponents submitted that the KAPPA Marks are well-known in Singapore under Section 8(4)(b)(i) of the TMA in that the KAPPA Marks are well known to all actual and/or potential consumers of the Opponents' goods and services in Singapore.

21 The Opponents submitted that the issue is whether the use of the Application Mark on the Applicants' goods would indicate a connection between the Applicants' goods and the Opponents – for example, whether the connection with the Opponents is that they are mistakenly viewed as the provider of the Applicants' goods or that there is

some kind of economic connection between the Applicants' goods and the Opponents in that the Opponents have licensed or endorsed the Applicants' goods.

22 The Opponents submitted that the Application Mark is identical with or similar to the KAPPA Marks. The Opponents submitted that they have provided in the Opponents' 1st SD and the Opponents' 2nd SD substantial evidence of their promotion and use of the word mark KAPPA in combination with the logo  as well as separately and independently on its own. Accordingly, the Opponents' word mark KAPPA has always remained intact and acquired distinctiveness and value in of itself.

23 The Opponents submitted that the users and the target market of the respective goods and services are essentially the same, being the general public, including the youth sector.

24 The Opponents uses the KAPPA Marks for a wide variety of products including fashion products, apparel and accessories such as clothing items, headgear, footwear, bags, sunglasses, watches, and jewellery items. Their products are trendy, sporty, comfortable and fun and the Opponents market their products to the general public and in particular to the youth sector.

25 The Opponents submitted that the Opponents have engaged in extensive sponsorship of sports, cultural and recreational and other activities in relation to KAPPA Marks worldwide and in Singapore. The Opponents submitted that the youth sector is the segment of the consumer market most actively engaged in and interested in such activities. The Opponents submitted that the youth sector is an important target market for the Opponents for their sports and fashion apparel and accessories products.

26 The Opponents submitted that the potential users and target market of the Applicants' goods are also the general public and especially the youth sector. The Opponents submitted that it is known that the youth sector constitutes an especially important target market for tobacco companies. The Opponents referred to DS-35 of the Opponents' 2nd SD. The Opponents submitted that it is known that in the face of heavy anti-smoking campaigns launched by the Singapore government, most age groups recorded a downward trend in smoking except for the under 26 age group which showed an increase. Thus the youth market constitutes the potential for growth for tobacco companies.

27 In the face of strong anti-smoking campaigns, there has been movement by tobacco companies into the fashion and apparel industry. Examples include Dunhill, which started as a cigarette company and branched out into menswear, the MARLBORO brand which has the apparel line MARLBORO CLASSICS and the CAMEL brand which has the apparel line CAMEL TROPHY. Well-known brands such as CARTIER and YVES ST. LAURENT have also entered the tobacco market. The Opponents submitted

that thus the connection between the apparel/fashion and tobacco industries is a known one.

28 The Opponents referred to the *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 147 ("*Tiffany case*") and *Hugo Boss AG v Reemtsma Cigarettenfabriken GMBH* [2009] SGIPOS 7 ("*Hugo Boss case*"). The Opponents submitted that although oppositions in the *Tiffany case* and the *Hugo Boss case* were based on Section 15(1) of the old Trade Marks Act (Cap. 332, 1992 Rev Ed) (the "1992 Act") however, Section 15(1) of the 1992 Act nevertheless includes a requirement that registration of the later mark not be allowed if its use is likely to deceive or cause confusion. The Opponents thus submitted that to this extent, the pronouncements of the two cases in relation to likelihood of confusion are still relevant in this case. Moreover, the Opponents submitted that the cases address the general potential and known commercial relations between luxury goods and the fashion industry and tobacco products and is therefore relevant in this case.

29 The Opponents submitted that there is also a known commercial relationship between the competitive sports and tobacco industries. The Opponents submitted that historically, competitive sports drew significant funding from the tobacco industries and tobacco companies used sporting events to promote their products until the recent advent of legislation and regulations banning tobacco companies from sports sponsorship activities. The Opponents referred to the evidence submitted in the Opponent's 1st and 2nd SD. The Opponents submitted that notwithstanding the above, tobacco companies have continued to use different strategies to circumvent such restrictions.

30 In view of all of the above, the Opponents submitted that use of the Application Mark on the Applicants' goods would indicate a confusing connection between the Applicants' goods and the Opponents.

31 The Opponents submitted that the Opponent's interests are likely to be damaged should the Applicants use the Application Mark in relation to the Applicants' goods. The Opponents submitted that use of the Application Mark on the Applicants' goods would indicate a connection between the Applicants' goods and the Opponents. The Opponents submitted that such an indication of connection is likely to cause serious and irreparable damage to the interests of the Opponents.

32 The Opponents referred to the Opponents' 1st and 2nd SD. The Opponents have, through their longstanding sports sponsorship program using the KAPPA Marks, built up an image for the KAPPA Marks that is associated with the positive attributes of sports including concepts of health, fitness, life, dynamism and youth. On the other hand, it is general knowledge that the Applicants' goods, being tobacco products, are widely associated with substance abuse and addiction, health problems, diseases and death. The Opponents have submitted various information and evidence on the foregoing by way of the Opponents 1st and 2nd SD. The Opponents submitted that accordingly, it would be detrimental to the interests of the Opponents for the KAPPA Marks to be connected to the Application Mark, which is contrary to and incompatible with the concepts and ethos

of sports, such as health, fitness, life, dynamism and youth. Such a connection would not only destroy the association of the KAPPA Marks with the positive attributes of sports that the Opponents have painstakingly built up over the years, but also put to waste the extensive investment that the Opponents have put into sports sponsorships investment over the years in order to achieve the same. The Opponents referred to *Case C-337/95, Parfums Christian Dior SA and Parfums Christian Dior BV v Evora BV*, where the ECJ acknowledged that the relevant trade mark's value included its "allure and prestigious image" as well as its "aura of luxury" at [45].

