

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

Trade Mark No. T1105467E
17 July 2013

IN THE MATTER OF A TRADE MARK APPLICATION BY

ALPHASONICS (PTE) LTD

AND

OPPOSITION THERETO BY

ALPHASONICS (ULTRASONIC CLEANING SYSTEMS) LTD.

Hearing Officer: Mr Mark Lim Fung Chian
Principal Assistant Registrar of Trade Marks

Ms Francine Tan (Francine Tan Law Corporation) for the Applicants

Ms See Tow Soo Ling with Ms Beverly Wee (Colin Ng & Partners LLP) for the
Opponents

Cur Adv Vult

GROUND OF DECISION

1 Alphasonics (Pte.) Ltd ("**the Applicants**"), applied to register the following trade mark in Singapore on 27 April 2011 ("**Application Date**") in Classes 1, 3 and 7 in respect of the following goods:

Application Mark	Specification of Goods
 <p data-bbox="240 506 526 575">("the Application Mark")</p>	<p data-bbox="548 306 646 338"><u>Class 1</u></p> <p data-bbox="548 344 1385 520">Chemical cleaning agents for use in industrial processes; chemical products for use in industrial cleaning process; cleaning preparations, cleaning solvents, and liquid cleaning compositions for use in industrial processes; industrial chemicals.</p> <p data-bbox="548 562 646 594"><u>Class 3</u></p> <p data-bbox="548 600 1385 743">Cleaning preparations for laboratory instruments; bleaching substances for use in industrial cleaning; chemical preparations for cleaning [other than for chimneys]; cleaning preparations; glass cleaning preparations; soaking [cleaning] preparations.</p> <p data-bbox="548 785 646 816"><u>Class 7</u></p> <p data-bbox="548 823 1373 854">Ultrasonic cleaning apparatus and instruments for industrial use.</p>

2 The application was accepted and published on 30 September 2011 for opposition purposes. Alphasonics (Ultrasonic Cleaning Systems) Ltd. ("**the Opponents**") filed their Notice of Opposition to oppose the protection of the Application Mark on 29 November 2011. The Applicants filed their Counter-Statement on 16 January 2012. The Opponents later filed Amended Grounds of Opposition on 25 May 2012 to correct and clarify certain paragraphs in the Grounds of Opposition. By letter dated 28 May 2012, the Applicants reiterated their position as set out in their Counter-Statement.

3 The Opponents filed evidence in support of the opposition on 15 March 2012. The Applicants filed evidence in support of the application on 21 September 2012. The Opponents did not file any evidence in reply. On 24 January 2013, the Opponents sought leave to cross-examine Mr Hoi Tien Loong ("**Hoi**"), the Applicants' witness in these proceedings. The Registrar granted leave for cross-examination under Rule 69(3) of the Trade Marks Rules. On 17 June 2013 the parties filed and exchanged their written submissions (referred to hereafter as "**the Applicants' Written Submissions**" and "**the Opponents' Written Submissions**" as the case may be). The opposition was heard, and the cross-examination of Hoi took place, on 17 July 2013. The parties' written submissions arising from oral testimony of the Applicants' witness, and further submissions on the issue of what is the threshold for goodwill to exist to sustain a ground of opposition under Section 8(7)(a) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("**the Act**"), were filed with the Registrar and exchanged with each other after the hearing on 14 August 2013 (referred to hereafter as "**the Applicants' Further Submissions**" and "**the Opponents' Further Submissions**" as the case may be).

Grounds of Opposition

4 The Opponents rely on Sections 8(2)(b), 8(4)(b)(i), 8(4)(b)(ii)(A) and (B), 8(7)(a) and 7(6) of the Act in this opposition.

Opponents' Evidence

5 The Opponents' evidence comprises a statutory declaration made by Mr David Stanley Jones, the Managing Director of the Opponents, on 15 March 2012, in the United Kingdom ("**Opponents' SD**").

Applicants' Evidence

6 The Applicants' evidence comprises a statutory declaration made by Hoi, the founding director of the Applicants, on 21 September 2012, in Singapore ("**Applicants' SD**").

7 In addition to his statutory declaration, Hoi gave oral evidence under oath at the hearing on 17 July 2013. During evidence-in-chief, he confirmed the contents of his statutory declaration to be accurate and complete. I will refer to the evidence given by Hoi during cross-examination, where relevant, in the course of my Grounds of Decision below. At this juncture, I will simply state that I found Hoi to be an honest witness, and accept his evidence as truthful. The Applicants did not have any questions in re-examination.

