

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

Trade Mark Nos. T9901348A & T9901351A  
12 December 2012

**IN THE MATTER OF  
TRADE MARK REGISTRATIONS BY**

**AUTOZONE PARTS, INC.**

**AND**

**APPLICATIONS FOR  
REVOCAION AND INVALIDATION  
THEREOF BY**

**AUTOZONE AUTOMOTIVE ENTERPRISE**

Hearing Officer: Ms See Tho Sok Yee  
Principal Assistant Registrar of Trade Marks

Mr Elvin Yeo, Ms Yew Woon Chooi, and Mr Vernon Chua (Rodyk & Davidson LLP) for the  
Applicants

Ms Yvonne Tang and Ms Lee Zi Ying (Drew & Napier LLC) for the Registered Proprietors

*Cur Adv Vult*

**GROUND OF DECISION**

1 These proceedings have been brought in relation to two registered trade marks, T9901348A & T9901351A ("the Registered Marks"), as set out below:

(i) T9901348A

## **AUTOZONE**

(ii) T9901351A



2 The Registered Marks are both registered with effect from 13 February 1999 in Class 35 in respect of "Retail services, including retail of automotive parts" ("the Services"). They are in the name of Autozone Parts, Inc ("the Registered Proprietors").

3 The date of completion of registration for T9901348A is 20 February 2002 while that for T9901351A is 11 December 2000.

4 Autozone Automotive Enterprise ("the Applicants") filed their applications for revocation and for declarations of invalidity on 1 March 2010. The Registered Proprietors filed their counter-statements on 30 April 2010.

5 The Applicants filed evidence in support of their applications for revocation and for declarations of invalidity on 21 March 2011. The Registered Proprietors filed evidence in support of the Registered Marks on 8 January 2012. The Applicants filed evidence in reply on 13 March 2012. The Applicants amended their grounds on 24 August 2012 and filed these on 21 September 2012. The hearing took place on 12 December 2012. On 17 December 2012, the Registrar directed the Registered Proprietors to rectify an irregularity by filing a Supplemental Statutory Declaration by Brett L. Shanaman. This was filed and served on 10 January 2013.

### **Grounds of Revocation and Invalidation**

6 The Applicants rely on Section 22(1)(a), (b); Section 23(1) read with Section 7(4), (5); Section 23(3) read with Section 8(7)(a); and Section 23(4) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act") in these proceedings.

### **Applicants' Evidence**

7 The Applicants' evidence comprises a Statutory Declaration made by Ms Neo Chin Aik, one of the partners of the Applicants, on 21 March 2011 in Singapore, as well as a Statutory Declaration in Reply made by the same deponent on 13 March 2012 in Singapore.

8 The Applicants also tendered a website printout in evidence at the hearing. This was a one-page printout from their website [www.autozone.com.sg](http://www.autozone.com.sg) which sets out the profile of their business. This profile states that they specialise "in importing, exporting and wholesaling of aftermarket automotive spare parts".

### **Registered Proprietors' Evidence**

9 The Registered Proprietors' evidence comprises a Statutory Declaration made by Mr Brett L. Shanaman, Vice-President of Marketing of the Registered Proprietors on 24 January 2012 in the United States of America, as well as a second Statutory Declaration made by the same deponent on 2 January 2013 in the United States of America.

10 The Registered Proprietors also tendered in evidence at the hearing a five-page printout from their website at [www.autozoneinc.com](http://www.autozoneinc.com). The printout sets out the timeline of the Registered Proprietors' history. The Registered Proprietors highlighted that in 1996, "AutoZone.com launches along with our Commercial program."

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

11 As the applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed), there is no overall onus on the Registered Proprietors either before the Registrar during examination (when the Registered Marks were still pending) or in invalidation proceedings. The burden of proof in respect of the invalidation falls on the Applicants.

12 However, in respect of the revocation, the Registered Proprietors have the burden of showing use made of the Registered Marks under Section 105 of the Act.

### **Background**

13 The Applicants are in the business of importing, exporting and wholesaling aftermarket automotive spare parts for most Japanese vehicles. They were registered as a partnership on 23 November 1995 and have conducted business since January 1996. Currently, the Applicants' customers come from over 30 countries around the world, including Malaysia, Brunei and Indonesia.

14 The Registered Proprietors are a company incorporated in Nevada and is the largest auto parts retailer in the United States of America, with over 4800 stores in the USA, Puerto Rico and Mexico. They opened their first store in 1979, but this was under the name "Auto Shack". They adopted a new branding, "Autozone", in 1987 and have had a website [www.autozone.com](http://www.autozone.com) since 1996 which showcases their goods (mainly automotive parts and accessories) for sale. They have been a publicly held company since 1991 and are recognised on the list of Fortune 500 companies.

## **MAIN DECISION**

### **REVOCATION**

#### **Grounds of Revocation under Section 22(1)(a), (b)**

15 Section 22(1)(a), (b) and (2) of the Act reads:

**22.** —(1) The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in

Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;  
(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use;

...

(2) For the purposes of subsection (1), use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in Singapore includes applying the trade mark to goods or to materials for the labelling or packaging of goods in Singapore solely for export purposes.

### ***Registered Proprietors' Submissions***

16 The Registered Proprietors rely on Section 22(3) of the Act, which provides that:

(3) The registration of a trade mark shall not be revoked on the ground mentioned in paragraph (a) or (b) of subsection (1) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the 5 year period and before the application for revocation is made.

17 They have therefore focused on use of the Registered Marks in the 5 years (from 1 March 2005 to 28 February 2010) before the application for revocation was made on 1 March 2010, and not on earlier 5-year periods.

18 On what may constitute use, the Registered Proprietors refer to the non-exhaustive list of examples in Section 27(4) of the Act:

... a person uses a sign if, in particular, he –

- (a) applies it to goods or the packaging thereof
- (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- (c) import or exports goods under the sign;
- (d) uses the sign on an invoice, wine list, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium; or
- (e) uses the sign in advertising.

19 The Registered Proprietors submit that their evidence of use is, in the main, of two kinds. First, the Registered Marks were used in the sense of Section 27(4)(b) and (e) above. Second, there is actual supply of the Services claimed.

20 In the consideration of evidence of use pertaining to Section 27(4)(b) and (e), the Registered Proprietors refer to ***Weir Warman Ltd v Research & Development Pty Ltd [2007] 2 SLR(R) 1073*** ("***Weir Warman***") at [104] where the High Court held that "*it now seems fairly settled that genuine use can be established even if there is no evidence of actual sales being made*".

21 In terms of "offering for sale" under Section 27(4)(b), the Registered Proprietors submit that they have, since 1996 – which pre-dates this revocation action by about 14 years – offered goods for sale under the Registered Marks online through their website www.autozone.com. This website can be accessed worldwide, including from Singapore. The Registered Proprietors' evidence shows that 282 unique users in Singapore have clicked on their website between 2 January 2010 and 8 December 2011. Accordingly, the Registered Proprietors argue that the Services have been offered to the Singapore public.

22 In terms of "advertising" under Section 27(4)(e), the Registered Proprietors point out that since 1996, they have advertised their Services under the Registered Marks worldwide, including Singapore, through their website www.autozone.com and internet banner ads. As there have been 282 clicks from unique users in Singapore, the Registered Proprietors submit that their advertisements have clearly been viewed by a significant portion of the Singapore public.

23 Further, the Registered Proprietors' annual worldwide advertising expenditure figures for the Registered Marks from the years 2008 to 2011 are as follows:

| Year | US\$       |
|------|------------|
| 2008 | 86,200,000 |
| 2009 | 72,100,000 |
| 2010 | 65,500,000 |
| 2011 | 71,500,000 |

24 Additionally, the Registered Proprietors argue that they have also actually supplied the Services. They refer to the Court of Appeal decision of *Nike International Ltd v Campomar SL [2006] 1 SLR(R) 919* at [15] ("*Nike*"), which held that genuine use can be established even if there is only one single transaction involving the mark, provided that there is overwhelmingly convincing evidence of the act.

25 In *Weir Warman*, the plaintiff filed an application to revoke the defendant's trade mark registration for "Warman" in respect of "pumps; milling equipment; valves; parts and fittings for the aforesaid goods in Class 7" on the ground of non-use. The defendant adduced documents evidencing three sales transactions with Singapore companies relating to pump parts under the mark "Warman", namely, the quotation, the purchase order, the arrangements for delivery of the goods to Singapore, the shipment bill showing a Singapore delivery address and the invoice. The High Court applied the principle in *Nike* and held that these were "*overwhelmingly convincing evidence*" of the defendant's sales, thus there was genuine use of the mark "Warman" in respect of pump parts in Singapore.