33 Furthermore, precisely due to the association that the Applicants' goods have with unpleasant, offensive and objectionable subject-matter such as substance abuse and addiction, health problems, diseases and death, tobacco products have faced increasing rejection from both the society at large as well as the sporting arena. The Opponents referred to the evidence of the foregoing lodged by way of the Opponent's 1st and 2nd SD. The Opponents submitted that accordingly, a connection between the Applicants' goods and the Opponents is likely to have a severe detrimental effect on the Opponents' core business in the production of leisure and sporting clothing and related accessories and other merchandising products. Further, such a connection is likely to affect the KAPPA Marks' desirability as a sponsor for sporting teams. This would furthermore affect the Opponents' commercial interest, as the Opponents rely heavily on their sports sponsorships to build up their goodwill and reputation, and hence to garner business.

34 In view of the above, the Opponents submitted that the Opponents' interests are likely to be damaged should the Applicants use the Application Mark in relation to the Applicants' goods.

Applicants' Submissions

35 The Applicants submitted that their main brand of cigarettes is KARELIA SLIMS. The Applicants submitted that they are also the proprietor of several other brands of cigarettes which feature the name KARELIA. The Applicants submitted that the word KAPPA is Greek for the letter "K". The Applicants submitted that they have chosen to use KAPPA in relation to their business. The Applicants referred to several cigarette manufacturers that use their initials in reference to their goods (paragraphs 4-7 of the EKSD).

36 The Applicants further submitted that KAPPA is a common dictionary word and does not have a high degree of distinctiveness (paragraph 10 of EKSD). The Applicants submitted that many businesses use Greek letters of the alphabet as trade marks, such as Alpha, Omega and Delta. One example of a Greek letter used is OMEGA for watches.. The Applicants submitted that in Singapore there are several businesses using the word KAPPA in their trade names and on a variety of goods and services (see JBSD).

37 The Applicants pointed out that the Opponents had to obtain consent from Smurfitt Kappa B.V. the owners of Trade Mark Nos. T9209758B for KAPPA before their

mark was registered in Singapore. The Applicants submitted that thus, even within the narrow limits of Class 16, the Opponents were of the view that the public would not be confused by their later mark (paragraph 14 of EKSD). The Applicants submitted that *a fortiori* there should be even less confusion between the KAPPA Marks for goods in Classes 16, 18, 25, 28, 9 and 14 and the Application Mark for goods in Class 34 in view of the common use of the word KAPPA. The Applicants submitted that the Opponents have claimed in paragraphs 13 – 15 of the Opponents' 2nd SD that they have entered into agreements with H. Krull & C. S.p.A, Harman International Industries, Incorporated and Smurfitt Kappa B.V. but are not permitted to divulge the contents of the agreements. The Applicants submitted that be there as it may, the evidence shows that the KAPPA Marks can co-exist with the Kappa marks belonging to other traders in other classes without confusion of the public. The KAPPA Marks can also co-exist with trade names in the market without the public being confused.

38 The Applicants also raised several issues in relation to the Opponents' evidence (paragraphs 17 - 45 of the EKSD). With reference to the additional evidence mentioned in the Opponents' 2nd SD, the Applicants submitted that evidence of use as set out is not relevant either as being later than the operative date of 8 August 2008 or undated and/or not evidence of use in Singapore. Further, the Applicants submitted that many of the photos where the Opponents have claimed use have blurred or blackened images or in fact do not appear at all. One example is paragraph 47 of the Opponents' 2nd SD, where no evidence of the advertisements are exhibited but merely magazine covers (exhibit DS-14).



39 The Applicants submitted that they have shown through EKSD that the evidence adduced by the Opponents is insufficient to show that the Opponents were well known in Singapore at the time the Application Mark was applied for.

40 The Applicants submitted that assuming that the Opponents have properly established the revenue figures for 2008 at paragraph 40 of the Opponents' 2nd SD, the figures do not show that the KAPPA Marks were well-known at the time the Applicants filed for the Application Mark. The Applicants submitted that although the Opponents may have advertised a couple of times in popular media, this does not make the KAPPA Marks well-known. Further the Applicants submitted that the advertisements and sponsorships may have little impact on how the public reacts to these commercial messages. The Applicants argued that at best, the Opponents' revenue in Singapore in 2008 was only SGD 3,324,235.

41 The Applicants referred to the *Amanresorts case* in which it was held that the term "connection" in s55(3)(a) does not mean mere connection but a connection which is likely to give rise to confusion ([161-177, 229 and 233]). The Court noted that the tests relating to the s55(3)(a) requirements of "connection" and "likely to damage the [plaintiff's] interests" were "substantively the same as "the tests relating to misrepresentation and damage under the law of passing off, although there was one difference between the two tests: s55(3)(a) test concerns the plaintiff's *interests* whereas

the latter concerns the plaintiff's *goodwill* and not its interests (*Amanresorts case* at [234]). The Applicants submitted that the Opponents have to establish that any connection indicated by the Application Mark is likely to cause confusion.

42 As can be seen from the above, the KAPPA Marks can be categorised into 4 types

namely (i) KAPPA; (ii) ROBE DI KAPPA; (iii)  ; (iv)  . The Applicants have conceded that the Application Mark is identical to (i). However in relation to the rest of the KAPPA Marks, the Applicants submitted that they are visually, aurally and conceptually distinguishable from the Application Mark as they contain either (a) an additional logo; (b) the additional logo and the words ROBE DI; (iii) the additional words ROBE DI.

43 The Applicants referred to the case of *Johnson & Johnson v Uni-Charm Kabushiki Kaisha* [2007] 1 SLR 1082 ("*Uni-Charm case*"). The Applicants submitted that for the purpose of determining whether two marks are similar, Justice Tan Lee Meng at [8] cited the case of the *In the Matter of an Application by the Pianotist Company Ltd for the Registration of a Trade Mark* (1906) 23 RPC 774 ("*Pianotist case*") for the principle that all the surrounding circumstances must be taken into account in the comparison of marks. The Applicants submitted that it is trite law that each mark should be considered as a whole when making a comparison - the Applicants referred to the case of *Clark v Sharp* (1898) 15 RPC 141 at page 146. The Applicants submitted that KAPPA is used by several traders in a variety of sectors. Thus the weight to be attached to the said word must be discounted. The other KAPPA Marks (ii), (iii) and (iv) (see above) are all distinguishable from the Application Mark as they all give different general effects from the general effect created by the Application Mark.