Applicable Law and Burden of Proof

8 The applicable law is the Act. The undisputed burden of proof in the present case falls on the Opponents.

Background

9 The Applicants are a company incorporated in Singapore, and are the exclusive distributors of ultrasonic cleaning equipment manufactured by a German company known as Elma GmbH & Co. KG ("**Elma**") (referred to hereafter as "**ELMA**" ultrasonic cleaning equipment) in Singapore, Malaysia, Indonesia and the Philippines. Ultrasonic cleaning equipment work through the use of high frequency sound to clean equipment. Essentially, the item to be cleaned is placed in a vessel containing fluid. High frequency sound is applied to the fluid, which creates millions of tiny vacuum bubbles that implode producing a shock wave which removes contamination from the surface of the item to be cleaned. Ultrasonic cleaning equipment is used in a variety of industries, including the laboratory, optics and solar industries; the medical and hygiene sectors; the watch-making and jewellery industries; and the print industry. ELMA is a leading brand of ultrasonic cleaning equipment.

10 Hoi is the founding director of the Applicants. In 2003, he was the shareholder of another company, IS@Work Pte Ltd., which was involved in the sale and distribution of

ultrasonic cleaning equipment. He incorporated the Applicants on 1 January 2010 with a view to continuing this business.

11 The Opponents were founded in Liverpool, England in April 1993. The Opponents claim that they have designed, developed and manufactured ultrasonic cleaning equipment since their inception and have produced nearly 2,000 cleaning systems worldwide under the trade mark "ALPHASONICS", which also forms part of the Opponents' company name. The evidence adduced by the Opponents depicts their mark as represented in the following manner on promotional material and on the surface of their ultrasonic cleaning systems:



("the Opponents' Mark")

12 On 15 April 2011 (i.e. about 15½ months after the Applicants' incorporation), the Opponents sent the Applicants an email demanding that the Applicants cease the use of the Application Mark. On 20 April 2011, the Applicants replied to the Opponents to reject their allegations (details of this correspondence will be discussed below.) On 27 April 2011, the Applicants filed the Application Mark in Classes 1, 3 and 7 (see details in [1] above), which is the subject of the current opposition proceedings.

13 Neither the Opponents' Mark nor the word "ALPHASONICS" has been applied for or registered by the Opponents in Singapore. In these proceedings, the Opponents seek to rely on the protection afforded to well-known trade marks under the Act and on the common law tort of passing off. They also assert that the Application Mark was applied for in bad faith.

MAIN DECISION

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

14 Section 8(2)(b) of the Act reads:

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

...

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

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

(emphasis added)

Threshold Issue – Whether the Opponents' Mark was a "Well Known Trade Mark"

15 It is not disputed that the Opponents' Mark has not been registered in Singapore, nor has an application for registration been made for the Opponents' Mark.

16 The Opponents assert that the Opponents' Mark is an "earlier trade mark" on the basis that it is a "well known trade mark". This is disputed by the Applicants. In the event the Opponents' Mark was not a well known trade mark at the date of application for registration of the Applicants' Mark (i.e. on 27 April 2011), the Opponents' ground of opposition under Section 8(2)(b) of the Act would fail *in limine* (as would the grounds of opposition under Sections 8(4)(b)(i) and 8(4)(b)(ii)(A) and (B)). I will therefore consider this important threshold issue first.

17 Section 2(1) of the Act defines an "earlier trade mark" to mean:

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

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

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

(emphasis added)

18 Section 2(1) of the Act defines a "well known trade mark" 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.

(emphasis added)

19 Section 2(7) of the Act provides that:

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.

20 Section 2(8) of the Act states that "[w]here 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."

21 Finally, Section 2(9) of the Act defines the "relevant sector of the public in Singapore" in Section 2(7) and 2(8) as including any of the following:

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

Opponents' Submissions

22 The Opponents rely solely on the landmark decision of the Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and Another* [2009] 3 SLR(R) 216 ("*Amanresorts*") to support their arguments that the Opponents' Mark is well known in Singapore. In particular, the Opponents rely on *Amanresorts* for the following propositions:

- a. the factors in Section 2(7) of the Act are not exhaustive and the court is free to disregard any or all of the factors and take additional ones into consideration (*Amanresorts* at [137]);
- b. by virtue of Section 2(8) of the Act, Section 2(7)(a) (i.e. the degree to which the trade mark is known to or recognised by any relevant sector of the public in

Singapore) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore” (*Amanresorts* at [139]);