26 In the instant case, the Registered Proprietors argue that they supplied their Services through actual sale transactions with a buyer in Singapore at least on 2 occasions around the end of 2009. Upon viewing their website, the buyer (using the email address green\_corp@techemail.com) contacted the Registered Proprietors online to indicate his interest to purchase their goods displayed on the website. In an email dated 12 November 2012, the Registered Proprietors confirmed with the buyer that they ship internationally, including to Singapore, and provided steps on how he may purchase their goods, notwithstanding that he did not reside in the United States. The buyer eventually made two orders for gloves in two separate email messages dated 12 November 2009 and 23 November 2009. The Registered Proprietors claim that these orders were delivered to Singapore on 23

November 2009 (shipped 20 November 2009) and 7 December 2009 (shipped 2 December 2009), as evinced by the FedEx shipping and delivery documents. They also refer to a receipt of payment by the buyer for their goods dated 2 December 2009, which bears the same shipping date as the second shipping on 2 December 2009.

27 The Registered Proprietors submit that the facts of the present case are similar to the facts of *Weir Warman*, as the use of the Registered Marks is not merely evidenced by email enquiries and correspondence, but also documents detailing the order of the goods and arrangements for delivery of the goods to Singapore. The sales of their goods are also evidenced by a receipt of payment and documents confirming the arrival of the goods.

28 In response to the Applicants' submission that these sales were not and could not have been made through the website, the Registered Proprietors submit that this is irrelevant. This is because retail services can be supplied through any means and need not be restricted to an online sales portal on a website. They refer to Intellectual Property Office of Singapore Circular No. 9/2008 dated 2 May 2008, which explains that "retail services", which is better described as "The bringing together, for the benefit of others, of a variety of goods [list the goods] (excluding the transport thereof), enabling customers to conveniently view and purchase those goods from a ...", can be provided through various means, such as "from a retail outlet", "from a wholesale outlet", "from a distributor outlet", "from a general merchandise catalogue by mail order or by means of telecommunications", "from a general merchandise web site in the global communications network", "from a departmental store" and "from a supermarket". The supply of retail services is not restricted to an online sales portal, and can also be made through other means, such as through a combination of the use of a merchandise web site in the global communications network and email communications. In the instant case, even if the Registered Proprietors' online sales portal only accepts orders for shipping to United States, APO/FPO/DPO and U.S. Territory addresses, consumers outside of the United States can, as a matter of fact, purchase their goods via email communications and arrangements can be made to deliver these goods to a non-U.S. address. This is clearly evidenced in the transaction between the Registered Proprietors and the buyer in Singapore.

29 In conclusion, the Registered Proprietors submit that there is "*overwhelming convincing evidence*" of their sales transactions with a buyer in Singapore. Applying *Weir Warman*, it is submitted that there has been "genuine use" of the AutoZone marks in respect of the Class 35 Services. Thus, the application for revocation must be dismissed.

### *Applicants' Submissions*

30 The Applicants deny that the mere fact that the Registered Marks are used by the Registered Proprietors on their website or in internet advertising is sufficient to constitute use in Singapore. This issue was considered in the UK High Court decision of *800-FLOWERS Trade Mark* [2000] F.S.R. 697 ("*800-FLOWERS*") which concerned a dispute over the registration of a service mark. In that case, an application to register a name as a trade mark was objected to on the basis that the name had not been used in the UK. The applicant sought to counter this argument by relying on its use of the name for its website. Jacob J's observations at page 705 are as follows:

Mr Hobbs [counsel for the applicant] submitted that any use of a trade mark on any website, wherever the owner of the site was, was potentially a trade mark

infringement anywhere in the world because website use is an omnipresent cyberspace: that placing a trade mark on a website was ‘putting a tentacle’ into the computer user’s premises. I questioned this with an example: a fishmonger in Bootle who puts his wares and prices on his own website, for instance, for local delivery can hardly be said to be trying to sell the fish to the whole world or even the whole country. And if any web surfer in some other country happens upon that website he will simply say ‘this is not for me’ and move on. For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd. The mere fact that websites can be accessed anywhere in the world does not mean, for trademark purposes, that the law should regard them as being used everywhere in the world. It all depends on the circumstances, particularly the intention of the website owner and what the reader will understand if he accesses the site.

31 The Applicants also refer to *Law of Trade Marks and Passing Off in Singapore* [2<sup>nd</sup> Ed] (Tan Tee Jim, S.C., Sweet & Maxwell Asia, 2005) at paragraph 7.48 which states that if a mark is not used on the goods themselves but on advertisements or other promotional goods published or distributed outside Singapore, there is no use in Singapore of such mark if these advertisements are not directed at customers in Singapore.

32 The Applicants' evidence in reply shows that the Registered Proprietors' website and related advertising on the website are targeted at the US market and not the public in Singapore. This can be seen from the fact that it is not possible for a consumer based in Singapore to order products off the Proprietor’s website. The website states that it ships to the United States, US Territories and overseas US military addresses only. It is necessary to insert a ZIP code and select one of the US states before a product can be ordered. The Applicants claim that the Registered Proprietors have adduced no evidence to refute this observation that their website is not targeted at the public in Singapore.

33 The Applicants also refer to *Weir Warman*, where the Court held that a fax from the defendant to the revocation proceedings addressed to a Singapore company, offering the sale of various “Warman” pumps constituted the requisite active step beyond merely placing the “Warman” mark with respect to pumps on the internet and facilitating or inviting access and/or enquiries from parties in Singapore. Accordingly, in the present action, the Registered Proprietors' use of the Registered Marks solely on their website and on internet advertising cannot constitute use in Singapore.

34 The Proprietor has also sought to show use by adducing evidence of delivery of gloves to Changi Airfreight Centre on 20 November 2009 and 7 December 2009 in the form of internet correspondence and printouts of shipping particulars. The evidence provided by the Proprietor shows that there were only 2 deliveries for a period of 13 years since the Registered Marks were registered.

35 As the Registered Marks are registered in Class 35, the use of the Marks must be in relation to the services for which it is registered i.e. retail services. “Retail” is defined in the Oxford Advanced Learner’s Dictionary of Current English as “the selling of goods to the public, usually through shops/stores”.

36 The Applicants submit that evidence of the delivery of gloves to Singapore does not amount to evidence of use of the marks in relation to retail services in Singapore, especially

in view of the fact that the Proprietor's website is not targeted at the Singapore public. The internet correspondences and related deliveries of goods set out above were isolated incidents and initiated by the purchaser. Accordingly, any use of the Registered Marks in this respect cannot be said to be in the course of the Proprietor providing its retail services in Singapore.

***Decision on Section 22(1)(a),(b)***

*Use of Registered Marks As Shown By Actual Sales*

37 I will first deal with the Registered Proprietors' claim that the Registered Marks have actually been used, as evinced by the two sales transactions for goods bought from them and delivered to Singapore.

38 Each of the Registered Marks needs to be used "in relation to the goods or services for which it is registered", as required by Section 22(1)(a) of the Act. In the present case, they are registered for "Retail services, including retail of automotive parts".

39 In their submissions and evidence, the Registered Proprietors have focused on the *goods* available from their website rather than on "Retail *services*, including retail of automotive parts". The inference that the Registered Proprietors would have us make is that the actual supply of goods, listed on their website, to a Singapore delivery address necessarily means that retail services have been provided in Singapore.

40 However, this is not a foregone conclusion. If the Registered Marks had been registered in respect of goods e.g. automotive parts, and if automotive parts bearing the Registered Marks were ordered from Singapore and sold and delivered to Singapore, the Registered Proprietors could well have made their case that the Registered Marks were actually used in Singapore by sale. With intangible services, as opposed to tangible goods, it is another matter.

41 In trade marks practice, retail services refer to "The bringing together, for the benefit of others, of a variety of goods [list the goods] (excluding the transport thereof), enabling customers to conveniently view and purchase those goods", as the Registered Proprietors themselves point out in their submissions.

42 I accept the Registered Proprietors' submission that the supply of retail services is not restricted to an online sales portal, and can also be made through other means, such as through a combination of the use of a merchandise website on the internet and email communications, reaching consumers outside of the United States. In fact, their Services are broadly scoped as "Retail services, including retail of automotive parts" and not limited to only retail services via a website.

43 However, to show that retail services have been provided in Singapore, it is not enough to reason backwards that since goods were ordered and delivered to Singapore, retail services must have been provided *in Singapore*. This peculiarity arises because the internet is not governed by conventional notions of territoriality; and yet, in trade marks law, one is required to be fastidious over this very issue, whether in determinations of acquired distinctiveness through use, of infringement, or of use of a registered trade mark as in the present case.