44 The Applicants also referred to the *The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd* [2006] SGCA 14 ("*Polo case*") where the Court referred to the case of *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 ("*British Sugar*"). The Court held that the reasoning of Jacob J in the *British Sugar case* was preferred to the global assessment approach. The Applicants submitted that their goods are not similar to the goods for which the Opponents have goodwill. KAPPA is used by numerous other traders and is also a common dictionary word. Further the word KAPPA is not unique or fanciful and does not deserve a high level of trade mark protection. The Applicants submitted that use of the word KAPPA by the Applicants on their goods is not likely to indicate a connection which would give rise to confusion.

45 The Applicants further submitted that the association alleged by the Opponents has not been borne out by the evidence. There have been no surveys conducted of the trade or of the consuming public. In the *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2009] SGCA 53 ("*City Chain case*"), the Court reviewed the evidence presented by the Opponents in that case and stated at [57] that "no evidence has been adduced to indicate such an association on account of either **the advertisements, methods of sale and/or packaging of the Sovil watch or for any other reason.** The

risk of confusion is merely hypothetical and speculative because there is simply no evidence of any such confusion arising on the part of consumers."

46 In relation to "interests", the Applicants submitted that as the Opponents' goods and the Applicants' goods are aimed at different sectors of the market, there is no damage caused to the Opponents' interests (paragraphs 61 – 62 of the EKSD). The Applicants submitted that in the Opponents' 2nd SD, mention is made in paragraph 77 that being connected or associated with the Application Mark is contrary to the concepts and ethos of sports. However, the Applicants submitted that the Opponents' interests ought to be related to their business in connection with their marks. The Opponents do not run a sports sponsorship business and have no economic interests that can be damaged by the use of the Application Mark. The Applicants submitted that the Opponents' goods have no health benefits *per se*. The Opponents have no reputation for health benefits and the Opponents have not advertised their goods as having health benefits. Thus the Opponents do not have an "interest" that may be considered under section 8(4)(b)(i).

Decision on Section 8(4)(b)(i)

47 It is clear that the Opponents' Singapore KAPPA Marks have registration dates earlier than that of the Application Mark (see above). Thus these marks are earlier marks for the purpose of the ground of objection under this section.

48 As mentioned above, these KAPPA Marks, which include the Singapore KAPPA Marks, can be categorised into 4 types

namely (i) KAPPA; (ii) ROBE DI KAPPA; (iii)  ; (iv) .

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

49 The Applicants have conceded to the identity of the KAPPA word mark with the Application Mark. Thus it is clear that in relation to the KAPPA word mark, the above requirement has been satisfied.

Whether the earlier marks are well known in Singapore

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

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

consideration. The list of factors in s 2(7) can thus be more accurately described as a set of guidelines.

[Emphasis as underlined mine.]

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

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

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

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

[Emphasis as underlined mine.]

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

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

The Court in the *Amanresorts case* clarified at [145 – 154] that:

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

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

Finally, it will be recalled that it is not too difficult for a trade mark to be regarded as “well known in Singapore” – essentially, the trade mark in question need only be recognised or known by “*any* relevant sector of the public in Singapore” [emphasis added] (see s 2(7)(a) of the current TMA), which sector could in certain cases be miniscule...

[Emphasis as underlined mine.]

54 As provided and clarified in paragraph 39 of the Opponents' 2nd SD, the sales revenue for the period 1998 – 2003 of the Opponents' goods via licensees are as follows:

Year	Lire	Euro	SGD
1998	2,269,000,000	1,134,500	2,269,000
1999	2,649,000,000	1,324,500	2,649,000
2000	5,368,000,000	2,684,000	5,368,000
2001	-	1,010,000	1,622,292
2002	-	946,000	1,600,831
2003	-	929,000	1,832,313

For the period 2004 – 2008 the sales revenue in Singapore are as follows (paragraph 40 of the Opponents' 2nd SD):

Year	USD	SGD
2004	974,556	1,647,779
2005	1,206,115	2,007,723
2006	1,393,443	2,214,766
2007	1,677,808	2,528,792
2008	2,348,353	3,324,235

55 Paragraph 17 of the Opponents' 1st SD provides that due to a change in the format of the annual reports, the sales revenue figures for the period 2004 – 2008 are not specifically listed in the annual reports. However, paragraph 41 of the Opponents' 2nd SD clarified the method through which the figures for such sales revenue for the period 2004 – 2008 have been derived. I refer in particular to exhibit DS-9 of the Opponents' 2nd SD. DS-9 provides copies of the online applications through which the Singapore licensees input their sales revenue. It is clear from the exhibits that the sales revenue were in relation to the mark KAPPA with regard to, in particular, apparel, accessories and footwear. A quick look at the Opponents' evidence will reveal that these are not expensive items. I refer to DS-10 of the Opponents' 2nd SD. It includes random invoices issued to several local retailers. I refer to page 105 of the Opponents' 2nd SD which includes an invoice dated 24 July 2006. A printed t-shirt costs 36.90. I refer also to page 107 which includes an invoice dated 4 May 2007. Again a pair of shoes costs 59.90.

56 In relation to promotion, the Opponents provided evidence as follows in paragraph 24 of the Opponents' 1st SD:

Year	USD	SGD
2004	39,882	67,423
2005	48,245	80,310
2006	55,738	88,591
2007	67,122	101,166
2008	93,934	132,969

57 In addition to the above, the Opponents' have been extensively involved in sports sponsorships as a marketing platform. The Opponents have been and are engaged in sports sponsorship via two ways, (i) by way of monetary contribution in return for endorsement of the KAPPA Marks; and (ii) by way of provision of technical sports gear. Team players who are sponsored are required to wear products bearing KAPPA Marks whenever they take part in official events, competitions and tournaments. Similarly, events sponsored by the Opponents are required to display the KAPPA Marks as well as use products bearing the KAPPA Marks. I refer to paragraphs 31 and 32 of the Opponents' 1st SD.