- c. in ascertaining the "relevant sector of the public", the consumers referred to in Section 2(9)(a) of the Act are specifically limited to actual consumers and potential consumers of the goods or services that the Opponents actually offer and not all consumers of everything that may fall under the type of goods or services to which the Opponents' Mark is applied (*Amanresorts* at [145] and [142]); and
- d. the size of the relevant sector of the public in Singapore necessarily depends on the product or service in question. For instance, if the goods in question are of a specialized or technical nature, the size of the group comprising the actual or potential consumers of the goods, persons involved in the distribution channels or businesses or companies dealing with the goods bearing the mark may be small. That the mark is well known in this small group should be sufficient to ground a finding that the mark is well known to the “relevant sector of the public in Singapore” (*Amanresorts* at [146]).

23 Applying these propositions to the current case, in their written submissions, the Opponents submit that the relevant sector of the public in Singapore comprises actual and potential users of ultrasonic cleaning systems. In their subsequent oral submissions, the Opponents appeared to seek to further confine the relevant sector of the public in Singapore to actual and potential users of ultrasonic cleaning systems in the print industry.

24 In support of their contention that the Opponents' Mark is well known, the Opponents rely on the following:

- a. Advertising and promotional efforts: (i) placing of advertisements in the Asian Flexo Magazine ("**AFM**"), which is allegedly Asia's leading regional trade publication for the flexography and gravure industry (note: flexography and gravure are printing methods); according to AFM, it is published four times a year and is circulated to 3,816 companies in 12 countries, including 280 companies in Singapore; and (ii) sponsorship of the Asian Flexographic Technical Association's ("**AFTA**") events; AFTA has apparently held four conferences for its 480 members at which the Opponents have had opportunities to exhibit their products;
- b. Evidence of sales in Singapore: (i) the sale of three ultrasonic cleaning machines in the years 2000-2009; and (ii) the sale of consumables such as cleaning agents and equipment parts in the years 2000-2010;
- c. Global network: since 1993, the Opponents have allegedly established a global presence by selling and servicing equipment bearing the Opponents' Mark in 28 countries across the world; and
- d. Presence in Singapore: the Opponents have allegedly established a presence in Singapore through a company known as X-Works Pte Ltd and customers in

Singapore are directed to X-Works Pte Ltd when the customers require servicing of the equipment.

Applicants' Submissions

25 The Applicants point to *Amanresorts* at [149]:

... the deeming provision in s.2(8) still requires the trade mark in question to be '***well known***' [emphasis added] to the relevant sector of the public in Singapore. In this regard, it is interesting that Singapore did not implement Art 2(2)(c) of the Joint Recommendation [Concerning Provisions on the Protection of Well-Known Marks], which provides that a mark which is merely 'known' to the relevant sector of the public 'may' be considered to be ***well known***. All this suggests that there are different degrees of public knowledge of a trade mark, and the requisite level of knowledge required under Singapore's legislation tends towards the higher end of the scale: i.e., ***to qualify for protection under s. 55 of the current TMA, the trade mark concerned must be more than merely 'known' to the relevant sector of the public in Singapore***. This understanding is borne out by our legislature's intention in enacting s. 55 of the current TMA (and the related provisions therein pertaining to well-known trade marks). At the second reading of the Trade Marks (Amendment) Bill 2004 (Bill 18 of 2004), i.e. the Bill which led to the enactment of the current s. 55 and the other relevant accompanying provisions, Prof S Jayakumar, the Minister for Law, stated (*see Singapore Parliamentary Debates, Official Report* (15 June 2004) vol 78 at col 111):

[T]he Bill will give better protection [to] well-known marks. These are marks which are famous and known to many people. Their owners would have invested substantial amounts of time and money ... ***to generate the high levels of recognition and goodwill associated with these marks***.

(emphasis by Applicants; the provisions in Section 55 of the Act correspond to the provisions relating to well known trade marks in Section 8 of the Act)

26 The Applicants submit that the Opponents have not met their burden of proof that the Opponents' Mark is well known in Singapore, and has failed to establish a *de minimis* level of recognition within the relevant sector for the following reasons:

- a. the Opponents have only sold three ultrasonic cleaning machines over the span of 10 years from 2000-2009;
- b. the Opponents have not provided any evidence of sales or distribution by its alleged distributor in Singapore, X-Works Pte Ltd (the Applicants dispute the Opponents' assertion that X-Works Pte Ltd is the Opponents' distributor in Singapore and point out that the Opponents' website does not identify X-Works Pte Ltd or any other distributor in Singapore);