44 The sale transactions leading to delivery of goods in Singapore being a non-starter, I will proceed to consider whether retail services have been provided, offered or advertised under the following heading.

*Use of Registered Marks by "Providing", "Offering" and "Advertising" the Services*

45 The parties' main point of contention under this heading is whether the fact that the Registered Marks are used on the Registered Proprietors' retail website [www.autozone.com](http://www.autozone.com) means that they are used in Singapore in respect of the Services.

46 In gist, the Registered Proprietors would persuade us that the 282 unique users in Singapore who have clicked on their website over a period of about 23 months already demonstrate that an offer of their Services has been made, and that their Services have been advertised, to a significant portion of the Singapore public. On the other hand, the Applicants contend that the Registered Proprietors need to have taken an active step to direct the offer and advertisement of their Services to Singapore.

47 The legal position in Singapore is clear. The learned VK Rajah JA opined in *Weir Warman* at [106]-[108] as follows:

106 In *800-Flowers Trade Mark* [2002] FSR 12, Buxton LJ discussed the offer of goods under a trade mark on an Internet website. He stated at 220:

There is something inherently unrealistic in saying that A "uses" his mark in the United Kingdom when all that he does is to place the mark on the Internet, from a location outside the United Kingdom, and simply wait in the hope that someone from the United Kingdom will download it and thereby create use on the part of A.

He added further on the same page:

*[T]he very idea of "use" within a certain area would seem to require some active step in that area on the part of the user that goes beyond providing facilities that enable others to bring the mark into the area. Of course, if persons in the United Kingdom seek the mark on the Internet in response to direct encouragement or advertisement by the owner of the mark, the position may be different; but in such a case the advertisement or encouragement in itself is likely to suffice to establish the necessary use. [emphasis added]*

This succinct summary of the English position is persuasively logical and ought to be followed in Singapore.

107 I turn to the facts. The three e-mail enquiries received by the defendant from Singapore companies pursuant to information on the defendant's Internet website should be assessed in the light of the requirement for an "active step" in Singapore. If the evidence of use adduced by the defendant consisted *only* of the e-mail enquiries, I would be quite reluctant to regard that as sufficient and genuine use for the purposes of s 22(1) of the TMA. As Buxton LJ stated, there must be some additional *active step* by the defendant in Singapore that goes beyond simply placing the offer of "Warman"-marked pumps on its Internet website and waiting in the hope that someone from Singapore will enquire about these pumps.

108 However, in the present case, the evidence adduced by the defendant also includes a fax written by the defendant and addressed to a Singapore company, offering the sale of various "Warman" pumps, and a report of the Hytrade meeting. As such, there appears to be additional evidence of use that is likely to constitute that requisite "active step" in Singapore proceeding beyond merely placing the "Warman" mark with respect to pumps on the Internet and facilitating or inviting access and/or enquiries from parties in Singapore.

48 Likewise in the present case, the e-mail enquiry received by the Registered Proprietors from green\_corp@techemail.com, (who claims to be from Singapore) pursuant to information on the Registered Proprietors' website should be assessed in the light of the requirement for an "active step" in Singapore. In the appellate court decision from **800-FLOWERS**, Buxton LJ refers to this "active step" as "*direct encouragement or advertisement*". The Registered Proprietors in this case would need to go beyond simply placing the offer of or advertising retail services on the internet and waiting in the hope that someone from Singapore will enquire about their services.

49 Again, I am mindful that the Registered Marks are registered in relation to services and not goods. The use that the Registered Proprietors have the burden of proving should be in relation to the Services and not the goods that are retailed, even if there is evidence to show that goods have been shipped by the Registered Proprietors to a Singapore delivery address.

50 Hence, we still have to confront the issue whether the Registered Proprietors have taken an active step to offer or advertise their retail services. The Court of Appeal decision in **Novelty Pte Ltd v Amanresorts Ltd and another** [2009] 3 SLR(R) 216 ("**Amanresorts**") at [52]-[54] is instructive:

52 With regard to the 20 domain names which have been registered for the Respondents' "Aman" websites, no weight should be placed at all on the fact that those domain names were registered here - that is a purely technical matter which does not influence the extent of exposure of the "Aman" names. More importantly, it must be noted that although the Internet has the potential to be used for giving goods, services and businesses instant exposure across the entire world, it does not follow that any small, dinky business can set up a website and then claim that it has gained worldwide recognition. The Internet's power of exposure is only a *potential* power. This issue was given some consideration in **800-FLOWERS Trade Mark** [2000] FSR 697 ("the first instance decision in **800-FLOWERS**"), which concerned a dispute over the registration of a service mark. In that case, an application to register a name as a service mark was objected to on, *inter alia*, the ground that the name had not been used in the UK. The applicant sought to counter this argument by relying on its use of that name for its website. Jacob J observed very sensibly (at 705):

Mr Hobbs [counsel for the applicant] submitted that any use of a trade mark on any website, wherever the owner of the site was, was potentially a trade mark infringement anywhere in the world because website use is in an omnipresent cyberspace: that placing a trade mark on a website was 'putting a tentacle' into the computer user's premises. I questioned this with an example: a fishmonger in Bootle who puts his wares and prices on his own website, for instance, for local delivery can hardly be said to [be] trying to sell the fish to the whole world or even the whole country. And if any web surfer in some

other country happens upon that website he will simply say 'this is not for me' and move on. For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd. So I think that the mere fact that websites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law should regard them as being used everywhere in the world.

53 The requirement of "use" of a trade mark in a jurisdiction (in the context of trade mark law) is, of course, pegged at a higher standard than the standard which applies when determining whether goodwill exists in a name (in the latter context, exposure, as opposed to use, of the name in question is the relevant criterion). But, the principle that putting a name up on the Internet does not translate into instant global presence of that name is applicable *vis-à-vis* the analysis of goodwill in passing off actions.

54 It follows that evidence of the existence *per se* of domain names and websites featuring the name in which goodwill is said to exist will ordinarily be insufficient as proof of exposure of that name; something in addition to proof of the mere existence of such domain names and websites must be shown in order to establish that there has been sufficient exposure of the name in question. This approach is not dissimilar to that adopted by Buxton LJ in *800-FLOWERS Trade Mark* [2002] FSR 12 ("the appellate court's decision in *800-FLOWERS*"), which was the English Court of Appeal's decision on the appeal and the cross-appeal arising from the first instance decision in *800-FLOWERS*. In the appellate court's decision in *800-FLOWERS*, Buxton LJ commented, in the context of use of a trade mark, that (at [138]):

[T]he very idea of 'use' within a certain area would seem to require some active step in that area on the part of the [trade mark owner] that goes beyond providing facilities that enable others to bring the mark into the area.

Such "active step[s]" (*ibid*), the learned judge suggested, could take the form of "direct encouragement or advertisement by the [trade mark] owner" (*ibid*) which led consumers to the website featuring the trade mark in question. In the present case, the Respondents must adduce evidence showing, among other matters, the following:

- (a) How many "hits" have the Respondents' "Aman" websites received?
- (b) How many of these "hits" came from Internet users in Singapore?
- (c) If someone does a search for relevant topics ("resorts in Bali", for instance) using any of the major search engines, are the Respondents' "Aman" websites included among the top few search results?
- (d) How many other major websites (particularly those frequented by consumers in Singapore) are linked to the Respondents' "Aman" websites?

In this regard, the only evidence of exposure is that the Respondents' website, <<http://www.amanresorts.com>>, has received "millions of 'hits'" (see the Judgment at [11]) - but we do not know from where or from whom. Without such information, we would place little weight on the existence of the Respondents' "Aman" websites in assessing the degree of exposure of the "Aman" names locally.

51 Although the above paragraphs from *Amanresorts* were written in the context of passing off, the Court of Appeal at [53] recognized that "*The requirement of "use" of a trade mark in a jurisdiction (in the context of trade mark law) is, of course, pegged at a higher standard than the standard which applies when determining whether goodwill exists in a name*". Hence, the Registered Proprietors are required to demonstrate use of the Registered Marks at an even higher standard than that set out above in the context of passing off.

52 The Registered Proprietors have adduced evidence to show that 282 unique users in Singapore have clicked on their website over a period of about 23 months. However, there is no evidence of any active steps "*which led consumers to the website featuring the trade mark in question*" in the first place. As Jacob J put it in *800-FLOWERS*, a web surfer may "happen upon that website ". At the rate of about 1 click in 2.5 days, given the way the internet is used, it is possible that some, if not many, of these users also "happened" upon the Registered Proprietors' website and not because of any active step taken by the Registered Proprietors to lead, encourage or induce Singapore consumers to the website. The onus is on the Registered Proprietors to establish the latter.