58 In particular, the Opponents are heavily involved in football sponsorship. The football teams that they sponsor have large followings worldwide including Singapore and they compete in international tournaments that are widely televised around the world including Singapore. This includes the FIFA World Cup, the UEFA European Football Championship, the UEFA Champions League, the English Premier League, the FA Cup, and many more. I refer to paragraphs 33 and 34 of the Opponents' 1st SD for some examples of the football teams sponsored by the Opponents (see also exhibit DS-25 as well as exhibit DS-26 of the Opponents' 2nd SD). By reason of the foregoing, the KAPPA Marks would have been regularly exposed to spectators as well as many television viewers worldwide, including Singapore.

59 Aside from football, the Opponents are also involved in sponsorship of the various types of sports around the world, including being the official sponsor of various Olympic Committees to the 2008 Beijing Games, amongst others. It is noted that news of sporting events is a staple of the mass media, including newspapers and news broadcasts, reaching out to a large population.

60 The Opponents' expenditure figures in relation to sponsorships and advertisements worldwide at paragraph 29 of the Opponents' 1st SD are as follows:

Year	Expenditure on Sports Testimonials and Sponsorships (EUR – '000)	Expenditure on Advertising and Promotion (EUR – '000)	Expenditure on Fairs and Exhibitions (EUR – '000)
1999	10,918	2,960	1,079

2000	14,783	3,780	1,121
2001	18,960	2,907	601
2002	19,589	1,093	172
2003	5,745	1,147	106
2004	7,192	1,314	189
2005	8,716	1,330	-
2006	6,410	2,043	-
2007	7,685	3,640	-
2008	10,842	2,153	-

For a full list of the different sports teams sponsored / being sponsored by the Opponents throughout the years until todate see exhibit 23 at pages 515 – 524 of the Opponents' 1st SD.

61 The Applicants have tendered evidence of the use of the word KAPPA in various industries for various goods. The Applicants also submitted that "KAPPA" is the letter "K" in Greek. However, in relation to these, I am of the view that, firstly, as per the Opponents' submissions, just because "KAPPA" is used in several industries *per se* does not mean that it is not possible for a mark to be well-known in Singapore. Secondly, the public would not be aware that "KAPPA" is the letter "K" in Greek. I am reminded that it is not too difficult to considered to be well-known in Singapore.

In particular, the Court in the *Amanresort case* opined that a “*relevant sector of the public in Singapore*” covered the actual consumers and potential consumers of the plaintiff’s goods or services only, as opposed to all actual consumers and potential consumers of the type of goods or services to which the plaintiff’s trade mark was applied.

62 From a totality of the evidence above, which includes the extent of sales revenue, promotional expenditure as well as the extent of sports sponsorships, I am of the view that, as at the relevant date of 8 August 2008, which is the date of the application for the Application Mark, the KAPPA word mark is well known to all actual and potential consumers in Singapore of the goods to which the KAPPA word mark is applied.

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

63 The Court of Appeal in the *Amanresorts case* clarified that the confusion requirement is to be read into Section 55(3)(a). Thus under this limb, there is a need to show that the later mark would indicate a (confusing) connection between the goods or services for which the later mark is sought to be registered and the proprietor of the earlier mark, and that such is likely to damage the interest of the proprietor of the earlier mark.

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

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

66 Tobacco companies have been known to expand their businesses into the area of clothing as well as accessories. Known examples include Marlboro as well as Camel. I refer to page 613 of the Opponents' 1st SD which pertains to Camel and its apparel line Camel Trophy.

67 There is also the recent *Hugo Boss case* where the Principal Assistant Registrar provided several examples of fashion brands branching out into the tobacco products and vice versa. For ease of reference I replicate the relevant paragraph again:

“...the fact that the Opponents may not have established a reputation for tobacco products or for that matter, smokers' articles is not detrimental to the Opponent's case at all...there are other brands such as Dunhill, Christian Dior, Gucci, Chanel, Nina Ricci, Burberry, Louis Vuitton, YSL, Porsche and Davidoff that have also branched out into other products from their original products. In particular, Dunhill started as a cigarette company but branched out into menswear. Further, it is not disputed that well-known brands such as Cartier and YSL (the latter is also a fashion brand) have also entered the tobacco market. The example of YSL show the close association between the fashion trade and the cigarettes trade and the other examples bring out the close association between trade in men's products and the cigarettes trade...Thus, in light of these, I do not agree...that the trade channels between fashion goods and tobacco products are so different that there is no real likelihood of confusion amongst the public.”

68 There is also a close connection between tobacco and sports. Tobacco companies have been making use of sporting events to promote the use of tobacco products to the public. One good example would be Formula One. There is of course, in place, at least locally, government initiatives to curb tobacco advertising. But this is no issue, as the tobacco companies have managed to overcome this hurdle through other means. I refer to exhibit DS-31 at page 417 of the Opponents' 2nd SD which includes an article dated March 2008. In place of the Marlboro logo, Marlboro has instead included its barcode strips on the racing car. I refer to the 3rd and 4th paragraphs of the said article:

Marlboro, which has ridden on the successful run of Ferrari as its title sponsor since 1997, is still backing the Prancing Horse, although not everyone will realise it. This is because the Italian team has placed “stripes” in place of the Marlboro logo on its cars in countries which do not permit tobacco advertising

69 The above is not surprising, given that throughout the years, tobacco companies have sought to overcome the local advertising bans, through various ways including (i) advertising through Malaysian media; (ii) launching new cigarette brands through other products; (iii) innovative products, packaging and display (see research article in 2006 at exhibit DS-32 and page 428 of the Opponents’ 2nd SD).

70 In view of all of the above, the consumer, being used to apparel brands branching out into the tobacco industry and vice versa as well as having been exposed to the link between tobacco and sports would naturally be confused, when they come across the Applicants’ goods bearing the Applicants’ marks, as to whether the products come from the Opponents.

71 The next issue which needs to be addressed is whether the Opponents’ interests are likely to be damaged in view of the confusing connection as elaborated above. I refer to paragraph 73 of the Opponents’ 1st SD. Through the years, tobacco products and smoking has faced increasing rejection from the sporting arena as evidenced by anti-smoking campaigns and bans on tobacco sponsorship by an increasing number of major sporting events.

72 I refer to exhibit 36 at page 675 of the Opponents’ 1st SD, which includes a media release for World No Tobacco Day 2002 issued by the World Health Organisation (“WHO”) entitled “*Enter the Stadium*”. This is the result of an initiative amongst WHO, Centers for Disease Control and Prevention (“CDC”), the International Olympic Committee (“IOC”) and the Federation Internationale de Football Association (“FIFA”). The theme for the World No Tobacco Day in 2002 is Tobacco Free Sports – Play it Clean. See also the article “*World No Tobacco Day 2002*” also from the WHO website at exhibit 37 and page 696 of the Opponents’ 1st SD. I note the following in the 1st paragraph of the said article:

The World No Tobacco Day theme for 2002 was Tobacco Free Sports – Play it Clean! In response to the global appeal for action, WHO and its partners launched a campaign to clean sports of all forms of tobacco – tobacco consumption, and exposure to 2nd hand smoke, tobacco advertising, promotion and marketing.

[Emphasis mine]

73 As a result of the efforts, many international sporting events were declared as smoke-free including the 2000 Sydney Olympic Games, the 2002 FIFA World Cup in the Republic of Korea and Japan and the 2003 South East Asian Games in Vietnam

(paragraph 75 of the Opponents' 1st SD). In relation to the Olympics Games, I refer to the article "*Tobacco Free Sports*" at exhibit DS-36 at page 690 of the Opponents' 1st SD. In particular, at page 691, I note that the article reads:

Olympic Games have been one of the few major sports events that have never allowed any commercial advertisement or used sponsorship of tobacco companies since the first Olympic Games in 1896. This policy has been further reinforced since 1988, when the International Olympic Committee and WHO, in cooperation with the Organising Committees of the Games, forbade smoking in all sports venues. A successful smoke free policy was in place during the 2000 Olympic Games in Sydney, in cooperation with government and local health groups.

[Emphasis mine]

74 Last but not least there is WHO Framework Convention on Tobacco Control ("FCTC"), a global public health treaty which entered into force on 27 February 2005 and has 168 signatories to date, including Singapore. I also refer to exhibit 38 of the Opponents' 1st SD at page 702 which includes an article on the said FCTC. It provides that the Convention was developed in response to the globalisation of the tobacco epidemic. In particular, Article 13 of the FCTC requires parties to:

"undertake a comprehensive ban...[or, in the case of] a Party that is not in a position to [do so]...apply restrictions on all tobacco advertising, promotion and sponsorship..."

[Emphasis mine]

75 The Opponents have, by reason of its longstanding sports programme using the KAPPA Marks, which includes the Singapore KAPPA Marks, built up an image for the KAPPA Marks that is associated with the positive attributes of sports, including concepts of health, fitness and life. On the other hand, the Applicants' goods, being tobacco products, are associated with health problems, diseases and death. Any connection between the Applicants' goods and the Opponents would be detrimental to the Opponents' interests as the KAPPA Marks' association with the positive attributes of sports will be damaged and accordingly the investment that the Opponents have put into sports sponsorship will be put to waste. The Opponents' core business being the manufacture of sporting gear would also be destroyed as it is vital for the KAPPA Marks to be associated with the positive attributes of sports to generate sales. The above is all the more so in light of the recent increase in anti-smoking campaigns.

76 Further in the face of the increasing rejection for tobacco companies to sponsor sports events, such a connection is likely to affect the KAPPA Marks' desirability as a sponsor for sports events. This would inevitably affect the Opponents' commercial interest as sports sponsorship is one important way for the Opponents to market their business (see above in relation to the amount spent on sports sponsorship).

77 In view of all of the above, I am of the view that use of the Application Mark would indicate a confusing connection between the goods claimed and the Opponents and would damage the Opponents' interests. As such the ground of objection in relation to Section 8(4)(b)(i) is made out.

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

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

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

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

Opponents' Submissions

79 The Opponents referred to the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 at page 499 for the 3 principles of passing off namely (i) goodwill; (ii) misrepresentation; and (iii) damage. The Opponents also submitted that there is also actionable misrepresentation if there is a misrepresentation by the defendant to the public that there is a business connection between the plaintiff and the defendant in relation to the goods or services provided by them. (*CDL Hotels International Ltd v Pontiac Marina* [1998] 2 SLR 550 ("*CDL Hotels case*") at [72].

80 The Opponents referred to their submissions in relation to the ground of objection pursuant to Section 8(4)(b)(i). Further, the Opponents submitted that one critical factor against respondent in the *City Chain case*, as stressed by the Court, was that there was no evidence of any use ever of the respondent's flower quatrefoil mark independently on its own. The evidence showed that the respondent's flower quatrefoil mark was always used with other of the respondent's marks. The Opponents submitted that in contrast, in the subject opposition proceedings, the Opponents have provided in the Opponents' 1st and 2nd SD, substantial evidence of their promotion and use of the word mark "KAPPA" in combination with the logo as well as separately and independently on its own. Accordingly, the Opponents' word mark "KAPPA" has always remained intact and acquired goodwill in of itself.

81 In view of the above, the Opponents submitted that the Opponents had acquired goodwill in the Kappa Marks in Singapore as at the application date of the Application Mark.

82 The Opponents reiterated their submissions above in relation to the ground of objection under Section 8(4)(b)(i). The Opponents submitted that the *CDL Hotels case* at [63] has put it beyond doubt that:

“...the parties in a passing off action need not be in mutual competition. The parties may be engaged in different fields of business activities.”

83 In the circumstances, the Opponents submitted that due to the identity/similarity of the respective marks and the similarity of the respective goods and services, as well as the likelihood of confusion as a result, the use of the Application Mark on the Applicant’s goods is liable to be prevented under the law of passing off.

84 The Opponents referred to their submissions above in relation to the ground of objection under Section 8(4)(b)(i). In the circumstances, the Opponents submitted that use of the Application Mark on the Applicant’s goods is likely to cause damage to the Opponents' goodwill in the KAPPA Marks.