53 On the other hand, the Applicants' evidence shows that the Registered Proprietors' website and related advertising on the website are targeted at the US market and not the public in Singapore. It is not possible for a consumer based in Singapore to order products off the Registered Proprietor's website, which states that it ships to the United States, US Territories and overseas US military addresses only. It is necessary to insert a ZIP code and select one of the US states before a product can be ordered. I accept the Registered Proprietors' counter-argument that the Services are not limited to retail services provided online over the internet; and that, for example, retail services can be supplied through a combination of the use of a merchandise web site in the global communications network and email communications. However, the Registered Proprietors still have not shown how their Services, even if available to anyone in the world with internet access through a combination of an online website and email communications, are directed at the consuming public in Singapore through any active step.

#### *Finding*

54 As such, in light of authorities such as *Weir Warman* and *Amanresorts*, I conclude that the Registered Marks have not been shown, on a balance of probabilities, to be used in Singapore in the 5 years (from 1 March 2005 to 28 February 2010) before the application for revocation was made on 1 March 2010. Neither have they been shown to be used in Singapore within the period of 5 years following the date of completion of the registration procedure, nor within any other uninterrupted period of 5 years. There were also no proper reasons given for non-use, the Registered Proprietors' position being that they have used the Registered Marks.

55 The ground of revocation under Section 22(1)(a), (b) therefore succeeds.

#### *Further Observation*

56 At this juncture, it bears mentioning that there is clearly a challenge when assessing trade mark use over the internet. Earlier in 2007, the Court of Appeal in *Future Enterprises Pte Ltd v McDonald's Corp* [2007] 2 SLR 845 ("*McDonald's Corp*") referred to a Privy

Council decision in an appeal from Mauritius which the appellant relied on, at [12]-[14] as follows:

12 The second argument is based on the international reputation of the “MacCoffee” mark stemming from its use in Russia and other East European countries since 1995. In support of this argument, counsel referred us to the decision in *Sprints Ltd v Comptroller of Customs (Mauritius)* [2000] FSR 814 (“*Sprints*”), a Privy Council appeal from Mauritius. In that case, there was an opposition to an application for registration of the trade mark “Chipie” for clothing. It was held that the opponent was entitled to claim proprietorship of the trade mark through use in Mauritius on the basis that it had used the mark extensively in other countries and that it had sent labels bearing the mark to a garment manufacturer in Mauritius for attachment to garments that were then exported for sale by the opponent in other countries. The Privy Council held that although it was necessary for the opponent to establish use of its trade mark in Mauritius, the length of use was immaterial, especially in a case where the opponent was already using the trade mark elsewhere in the world. In such a case, proprietorship of the mark could be proved by minimal use in Mauritius.

13 Counsel for the appellant directed our attention to the following observations of the Privy Council in *Sprints*, at 822:

In order to create the risk of confusion there must essentially be a knowledge on the part of the public of the mark with which the confusion may occur. In many cases user may well be the means of establishing the reputation of the mark in a particular country and at a period when international travel and intercommunication was less intensive than it has now come to be user in the locality would be the ordinary or even the only way of establishing the local reputation. But [it] is essentially the reputation of the mark which will give rise to possible confusion and in light of the growth in international commerce and communication it may now be possible in the case of an internationally established trade mark to proceed upon evidence of its notoriety in a country even without any actual user of the mark there.

14 We do not disagree with this observation in relation to internationally established marks. Indeed, Parliament amended the Act in 2004 to give better protection to such marks by disallowing “squatters” from registering identical or similar marks for the purpose of preventing the rightful owners from using them in Singapore and exploiting the goodwill and reputation attached to such marks: see the Second Reading speech of the Minister for Law on the Trade Marks (Amendment) Bill in *Singapore Parliamentary Debates, Official Report* (15 June 2004) vol 78 at col 108. However, we note that *the current legal requirements of “actual use” may need to be reconceptualised in the wake of the Internet and the corresponding ubiquitous nature of online advertisements and sales. It is not difficult to envision a future trade marks regime which provides for and protects the inevitable increase in the use of trade marks online as opposed to offline. The concept of the territoriality of a trade mark is likely to be affected by its ubiquitous use online.*

[emphasis mine]

57 The Court of Appeal's remarks in *McDonald's Corp* at [14] above suggest that the trade marks regime could evolve in future such that outcomes in disputes relating to use over the internet could differ from those that stem from the position today. Suffice it to say that the tension between online use and the traditional concept of territoriality in trade marks law will have to be grappled with and a relevant balance carefully and continually calibrated in the many years ahead.

## INVALIDATION

### Ground of Invalidation under Section 23(1) read with Section 7(4), (5)

58 Section 23(1) of the Act reads:

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

...

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

59 Section 7(4) and (5) of the Act reads:

(4) A trade mark shall not be registered if it is —

(a) contrary to public policy or to morality; or

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

(5) A trade mark shall not be registered if or to the extent that its use is prohibited in Singapore by any written law or rule of law

### *Applicants' Submissions*

60 Under this heading, the Applicants rely on Section 23(1) read with Section 7(4) and 7(5) of the Act to submit that the registration of the Registered Marks would be prohibited under the law of passing off and would deceive the public.

61 The Applicants referred to the Registrar's decision in *PT Abadi Sumber Hidup v Richard Oliver Wellershoff* [2011] SGIPOS 18 ("*PT Abadi*") which held that Section 7(4) and 7(5) of the Act are absolute grounds and do not include passing off. However, they submit that on a plain reading of Section 7(4) and 7(5), they are wide enough to prevent registration of a mark on the basis that the mark passes off goods and services as those of another trader. The Applicants submit that the use of the title "Absolute Grounds for Refusal of Registration" should not limit the literal construction of Sections 7(4) and 7(5) to exclude passing off merely on the basis that Section 8(7)(a) pertains to passing off.

### *Registered Proprietors' Submissions*

62 The Registered Proprietors submit that the Applicants' claims under Section 7(4) and (5) are misconceived.

63 With respect to Section 7(4)(b), which is *in pari materia* with Section 3(3)(b) of the UK Trade Marks Act, the Registered Proprietors refer to *Kerly's Law of Trade Marks and Trade Names* (15th ed., London: Sweet & Maxwell, 2011) ("*Kerly's*") at [8-200] which states that registration of a mark is prevented under Section 3(3)(b) of the UK Trade Marks Act if the mark "gives rise to an expectation which will not be fulfilled", such as an expectation that the goods are made from a particular material, quality or locality. It is explained in *Kerly's* at [8-201] that Section 3(3)(b) of the UK TMA "is concerned with deceptiveness which is inherent in the mark itself, as opposed to deception caused by the similarity of the mark to another". The Registered Proprietors point out that the Applicants have not put forward any submissions or evidence to show that the Registered Marks are, "inherent in the mark itself", deceptive in relation to the Services.

64 With respect to Section 7(5), which is *in pari materia* with Section 3(4) of the UK Trade Marks Act, the Registered Proprietors refer to *Kerly's* at [8-210] to [8-211] which states that "An objection that use of the mark would cause passing off arises under s.5(4)(a) of the 1994 Act and not under this subsection. For an objection to arise, it is necessary to identify a specific provision in an Act of Parliament or Statutory Instrument or in Community legislation or a specific rule of law..." The Registered Proprietors point out that no statutory provision or rule of law has been cited by the Applicants in relation to this ground of invalidation, nor has any evidence been filed in support of this ground.

#### ***Decision on Section 23(1) read with Section 7(4), (5)***

65 A distinction should be drawn between absolute and relative grounds of refusal in Sections 7 and 8, respectively, of the Act. This is the dichotomy envisaged by the legislative draftsman and the approach taken in *PT Abadi*, as the Applicants point out. As *Kerly's* has succinctly summarized the intent and thrust of Section 7(4)(b) and Section 7(5), I will not belabor the point.

66 The Applicants' reliance on Section 23(1) read with Section 7(4) and (5) to allege passing off and deception is misguided. This ground of invalidation is wrongly pleaded and therefore fails.