Applicants' Submissions

85 The Applicants submitted that the elements required in establishing passing off are (i) goodwill; (ii) misrepresentation; and (iii) damage. The Applicants further referred to page 461 of the case of ***Wild Child Trade Mark [1998] RPC 455*** where it was held that in arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (i) the nature and extent of the reputation relied upon;
- (ii) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (iii) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (iv) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors;
- (v) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

86 The Applicants submitted that the Opponents are first to prove that they have goodwill in their marks at the date when the Application Mark was applied for. The Applicants submitted that the Opponents are to prove goodwill attached to the goods which they supply in the mind of the purchasing public by association with the identifying KAPPA Marks such that the KAPPA Marks are recognised by the public as distinctive specifically of the Opponents' goods – the ***Ozone Community Corp v Advance Magazine Inc Publishers [2010] 2 SLR 459*** (“*Ozone case*”) at [94]. The Applicants

submitted that given that there are other traders using the same name KAPPA, the Opponents have not established that the word KAPPA is seen as distinctive specifically of the Opponents' goods.

87 The Applicants referred to *Spalding v Gamage (1915) 32 RPC 274* at page 284:

"...the basis of a passing off action being a false representation by the defendant, it must be proved in each case as a fact that the false representation was made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is, where the representation is implied in the use of imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public or of a particular class of the public. In such cases the point to be decided is whether, having regard to all the circumstances of the case, the use by the defendant in connection with the goods of the mark, name, or get-up in question impliedly represents such goods to be the goods of the plaintiff, or the goods of the plaintiff of a particular class or quality, or as it is sometimes put, whether the defendant's use of such mark, name or get-up is calculated to deceive."

88 The Applicants submitted that there is no question of misrepresentation here by the mere use of the word KAPPA. The Applicants reiterated that the only common element is the word KAPPA. As the word KAPPA is in common usage in Singapore as trade marks and by businesses as their trade names, the mere use of the word KAPPA in a trade name or in a trade mark would not be an indication that the Applicants' goods originate from the Opponents. What the courts are concerned about for the second element in passing off is "the effect of the defendant's conduct on the public rather than the defendant's state of mind" – see *Uni-Charm case*. There are several other traders who use the same word and there is no evidence that it is the KAPPA Marks that will be called to mind by the Application Mark. The Applicants thus submitted that there is no misrepresentation that would lead the public into thinking the Applicants' goods originate from the Opponents.

89 The Applicants submitted that the judge in the *Ozone case* cited the *Polo case* with reference to the distinctiveness of the mark being relied upon. In the *Polo case* it was stated that there was no evidence that the word "polo" *per se* is distinctive; the word "polo" is in fact an ordinary English word. The Court there recognised that some marks are inherently distinctive as they consist of inventive words. However "polo" is not such an inventive word.

90 The Applicants repeated their submissions in relation the ground of objection under Section 8(4)(b)(i). The Applicants submitted that the Opponents share the market with several other traders. There is no proximity in the fields of activity between the Opponents' business and the Applicants' business. There is a low level of distinctiveness of the mark KAPPA. The Applicants also submitted that the way the Applicants' goods would be made available to the public is a very relevant factor. The Applicants by law

would have to include a health warning and graphic images of diseased body parts on the cigarette package. Further the Applicants submitted that cigarettes are not sold to people under 18 in Singapore.

91 In the circumstances, the Applicants submitted that there is no likelihood of confusion.

92 The tort of passing off protects the plaintiff against damage caused to the goodwill attached to its business, goods or services by the defendant's misrepresentation (*Amanresorts case* at [94]). Thus even if the defendant's misrepresentation is shown to have caused or to be likely to cause confusion between the plaintiff's business, goods or services and those of the defendant, such misrepresentation is not in itself actionable under the law of passing off unless it has caused (or is likely to cause) damage to the plaintiff's goodwill (*Amanresorts case* at [94]). The test for damage in passing off cases is either "actual or probable damage" (*Amanresorts case* at [94]). As the Opponents and the Applicants are involved in different sectors of the economy, the Applicants submitted that there is no damage to the Opponents' goodwill actual or probable. The Opponents argued that smoking is contrary to the ethos of sports and have thus somehow suffered damage. The Applicants submitted that this damage is too remote for the Opponents to base their claim.

93 The Applicants thus submitted that the Opponents' claim for passing off under s8(7)(a) is not made out.

Decision on Section 8(7)(a)

94 It is clear that in order to establish a course of action under passing off, the 3 elements of (i) goodwill; (ii) misrepresentation; and (iii) damage will have to be made out as per the *Amanresorts case* at [36] and [37].

Goodwill

95 The Court of Appeal in the *Amanresorts case* commented at [39]:

To date, Lord Macnaghten's speech in *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217 ("IRC v Muller & Co") at 223–224 remains, in our view, the clearest exposition of what goodwill is:

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.

The above passage highlights two essential features of goodwill. First, it is the association of a good, service or business on which the plaintiff's mark, name, labelling, etc (referred to generically as the plaintiff's "get-up") has been applied with a particular source. Second, this association is an "attractive force which brings in custom" (id at 224).

96 I refer to *Law of Intellectual Property of Singapore (Sweet & Maxwell, Rev Ed, 2009)* by Ng – Loy Wee Loon at [17.1.4]:

Since the test for goodwill focuses on the level of the public's awareness of the plaintiff's mark and association of the mark with the plaintiff's goods or services, the plaintiff usually discharges his burden of proving goodwill by tendering evidence of his sales volume, and / or the extent and amount of advertisement and media coverage of his business conducted under the mark, and / or market surveys.

97 I refer again to the Opponents' sales figures in Singapore as provided above. The figures are reproduced here for ease of reference. The sales revenue for the period 1998 – 2003 of the Opponents' goods via licensees were as follows (paragraph 39 of the Opponents' 2nd SD):

Year	Lire	Euro	SGD
1998	2,269,000,000	1,134,500	2,269,000
1999	2,649,000,000	1,324,500	2,649,000
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2001	-	1,010,000	1,622,292
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For the period 2004 – 2008 the sales revenue in Singapore were as follows (paragraph 40 of the Opponents' 2nd SD):

Year	USD	SGD
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98 In relation to promotion, the Opponents provided evidence as follows in paragraph 24 of the Opponents' 1st SD:

Year	USD	SGD
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2004	39,882	67,423
2005	48,245	80,310
2006	55,738	88,591
2007	67,122	101,166
2008	93,934	132,969

The Opponents also advertise their marks through, amongst others, sports sponsorship, the figures of which have been provided above.

99 Taking all of the above into consideration, which includes the extent of sales revenue, promotion as well as sports sponsorships, while I note the Applicants' submission that the word KAPPA is used in various industries, I am of the view that goodwill has been made out.

Misrepresentation

100 On the issue of misrepresentation, the Court of Appeal in the *Amanresorts case* clarified that the target audience of misrepresentation in a passing-off action is the actual and potential audience of the claimant. Misrepresentation is actionable only if it caused confusion and while there is no need to show *actual* confusion, the court has to assess whether there is a *likelihood* of confusion from the surrounding facts.

101 It has already been commented above that Court in the *Amanresorts case* at [234] mentioned that the tests relating to the s55(3)(a) requirements of "connection" and "likely to damage the [plaintiff's] interests" were "substantively the same as "the tests relating to misrepresentation and damage under the law of passing off, subject to one difference between the two tests: s55(3)(a) test concerns the plaintiff's *interests* whereas the latter concerns the plaintiff's *goodwill* and not its interests.

102 In view of my conclusion above in relation to confusing connection under the ground of objection under Section 8(4)(b)(i), misrepresentation is thus also made out under this ground of objection for passing off.

Damage

103 Again I note the comments of the Court in the *Amanresort case* that the tests to be adopted for the "connection" requirement and "likely to damage the [plaintiff's] interests" elements in Section 55(3)(a) of the TMA would yield the same results as those obtained from applying the corresponding tests for a claim for passing-off, subject to the distinction that the tests in relation to misrepresentation and damage under passing-off concern the plaintiff's goodwill while the corresponding tests under Section 55(3)(a) concern the interests of the plaintiff's.

104 Following my conclusion in relation to the ground of objection under Section 8(4)(b)(i) that there is a confusing connection between the goods claimed under the

Application Mark and the Opponents and thus damaging the interests of the Opponents, the element of damage under this ground of objection for passing off is also made out.

105 Any misrepresentation would cause damage to the Opponents' goodwill in that the KAPPA Marks', which includes the Singapore KAPPA Marks', association with the positive attributes of sports will be damaged and accordingly the Opponents' core business being the manufacture of sporting gear would also be adversely affected as it is vital for the KAPPA Marks to be associated with the positive attributes of sports for the good of the Opponents' business.

Conclusion

106 In conclusion, the ground of objection under passing off succeeds.

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

107 Section 8(2) of the TMA reads:

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.

Opponents' Submissions

108 The Opponents referred to their submissions in relation to the ground of objection under Section 8(4)(b)(i). The Opponents submitted that the Application Mark is identical to the Opponent's word mark "KAPPA". In addition, the Application Mark is similar to the Opponent's other KAPPA Marks.

109 The Opponents submitted that the goods for which the KAPPA Marks are protected are similar to the goods for which the Application Mark is sought to be registered. The Opponents submitted that some relevant considerations for assessing the similarity of goods include:

(a) the uses of the goods or services;

(b) the users of the goods or services;

- (c) the physical nature of the goods or services;
- (d) the trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, whether in practice they are, or are likely to be, found on the same or different shelves; and
- (f) the extent to which the respective goods or services are competitive – which may take into account how those in the trade classify the goods or services.

110 The Opponents reiterated their submissions in relation to the ground of objection under Section 8(4)(b)(i).

111 Further, in relation to the following goods for which the Application Mark is sought to be registered – *smokers' articles; cigar and cigarette holders, cigars and cigarette cases, ashtrays, cigar clippers, tobacco pipes, pouches for tobacco, cigarette lighters, pocket devices for rolling cigarettes, cigarette papers, humidors for tobacco products* (the “**Secondary Tobacco Products**”) – the Opponents submitted that further similarity can be drawn in particular with the following goods for which the KAPPA Marks are protected (i) Precious metals and their alloys and goods in precious metals or coated therewith; purses of precious metal in Class 14; (ii) Printed matter in Class 16; (iii) Leather and imitations of leather, and goods made of these materials; animal skins, hides in Class 18; and (iv) Textiles and textile goods in Class 24 (the “**Opponent’s Metal, Print, Leather and Textile Goods**”).

112 The Opponents submitted that the Secondary Tobacco Products would conceivably fall under one or more of the descriptions of the Opponent’s Metal, Print, Leather and Textile Goods.

113 In support of the above, the Opponents referred to *Future Enterprises Pte Ltd v McDonalds Corp* [2006] 4 SLR(R) 629 (“*Future Enterprises*”), wherein the opponent, McDonald’s Corp, had not used its McCAFÉ mark on the goods covered in its Class 30 registration. However, the Court held at [20] that where a mark has not been used:

“...the court assumes that the proprietor will use it in a normal and fair manner”

114 Therefore, even if the Opponents have not to-date actually used the KAPPA Marks on goods similar to the Secondary Tobacco Products, the Opponents submitted that the Opponents are entitled to do so and to be protected for such goods. The Opponents further submitted that the Registrar should assume that the Opponents would use the KAPPA Marks on goods identical or perhaps similar to the Secondary Tobacco Products, considering these products would reasonably be covered under Opponent’s Metal, Print, Leather and Textile Goods.

115 The Opponents concluded that that when taking all the circumstances into account, the better view is that the Application Mark is sought to be registered for goods similar to those for which the KAPPA Marks, which are “earlier trade marks” defined under the TMA, are protected.

Likelihood of Confusion

116 In relation to this element, the Opponents repeated their submissions under the ground of objection under Section 8(4)(b)(i).



Applicants' Submissions

117 The Applicants submitted that under this ground of objection, the Opponents would have to establish:

- (i) The marks are similar;
- (ii) the goods claimed are identical/similar;
- (iii) on account of (i) and (ii) a likelihood of confusion on the part of the public will exist.