#### **Ground of Invalidation under Section 23(3) read with Section 8(7)(a)**

67 Section 23(3) of the Act reads:

- (3) The registration of a trade mark may be declared invalid on the ground —
  - (a) that there is an earlier trade mark in relation to which —
    - (i) the conditions set out in section 8(1) or (2) apply;
    - (ii) where the trade mark has been registered pursuant to an application for registration of the trade mark made before 1st July 2004, the conditions set out in section 8(3) apply; or
    - (iii) where the trade mark has been registered pursuant to an application for registration of the trade mark made on or after 1st July 2004, the conditions set out in section 8(4) apply; or
  - (b) that there is an earlier right in relation to which the condition set out in section 8(7) is satisfied,  
unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

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

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

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

### *Applicants' Submissions*

69 With respect to the element of goodwill under passing off, the plaintiff usually discharges his burden of proving goodwill by tendering evidence of his sales volume and/or the extent and amount of advertisement and media coverage of his business conducted under that mark, *Raffles Fine Arts Auctioneers Pte Ltd v Raffles Corporate Consultants Pte Ltd* [2010] SGIPOS 1 (“*Raffles Fine Arts*”) at [80].

70 The Applicants submit it is clear from the evidence that they had already accumulated goodwill in the trade name “AUTOZONE” at the time the Registered Proprietors applied for registration of the Registered Marks. This includes having been registered as a business under the name Autozone Automotive Enterprise since 11 November 1995, invoices showing advertisements taken out with the Singapore Cycle and Motor Traders’ Association , BKIS Trading and the Yellow Pages in 1996 as well as sales and purchases to and from local, Taiwanese and Indonesian companies in 1996 and 1997.

71 The Applicants then submit, based on the Registered Proprietors' evidence, that there has been no use of the Registered Marks in Singapore before 1996 and the Registered Proprietors cannot claim any rights or interest in the trade name “AUTOZONE” during this period.

72 With respect to the element of misrepresentation, the Applicants refer to *Raffles Fine Arts* at [102]:

The key element for misrepresentation is deception. The main issue to be resolved is whether the defendant had made a false representation that led to or is likely to lead to deception or confusion amongst the public? The nature of the deception or confusion may relate to the trade source of the goods or services, or to the quality of the goods or services. Although the key element is deception, it is not necessary to prove that the defendant has an intention to deceive or mislead the public. It has been said that the state of the mind of the defendant is immaterial but rather what matters is the impact on the persons to whom the misrepresentation is addressed.

73 The Applicants submit that the use of the Registered Marks by the Registered Proprietors constitutes a misrepresentation and will confuse the public into thinking that the services provided by the Registered Proprietors share the same source as the Applicants' services; or that the Applicant’s services are connected to the Registered Proprietors' services.

74 The Applicants cite the following principles from *Sabel BV v Puma AG* [1998] RPC 199 at page 224, in determining if there will be confusion caused to the public:

- a. the likelihood of confusion is to be appreciated globally, based on the overall impression of the marks;



- b. the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion; and
- c. the more distinctive the earlier mark the greater will be the likelihood of confusion.

75 Applying the above principles, a reasonable member of the relevant section of the public (being the actual and potential customers of the Applicants) is likely to be confused by the misrepresentation of the Registered Proprietors as:

- a. The word “Autozone” is a distinctive and integral part of the Registered Marks and is identical to the trade name used by the Applicants. Taking into consideration the visual, aural and conceptual similarity between the Registered Marks and the Applicants' trade name, there is clearly a strong likelihood that the relevant public will be confused into thinking that the Registered Marks and trade name “AUTOZONE” originate from the same trade source.
- b. The Registered Proprietors engage in similar if not identical services to that provided by the Applicants and the parties can be considered to be competing with each other such that confusion is likely to occur.
- c. The Applicants' trade name consists of the word “Autozone”, a coined term which is inherently distinctive or has acquired distinctiveness through use.

76 With respect to the element of damage, the Applicants submit that if the Registered Proprietors and Applicants are in competition with each other, the court will readily infer damage or the likelihood of damage as affirmed in *Mainfreight (S) Pte Ltd v Mainfreight International Logistics Pte Ltd* [2012] SGHC 169 at [73]:

The plaintiff...only needs to prove the likelihood of damage in order to succeed in its claim in passing off. [Where] it cannot be disputed that the defendant’s goods and services were in direct competition with the plaintiff’s, naturally, the defendant’s business would take away unfairly part of the legitimate business of the plaintiff. There was therefore every likelihood of damage.

77 Accordingly, as the Registered Proprietors and Applicants are both in the business of selling and distributing automobile parts, damage or the likelihood of damage to the Applicants' business is inevitable.

### ***Registered Proprietors' Submissions***

78 The Registered Proprietors submit that the application date of the Registered Marks, 13 February 1999, is the relevant date for determining whether the Applicants had goodwill. As such, only evidence that pre-date 13 February 1999 is relevant. From the evidence that pre-date this filing date, it is clear that the name used in trade by the Applicants is "Autozone Automotive Enterprise" and not "Autozone" alone. Thus, the Registered Proprietors argue that the Applicants have not acquired goodwill in "Autozone" alone in Singapore.

79 Following the Court of Appeal decision in *Amanresorts* at [44], goodwill may be limited to particular sections of the public. The Applicants' evidence states that they are in the "*business of importing, exporting and wholesaling of aftermarket automotive spare parts for most Japanese vehicles*". Further, the invoices exhibited by the Applicants indicate their imports from companies in Taiwan, their exports to Batam, and their sales to companies in Singapore. In light of this, the Registered Proprietors submit that the relevant sector of the public in Singapore to be considered, in accordance with the Applicants' own description of their business and with their exhibits, is the group of retailers that require wholesale services relating to automotive spare parts.

80 The Registered Proprietors then deal in turn with the Applicants' evidence of sale and import; and evidence of advertising.

81 With regard to the Applicants' evidence of sale and import, the Registered Proprietors submit it is significant that the Applicants have not produced any sales figures at all for the period pre-dating the relevant date of 13 February 1999. The annual sales turnover figures in evidence begin from the year 2003, which is not relevant to the present invalidation action.

82 The Registered Proprietors submit that the only relevant evidence of sale and import pre-dating 13 February 1999 comprises (a) a single statement of account that was addressed to a Singapore company dated July 1996 purportedly in respect of wholesale services for automotive parts; and (b) documents (cargo clearance permit, bill of lading, invoice and packing list) relating to two purported instances of the Applicants' imports from Taiwan in 1996 and 1997.

83 The Registered Proprietors argue that the sale to a Singapore company and two instances of import of car accessories from Taiwan are sporadic, referring to the High Court decision in *Future Enterprises Pte Ltd v Tong Seng Produce Pte Ltd* [1997] 3 SLR(R) 797 ("*Future Enterprises*") at [41] for the principle that:

Sporadic sales without any evidence of a certain level of local consumer/vendor awareness of the brand and its availability cannot in themselves constitute the acquisition of a reputation in Singapore.

84 In *Future Enterprises*, the plaintiff mainly advertised and exported its "MacCoffee" products overseas. There was barely evidence of sales and advertisement of the plaintiff's "MacCoffee" products in Singapore at the time that the claim for passing off was made. Therefore the High Court held that the plaintiff failed to show goodwill that attaches to its "MacCoffee" products.

85 Likewise in the present case, the Applicants' sales and import are sporadic and thus, they have not acquired any goodwill in Singapore.

86 Further and in any case, the Registered Proprietors argue that the Applicants' services as evinced by the evidence of sale and import only relate to import and wholesaling services, and not retail services as offered by the Registered Proprietors.

87 With regard to the Applicants' evidence of advertising, the Registered Proprietors identified only three items of evidence which pre-date the relevant date of 13 February 1999. These are (a) an invoice dated 17 September 1996 for advertising in the Membership

Directory in the Singapore Cycle & Motor Traders' Association; (b) an invoice dated 8 October 1996 for advertising in the 1996 edition of Yellow Pages; and (c) an invoice dated 14 March 1996 for computer labels.

88 In relation to the above evidence of purported advertising, the Registered Proprietors point out that the invoices for advertising in the Membership Directory in the Singapore Cycle & Motor Traders' Association and 1996 edition of Yellow Pages 1996 are not supported by copies of the actual advertisements, and there is no way of ascertaining what was advertised, if at all. The invoice dated 14 March 1996 for "computer labels" is also not supported by documents explaining what these "computer labels" were, the scope of advertising, or the goods/services which were advertised. They submit that these documents should thus be disregarded.

89 Further and in any case, even if there is evidence of advertising to demonstrate goodwill, the Registered Proprietors submit that any goodwill only relates to wholesale services and import services, not retail services as offered by the Registered Proprietors.

90 Even if there is relevant goodwill, the Registered Proprietors further submit that there is no misrepresentation.

91 In *The Singapore Professional Golfers' Association v Chen Eng Waye and others* [2013] SGCA 18 ("*Professional Golfers*"), the Court of Appeal held at [49] that for the purposes of misrepresentation, the relevant public consists of "*all those persons who have an actual or potential interest, whether directly or indirectly, in the claimant's products, services, or activities*". In the instant case, by the Applicants' case, their actual and potential customers in Singapore are retailers that require wholesale services relating to automotive spare parts.