118 The Applicants conceded that the Application Mark and the word marks KAPPA are identical. Thus the Applicants submitted that the opposition relying on the word marks KAPPA would be the Opponents' strongest since the other 3 types of marks have several other elements. The Applicants submitted that if the Opponents fail in their opposition based on the KAPPA word marks then the Opponents would not succeed on the opposition based on the other 3 types of marks. Thus the Applicants submitted that the arguments in their submissions are with reference to the opposition based on the KAPPA word marks. However for the sake of completeness, the Applicants will also deal with the other 3 types of marks.

As can be seen from the above, the KAPPA Marks can be categorised into 4 types

namely (i) KAPPA; (ii) ROBE DI KAPPA; (iii)  Kappa ; (iv)  . The Applicants have conceded that the Application Mark is identical to (i). However in relation to the rest of the KAPPA Marks, the Applicants submitted that they are visually, aurally and conceptually distinguishable from the Application Mark as they contain either (a) an additional logo; (b) the additional logo and the words ROBE DI; (iii) the additional words ROBE DI.

119 The Applicants reiterate their arguments under the ground of objection under section 8(4)(b)(i) – see in particular the submissions that the marks are different when considered as wholes in support of their conclusion that the marks are dissimilar (with the exception of the word mark KAPPA).

120 The Applicants' goods are:

Processed or unprocessed tobacco, smokers' articles, tobacco products, cigarettes, cigars, cigarillos, tobacco, cigar and cigarette holders, cigars and cigarette cases, ashtrays, cigar clippers, tobacco pipes, pouches for tobacco, cigarette lighters, pocket devices for rolling cigarettes, cigarette papers, humidors for tobacco products, matches.

The Applicants submitted that the Opponents have not addressed the issue of how the Applicants' goods in Class 34 may be regarded as similar to the Opponents' various goods in Classes 9, 16, 18, 25 and 28.

121 The Applicants reiterated their submissions above under the ground of objection under section 8(4)(b)(i) – see in particular to their submissions that the *Polo case* has indicated that the 3 step test as per the *British Sugar* is appropriate and the mode of application of the 3 step test. The Applicants thus submitted that the Opponents should fail under section 8(2)(b) as there is no similarity in the goods.

Decision on Section 8(2)(b)

123 It is noted that the Court of Appeal in Singapore in the *Polo Case* at [7] and [8] commented that the step by step approach in *British Sugar* is more appropriate than the global assessment test enunciated by the European Court of Justice in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199:

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

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

[Emphasis mine.]

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

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

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

[Emphasis mine.]

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

Visual / Aural / Conceptual similarity

126 It is clear in relation to the KAPPA word mark that there is identity with the Application Mark. Thus in relation to the KAPPA word mark there is triple identity in terms of visual, aural and conceptual identity.

Identity / Similarity of Services / Goods

127 For ease of reference only, the goods for which the Application Mark is claimed for are:

Processed or unprocessed tobacco, smokers' articles, tobacco products, cigarettes, cigars, cigarillos, tobacco, cigar and cigarette holders, cigars and cigarette cases, ashtrays, cigar clippers, tobacco pipes, pouches for tobacco, cigarette lighters, pocket devices for rolling cigarettes, cigarette papers, humidors for tobacco products, matches.

128 On the other hand, the goods for which the Opponents' KAPPA word marks are registered for are as follows (for ease of reference):

T0521776B	Class 9	Games and apparatus for entertainment, namely those adapted for use with television receivers only; electronic games, videogames, computer games, arcade games, audio output games, namely adapted for use with television receivers only, CD-ROM games; computer games and educational computer software; electronic cards, electronic games cars; optical apparatus and instruments; eyewear; eye glasses, sunglasses, spectacles and frames, parts and fittings for all the aforesaid goods; goggles; safety clothes, safety caps, safety glasses; helmets.
T0605218Z	Class 14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments, including clocks, watches, wrist watches, watch bands, key rings, cups of precious metal, medals of precious metal, purses of precious metal; costume jewellery and trinkets; all included in class 14.
T0405184D	Class 16	Printed matter, including stationery, stationery sets, transfers (decalcomanias), book markers, tickets, labels, cards, business cards, greeting cards, invitations, stickers (stationery), gift vouchers, stationery clips and tacks, notebooks, diaries, note pads; posters, calendars, photographs; printed publications, books, periodicals, manuals and handbooks, magazines, newspapers, newsletters, catalogues, brochures and pamphlets; correspondence products including writing paper and envelopes; writing instruments; office requisites (except furniture).
T0405185B	Class 18	Leather and imitations of leather, and goods made of these materials and not included in

		other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
T0405186J	Class 25	Clothing, footwear, headgear.
T0405187I	Class 28	Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees; electronic toys, games, playthings and amusement apparatus.

129 The test to be applied in determining similarity in goods is that as set out in the case of *British Sugar* as follows:

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

130 It is noted that thus far, from the evidence tendered, the Opponents would appear only to have ventured into the sports apparel and sports gear business in Singapore. However, given that the KAPPA word mark have been registered for various types of goods, over and above the general sports wear and gear, there is also a need to consider the notional use of these goods for which the KAPPA word mark is registered for.

131 Applying the above test, it is clear that the goods are dissimilar. It is obvious that the Applicants' goods are specific products which are used for smoking and have smokers as their general target audience while the users and uses of the Opponents' goods are clearly different. Following the above line of thought, with their specific use, the goods cannot be considered to be competitive.

Likelihood of Confusion

132 In view of the above, applying that test as expounded by the *Polo case* there is no need for me to venture into the element of the likelihood of confusion. The Court made it clear that where either of the conditions of similarity of marks or similarity of goods is not made out, there is no further need to go into the next element of confusion (above).

Conclusion

133 In conclusion, I am of the view that the ground of objection under Section 8(2)(b) has not been made out.

Conclusion

134 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the Opposition succeeds on Section 8(4)(b)(i) and Section 8(7)(a) but fails on Section 8(2)(b). Trade Mark application number T0815031F may not proceed to registration. Accordingly, costs, to be taxed, if not agreed, are awarded to the Opponents.

Dated this 18th day of November 2011

Sandy Widjaja

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Division

Intellectual Property Office of Singapore