92 The Registered Proprietors submit that there is neither actual nor likely confusion among the above relevant sector of the public. The test of whether there is a likelihood of confusion was stated by the Court of Appeal in *Sarika Connoisseur Café Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 at [57]-[59]:

... it is settled law that the test to be adopted in determining the likelihood of confusion is whether a substantial portion of the relevant public will be confused. As regards what constitutes a "substantial portion" of the relevant public, this court had the occasion to deal with an identical set of words found in s 8(3)(b)(iii) TMA concerning trade mark opposition proceedings in *Hyundai Mobis (CA)* (at [77]-[82]). The identical words were "there exists a likelihood of confusion on the part of the public." We agree with the Judge that the essence of this requirement is that there must not be an insubstantial number of the relevant public being confused...

...In *City Chain* ([16] *supra*)...this court explained in some detail who would constitute the "relevant public". Where a product is commonly available and purchased by the general public, the average consumer would be the general public: *City Chain* at [56]. Even so, the court will nonetheless try to ascertain in such cases who the target consumers really are: *City Chain* at [59].

93 Importantly, it is stated in C. Wadlow's *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 4<sup>th</sup> Ed. (London: Sweet & Maxwell, 2011) at [8-059] ("*Wadlow*") that

"the way in which goods or services are supplied has a major effect on the likelihood of deception occurring". In this case, the Registered Proprietors submit that there are significant differences in the way the respective parties supply their goods and services, such that it is highly improbable that the relevant consumers will be confused into thinking that the Registered Proprietors' retail services are those of or connected to the Applicants.

94 First, the target consumers are different. The Registered Proprietors provide retail services to end-consumers, rather than wholesale and import services. On the other hand, as argued above, the Applicants' goodwill (if any) can only be confined to wholesale or import services for retailers of automotive parts, as that is the extent of the evidence that they have adduced. This is corroborated by the claim on the Applicants' website at [www.autozone.com.sg](http://www.autozone.com.sg) which states that "Autozone Automotive Pte Ltd is a Singapore local company that commenced operations in 1996, specializing in importing, exporting and wholesaling of aftermarket automotive spare parts for most of the Japanese vehicles".

95 Second, the Registered Proprietors claim that they provide retail services by means of their website, email and telephone communications. A comprehensive catalogue of the Registered Proprietors' products is available on their website. For a buyer in Singapore to purchase the Registered Proprietors' goods, he would typically have to take the following steps in order:

- a. send an enquiry using a feedback form on the Registered Proprietors' website at <https://www.autozone.com/autozone/contactus/generalComments.jsp> to find out how to order
- b. know that the Registered Proprietors are based in the United States, and that the goods would have to be delivered from the United States to Singapore by international courier services (i.e. Fedex), hence entailing a waiting time
- c. place an order by completing a form with his purchase details
- d. submit the form to the Registered Proprietors via email
- e. provide his credit card details for overseas payment, via email.

96 The Registered Proprietors argue that, given a buyer in Singapore has to take so many steps before purchasing their goods, he is highly unlikely to be confused into thinking that the Registered Proprietors are connected or associated with the Applicants which, in contrast, are a business based in Singapore, with a physical shop presence in Singapore where a consumer would have to go to directly to view and / or purchase his goods, hence removing any possible likelihood of confusion.

97 Third, the Registered Proprietors also submit that the reasonable member of the relevant sector of the public is the prudent retailer who purchases his goods in bulk and will pay a hefty amount for his purchase. Such a prudent retailer is likely to be discerning of what they purchase and from whom they purchase from.

98 In light of the aforementioned, the Registered Proprietors argue that the relevant sector of the public is highly unlikely to be confused into thinking that their retail services are those of or connected to the Applicants.

99 In addition, the Registered Proprietors contend that the Applicants' delay in taking any action against the former is significant. They refer to **Wadlow** at [5-019] that “*The misrepresentation in passing-off must be a material one if it is to be actionable. That is to say it must be such as to create a real, tangible risk of damage to the claimant.*” The following is also stated in **Kerly’s** at [18-237]: “...where the marks have been circulating side by side in the market where deception is alleged to be probable, the fact that no one appears to have been misled is very material, unless satisfactorily explained...”

100 Where both parties’ goods or services have been offered in Singapore for a period of time without any evidence of confusion, the courts may draw the inference that the likelihood of confusion will not arise. The Registered Proprietors refer to an English decision **Daimlerchrysler AG v. Javid Alavi (T/A Merc)** [2001] RPC 22 at [67] on passing off that:

...there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists.

101 Locally, a similar position was adopted in the Singapore Court of Appeal of decision of **Super Coffeemix**. In this case, the Court in holding that there was no passing off took account of the fact that the Plaintiff’s and Defendant’s products co-existed on the market for a period of more than 5½ years without any evidence that during that long period any consumer had been deceived, having bought the Defendant’s "INDOCAFE Coffeemix" instant coffee when he was thinking of the Plaintiff’s "SUPER COFFEEMIX" instant coffee.

102 The Registered Proprietors submit that, based on the above cases, this period of time is likely to be around 4-5 years. The Registered Marks were filed in Singapore in 1999. As shown above, the Registered Proprietors' website “AutoZone.com” was launched in 1996. Coincidentally, this was the same year that the Applicants claim to have commenced trading in Singapore under “Autozone Automotive Enterprise”. Yet, the Applicants brought this action only in 2010. As of 2010, both marks had co-existed on the market for a period of at least 14 years. In light of the above cases, it is submitted that this 14-year time period is more than sufficient for a finding that no passing off has or will occur. The Applicants have not alleged or even adduced a single instance of confusion in all of this time. The Applicants had not, in all of this time, deemed it necessary to take any action against the Registered Marks at all. Clearly, the Registered Proprietors submit, no confusion has arisen, or will arise.

103 With regard to the third element of damage, the Registered Proprietors submit that the registrations of the Registered Marks do not pose any real, tangible risk of damage at all to the Applicants. Further, the Applicants have not put forward any evidence to show any actual or likely damage.

104 Based on the above, the Registered Proprietors conclude that this ground of invalidation must be dismissed.

**Decision on Section 23(3) read with Section 8(7)(a)**

105 The test for passing off is mostly uncontroversial and the High Court in *Ferrero SPA v Sarika Connoisseur Cafe Pte Ltd* [2011] SGHC 176 set out the elements to be established at [193] as follows:

To succeed in an action for passing off, the Plaintiff must establish the following elements of the “classical trinity” (*Amanresorts* at [36]-[37], citing *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 (“*CDL Hotels*”) at [86]):

(a) First, that the plaintiff has goodwill attached to the goods which he supplies in the mind of the purchasing public by association with the identifying “get-up” (including, *inter alia*, brand names) under which his particular goods are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods (hereinafter, referred to as the element of “goodwill”).

(b) Second, that the defendant has made a misrepresentation to the public (whether intentional or otherwise) leading or likely to lead the public to believe that goods offered by the defendant are those of the plaintiff (hereinafter, referred to as the element of “confusing misrepresentation”); and

(c) Third, that the plaintiff suffers, or is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation (hereinafter, referred to as the element of “damage”).

106 I will examine these requisite elements in turn.

### *Goodwill*

107 The Court of Appeal in *Amanresorts* at [39] describes goodwill as follows:

Like that other great force of attraction which we call "love", "goodwill" is ephemeral and hard to define. 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).

108 In the recent decision of *The Singapore Professional Golfers' Association v Chen Eng Waye and others* [2013] SGCA 18 ("*Professional Golfers*"), the Court of Appeal also describes goodwill at [21]-[22] as follows:

It connotes the magnetic quality of the product and its association with the claimant such that customers return and patronise the same business, or purchase the same product or other products from the same brand: *Bently & Sherman* at p729. The goodwill in question is the integral feature of the relationship between the trader and his customers that the tort of passing off seeks to protect. The action for passing off is not directly concerned with the protection of a mark, logo or get-up of a business. That is more the province of the law of trade marks. Rather, passing off is concerned with protecting the goodwill between a trader and his customers: *CDL Hotels* at [45].

A trader's goodwill is also to be distinguished from his reputation. As this court has stated previously in *CDL Hotels* at [46], goodwill cannot exist on its own, but instead attaches to a business in a jurisdiction and is manifested in the custom that it in fact enjoys. Reputation, on the other hand, can exist without a supporting business relationship: *CDL Hotels* at [46]. Because goodwill is not an abstract concept but, rather, one that describes the state of a trader's relationship with his customers, it is often proved by evidence, including that of the trader's sales, or the expenses incurred in promoting his goods and services in association with the mark or brand that they bear.

109 The relevant date to consider an allegation of passing off under Section 8(7)(a) of the Act is the date of application of the Registered Marks, which is 13 February 1999. Thus, the question of goodwill is to be assessed as on 13 February 1999.

110 The relevant evidence of use furnished by the Applicants in support of their claim to goodwill (which must entail use in Singapore) as at 13 February 1999 are, as set out under the Registered Proprietors' submissions above, (a) a single statement of account (for 11 invoices issued in July 1996) that was addressed to a Singapore company dated July 1996 purportedly in respect of wholesale services for automotive parts; and (b) documents (cargo clearance permit, bill of lading, invoice and packing list) relating to two purported instances of the Applicants' imports from Taiwan in 1996 and 1997. The sales figures given post date 13 February 1999 and begin in 2003. The Applicants' relevant evidence of advertising which pre-date the relevant date of 13 February 1999 are (a) an invoice dated 17 September 1996 for advertising in the Membership Directory in the Singapore Cycle & Motor Traders' Association; (b) an invoice dated 8 October 1996 for advertising in the 1996 edition of Yellow Pages; and (c) an invoice dated 14 March 1996 for computer labels.

111 As for advertising in Singapore, the Applicants' expenditure for the relevant years is as follows:

| <b>Year</b> | <b>S\$</b> |
|-------------|------------|
| 1996        | 5,000      |
| 1997        | 6,000      |
| 1998        | 6,500      |
| 1999        | 7,000      |

112 From the exhibits in the Applicants' evidence, the above expenditure is presumably incurred in respect of advertising in the Membership Directory in the Singapore Cycle &

Motor Traders' Association and in the SingTel Yellow Pages. The Applicants are also listed in online directories such as sgCarMart.com, oneshift.com and asianbuyersguide.com (Asian Exporters and Importers Trade Directory). The latter listings are either undated or appear to be after the relevant date. The Applicants have also taken part in the AMPA (Asia's Most Professional Auto Parts and Accessories Exhibition) auto show and the TAPA (Thailand Auto Parts & Accessories) auto show, both in 2010 after the relevant date.

113 In the instances of use and advertisement, the Applicants are consistently referred to as "Autozone Automotive Enterprise". On their website at www.autozone.com.sg, on the home page, the words "Autozone Always Dedicated, Always Moving Forward" appear at the top left corner. However the only date reference is found in the copyright notice which indicates "Copyright © 2005-2010"; this post-dates the relevant date.

114 Based on the evidence of use and advertisement, I think it is the indicia "Autozone Automotive Enterprise" rather than "Autozone" which should be the subject matter of consideration when determining whether the element of goodwill is made out.

115 The Court of Appeal in *Amanresorts* considered the issue of goodwill in four steps at [40] to [66] and I do likewise in the present case.

(1) The specific sector of the public to be considered

116 In *Amanresorts*, it was opined at [44] that:

In our view, goodwill is not an all-or-nothing attribute in that it is not the case that the plaintiff either has goodwill in Singapore or, otherwise, has no goodwill at all. Clearly, goodwill can be limited to particular sections of the public. These sections of the public can be small so long as they are not negligible. However, if goodwill is shown to exist only among a small section of the public in Singapore, it would mean that, while goodwill exists in this country, it exists only in relation to that small group and not to the entire public here at large.

117 The Applicants' evidence discloses that they are in the business of importing, exporting and wholesaling aftermarket automotive spare parts for most Japanese vehicles. Their invoices and sales documents evince only business-to-business transactions. They claim, at paragraph 4 of Neo Chin Aik's statutory declaration, that they established a sales network in Singapore by 1998 and currently, they have a customer network in over 30 countries around the world. As the Registered Proprietors have pointed out, the Applicants have not furnished sales turnover figures from 1999 and earlier.

118 Based on the relevant evidence filed by the Applicants, the specific sector of the public to be considered here would be businesses in Singapore that actually or potentially use the Applicants' services, and not the entire public at large in Singapore.

(2) Whether the indicia "Autozone Automotive Enterprise" has an attractive force for custom among the relevant sector of the public

119 Further at [60] of *Amanresorts*, the Court of Appeal clarified that:



In the present case, even if the "Aman" names were generally known throughout the whole of Singapore, it would not necessarily mean that the Respondents have goodwill in those names to that extent. It must be recalled that goodwill, apart from being an association of a good, service or business with a particular source, must also be "[an] attractive force which brings in custom" [emphasis added] (see *IRC v Muller & Co* ([39] *supra*) at 224). In other words, whether or not there is goodwill attached to a name also depends on whether or not there are any actual and/or potential customers of the goods, services or business marketed under that name.

120 In the instant case, there is no issue that the Applicants have actual and potential customers for their services marketed under "Autozone Automotive Enterprise", as evidenced by their statement of account and invoice. The examples cited by the Court of Appeal in *Amanresorts*, limitation due to availability and limitation due to price, do not apply here.

121 Therefore, based on the limited evidence of use and advertising, I am still prepared to find that "Autozone Automotive Enterprise" has an attractive force for custom among the relevant sector of the public, identified under (1) above as businesses in Singapore that actually or potentially use the Applicants' services.

(3) The type of business in respect of which goodwill in the indicia "Autozone Automotive Enterprise" exists

122 As observed at [117], the Applicants are in the business of importing, exporting and wholesaling of aftermarket automotive spare parts for most Japanese vehicles. Their exhibits evince business-to-business transactions dealing with bulk orders.

123 Thus, it is reasonable to conclude that goodwill in the indicia "Autozone Automotive Enterprise" exists in relation to the Applicants' import, export and wholesale business for automotive spare parts in Singapore. The demonstrated goodwill does not extend so far as to retail services for the end-user such as car owners and car enthusiasts.

(4) Conclusion on the extent of the goodwill attached to the indicia "Autozone Automotive Enterprise"

124 Given the limitations outlined above, I am of the view that the Applicants' goodwill in the indicia "Autozone Automotive Enterprise" in Singapore is limited largely to businesses in Singapore that actually or potentially use the Applicants' import, export and wholesale services in respect of automotive spare parts.

### *Misrepresentation*

125 In *Amanresorts*, the Court of Appeal considered the issue of misrepresentation in three steps at [70] to [93] and I similarly adopt this approach:

(1) The content of the misrepresentation

126 The Applicants allege that the use of the Registered Marks by the Registered Proprietors would constitute a misrepresentation that their services share the same source as the Applicants' services; or that the Applicants' services are connected to the Registered Proprietors' services.

(2) The target audience of the misrepresentation

127 In *Amanresorts* at [75], it was held that "*the alleged misrepresentation must be analysed from the perspective of those who have goodwill in the plaintiff's get-up ... the group of people who, we have held, have goodwill towards the "Aman" names*". In *Professional Golfers* at [43], the Court of Appeal reiterated that "*it is necessary to assess the effect of the misrepresentation on the relevant segment of the public, which typically is that segment of the public in which the claimant's goodwill actually or potentially, directly or indirectly subsists*." The court explained at [49] that "*it is evident that the relevant segment of the public would consist of all those persons who have an actual or potential interest, whether directly or indirectly, in the claimant's products, services, or activities*."

128 Accordingly, the target audience of the alleged misrepresentation here are the businesses in Singapore that actually or potentially use the Applicants' import, export and wholesale services in respect of automotive spare parts.

(3) Whether the misrepresentation resulted in confusion

129 It is settled law that "*A misrepresentation is actionable under the law of passing off only if it gives rise to confusion. The two elements – misrepresentation and confusion – together form the 'deception' referred to by Lord Diplock in the Advocaat case...*", see *Amanresorts* at [77]. The Court of Appeal in *Professional Golfers* held at [54] that the court would essentially embark upon "*an evaluation of whether, in all the circumstances, there is a likelihood that the relevant segment of the public might be left with the mistaken impression that the defendant's business or organisation is in fact the same as or economically connected with the claimant's*."

130 The question to be asked at this stage is: Will the businesses in Singapore that actually or potentially use the Applicants' import, export and wholesale services in respect of automotive spare parts believe that the Registered Proprietors' retail services have the same source as the Applicants' services or are somehow connected?

131 The Court of Appeal in *Professional Golfers* opined at [42] that:

...[T]he key inquiry is to ascertain whether the relevant public would be likely led to believe that the goods, services or activities offered by the defendant are those of the claimant (*Borden* at 499), or of an entity connected to or associated with the claimant (*Hyundai Mobis* at [51]-[52]). There is no requirement for actual confusion to be shown, though evidence of actual confusion may well be helpful (*Amanresorts* at [80]).

132 Likewise here, although there is no evidence of actual confusion, the Applicants may succeed under the ground of passing off if there is a likelihood of confusion. Bearing this in mind, I consider whether the factual matrix of the present case supports a finding that a reasonable member of the target audience identified at (2) above is likely to be confused by the alleged misrepresentations.

133 On a comparison of the Registered Marks on the one hand and the Applicants' indicia "Autozone Automotive Enterprise" on the other, there is some similarity between them but

also certain differences. The common element is "Autozone". However, "Autozone Automotive Enterprise" is significantly longer both visually and aurally. It comprises a tri-syllabic triplet which leaves an impression that is distinguished from the Registered Marks. Conceptually, "Autozone Automotive Enterprise" embodies more meaning than the Registered Marks. On the other hand, the word "Autozone" is invented and relatively distinctive; and it appears in both the Registered Marks and the Applicants' indicia.

134 Another factor to consider is whether the business and services to which the Applicants' get-up is applied are in the same or a closely related field as that to which the Registered Proprietors' business and services belong, see *Amanresorts* at [84].

135 The Registered Proprietors have submitted that the nature of business and services; and the target audience of the parties respectively differ. In this regard, I have found that the Applicants' goodwill resides in the limited sphere of businesses in Singapore that actually or potentially use the Applicants' import, export and wholesale services in respect of automotive spare parts. Their target audience is mainly businesses, to whom import and wholesale services are relevant. As for the Registered Proprietors, they are a mass market online retailer of automotive parts and accessories targeted primarily at the US market. Hence, the business, services and target audience of the parties are indeed distinguishable.

136 Further, the way in which the respective services are supplied has a major effect on the likelihood of deception occurring, see *Wadlow* at [8-059]. In this respect, the Registered Proprietors provide retail services by means of their website, email and telephone communications. For a buyer in Singapore to purchase the Registered Proprietors' goods found on their website, the many steps to take have already been set out at [95] above. It is far from straightforward or user-friendly for a Singapore buyer. On the other hand, the Applicants operate from a physical location with a sales office at 27 Roberts Lane, Singapore 218306. In their oral submissions, the Applicants indicate that business is conducted through their sales office and not through their website which is static (except indirectly by displaying contact details on the website).

137 Also, as found at [128] above, the relevant perspective from which misrepresentation is ascertained is that of the businesses in Singapore that actually or potentially use the Applicants' import, export and wholesale services in respect of automotive spare parts. This type of customer is reasonably assumed to exercise care in the selection of the spare parts seller and in the purchase of spare parts. Furthermore, the evidence shows a tendency for businesses to buy in bulk from the Applicants. The decision to buy is not one made on impulse, but rather an informed one based on business needs, constraints and realities. Discernment is expected to be exercised in the selection and order of goods. Combining these considerations with the manner in which the parties' respective services are supplied, described in the preceding paragraph, it would be difficult for businesses that actually or potentially use the Applicants' services in respect of automotive spare parts to be exposed to any alleged misrepresentation and then be confused thereby.

138 Thus, overall on the balance, I am persuaded that there is no likelihood of confusion and accordingly, the element of misrepresentation is not established.

*Damages*

139 It further follows that as the Applicants have not established misrepresentation, the element of damage is not made out.

#### *Conclusion*

140 The ground of invalidation under Section 23(3) read with Section 8(7)(a) therefore fails.

#### **Ground of Invalidation under Section 23(4)**

141 Section 23(4) of the Act reads:

(4) The registration of a trade mark may be declared invalid on the ground of fraud in the registration or that the registration was obtained by misrepresentation

#### *Applicants' Submissions*

142 The Applicants refer to the IPOS decision in *SubAir Systems, LLC v SubAir Systems Asia Limited* [2010] SGIPOS 9 ("*SubAir*") at [35] where the Registrar found, in relation to Section 23(4), that:

... the mere making of an application to register a trade mark entails an implied representation to the Registrar that an applicant had the right to do so. If an applicant did not have the right to make an application to register a trade mark, and still did so, such act would amount to a "form of *untrue* representation.

143 The Applicants claim to have used the trade name "AUTOZONE" in Singapore since 1995. As such, by the time the Registered Proprietors applied to register the Registered Marks in 1999, they should have been aware that "AUTOZONE" served as a badge of origin for the Applicants.

144 Therefore, the Registered Proprietors had obtained registration of the "Autozone" mark by misrepresenting to the Registrar that they were the bona fide proprietors of the marks when they should have been aware of the Applicants' right and interest in the trade name "AUTOZONE".

#### *Registered Proprietors' Submissions*

145 The Registered Proprietors assert that they are the applicant and/or proprietor of marks consisting of "AUTOZONE" in at least 50 countries worldwide. They own 339 registrations and pending applications of marks consisting of "AUTOZONE", and have used the Registered Marks worldwide since as early as 1987. The Registered Marks have, through the Registered Proprietors' own efforts, been used, advertised and promoted and become distinctive of the Registered Proprietors.

146 At the time that the Applicants claim to have started trading in 1996, AutoZone had already been using the Registered Marks for almost 10 years and owned 23 registrations and pending applications of the Registered Marks in nine countries, including the United States of America, Australia, New Zealand and the United Kingdom. It is clear that the name "AUTOZONE" was first coined and used by the Registered Proprietors. It is therefore the

Applicants who have misrepresented and who should have been aware of the Registered Proprietors' prior rights and interests in the word "AUTOZONE".

147 Accordingly, the Registered Proprietors did not obtain the registration of the Registered Marks by misrepresentation and this ground of invalidation must be dismissed.

***Decision on Section 23(4)***

148 Under this ground of invalidation, I am to consider whether the registration of the Registered Marks was procured by misrepresentation. In this instance, the specific misrepresentation alleged by the Applicants is that by the mere application to register the Registered Marks, the Registered Proprietors put themselves out to be the bona fide proprietors of the Registered Marks notwithstanding the Applicants' right and interest in the trade name "AUTOZONE".

149 In cases where a finding of misrepresentation under Section 23(4) was made (for example, in *National Dairies Ltd v Xie Chun Trading Pte Ltd* [1997] 2 SLR(R) 969 ("*National Dairies*") and in *SubAir*), the registered proprietor in question actually knew that it was not entitled to apply for the registration of the mark in issue. In *National Dairies*, the registered proprietor (the respondents) was only the sole agent to the true owner of the mark but the statutory declaration "*contained at best half-truths designed to portray the picture that the respondents were the proprietors of the mark*" ([29] of *National Dairies*) and the Registrar registered the mark on the strength of the statutory declaration. In *SubAir*, the registered proprietor had a pre-existing contract with the owner of the mark and was contractually obliged not to attempt to register the mark. There is a mental element in Section 23(4) that should not be too easily imputed and one should be cautious in finding "constructive" misrepresentation.

150 In contrast to *National Dairies* and *SubAir*, in the present case, the Registered Proprietors have adopted the Registered Marks since as early as 1987. Their website www.autozoneinc.com was launched in 1996. As at the application date of 13 February 1999, when the Registered Proprietors sought registration for the Registered Marks, they have used the Registered Marks for about 12 years worldwide.

151 The Applicants commenced business in 1996, about three years before 13 February 1999. However, this does not necessarily mean, contrary to what the Applicants assert, that the Registered Proprietors should have known of the Applicants' earlier right and interest in "AUTOZONE". Even had they known that the Applicants have conducted business under the partnership name "Autozone Automotive Enterprise" for three years before the application date, they did not necessarily misrepresent that they were entitled to seek registration for the Registered Marks when they were not. This is because they had already adopted the Registered Marks in 1987, long before the Applicants were even registered as a business. On 13 February 1999, it could have been theoretically possible for either the Applicants or the Registered Proprietors to file trade mark applications for "AUTOZONE" without either party misrepresenting to the Registrar that they were entitled to seek registration when they were not, owing to the other party's existence and respective use of signs comprising the word "AUTOZONE". In fact, in the High Court decision in *Weir Warman*, the defendant had equal right as the plaintiff to register the mark in dispute and hence, there was no misrepresentation.

152 The ground of invalidation under Section 23(4) therefore fails.

**Conclusion**

153 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the revocation succeeds under Section 22(1)(a), (b) and the invalidation fails on all grounds.

154 Accordingly, the Registered Marks shall be revoked as of 1 March 2010. The Applicants are also entitled to costs to be taxed, if not agreed.

Dated this 10<sup>th</sup> day of April 2013

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See Tho Sok Yee

Principal Assistant Registrar of Trade Marks  
Hearings and Mediation Group  
Intellectual Property Office of Singapore