- c. the fact that the Opponents have a website at www.alphasonics.co.uk which is “readily accessible from Singapore” (see the Opponents' SD at [8]) is, in and of itself, irrelevant to the consideration of whether the mark is well known in Singapore. Websites, unless blocked by governments for reasons of, e.g. censorship or security, are inevitably accessible by Internet users. Moreover, the Opponents have not furnished any evidence of the number and geographical origin of “hits” or visits to its website. Hence, no weight should be placed on this statement: see *Amanresorts* at [54];
- d. there is no evidence that the Opponents have applied to register their mark anywhere in the world, not even in the UK or the European Community;
- e. the few and sporadic occasions of the Opponents' publicity and sponsorship, without more, do not establish the Opponents' Mark as a well known mark in Singapore; further, the Opponents have focused and confined their limited promotional activities to the printing industry; and
- f. Elma, the producers of the ELMA line of ultrasonic cleaning equipment, which is a leading company in the field, has allegedly not come across nor heard of the Opponents.

27 It is not clear from the Applicants' submissions who they regard to be the "relevant sector of the public in Singapore". In the course of oral submissions, it appeared that the Applicants did not disagree with the Opponents' contention in written submissions that this comprises actual and potential users of ultrasonic cleaning systems in Singapore.

Decision on Section 8(2)(b) of the Act

Decision on Threshold Issue

28 The Court of Appeal in *Amanresorts* (at [143] and [144]) recognised that the degree of protection conferred on well known trade marks involves a tension between conflicting policy considerations:

143 There is an overarching policy question, applicable to the general construction of all provisions on the protection of well-known trade marks, which reflects a tension between two key positions. On the one hand, well known trade marks are usually the result of careful planning, hard work, large investments in branding and marketing as well as an established presence in a market. From this perspective, well-known trade marks deserve to be protected because of the time, effort and money which have been expended on their development and promotion. Alternatively, one could justify protection of well-known trade marks from a consumer welfare perspective, in that such trade marks perform crucial signalling, symbolic and even myth-making roles in society. These views may lead one to conclude that well-known trade marks should be given greater

protection than what may loosely be called “ordinary” trade marks (*ie*, trade marks which do not satisfy the definition of “well known trade mark[s]” in s 2(1) of the current TMA).

144 On the other hand, one may legitimately ask whether well-known trade marks deserve any better protection than ordinary trade marks. There are strong economic and social reasons why the answer to this question may well be “no”. Monopolies and barriers to entry created by strong trade mark protection are disincentives to competition and distort the proper functioning of the free market economy. Socially, the commercial monopolisation of words and symbols is detrimental to free enterprise, whether of a commercial or a private nature, in so far as well-known trade marks are likely to be important subjects of everyday commentary, comparison and critique. Even if strong protection of well-known trade marks is justified, some argue that the extra-special rights which accompany such protection should be strictly limited to an extremely small group of particularly well-known trade marks.

29 The relevant legislative provisions in the Act relating to well known trade marks have been considered in great detail and interpreted by the Court of Appeal in the *Amanresorts* case. When applying these provisions to the facts of a particular case, it is important to bear in mind the policy considerations set out in the preceding paragraph.

30 It is first necessary to ascertain what is the "relevant sector of the public in Singapore." In the present case, the issue is whether the relevant sector of the public in Singapore comprises actual and potential users of ultrasonic cleaning systems *in general*, or whether such users should be confined to *the print industry* specifically. As mentioned at [9] above, ultrasonic cleaning equipment is used in a variety of industries, such as the laboratory, optics, solar, medical, hygiene, watch-making, jewellery and print industries. Obviously, it will be easier for the Opponents to establish that they are well-known in just the print industry, as opposed to all the various industries which use ultrasonic cleaning equipment. As mentioned at [23] above, the Opponents had initially taken the position that the relevant sector of the public in Singapore comprises actual and potential users of ultrasonic cleaning systems generally in their written submissions. However, in their subsequent oral submissions, the Opponents appeared to confine the relevant sector of the public in Singapore to actual and potential users of ultrasonic cleaning systems in the print industry.

31 I accept the Opponents' submission that in ascertaining the "relevant sector of the public", the consumers referred to in Section 2(9)(a) of the Act (i.e. "all actual consumers and potential consumers in Singapore of the goods to which the trade mark is applied") are specifically limited to actual consumers and potential consumers of the goods that the Opponents actually offer and not all consumers of everything that may fall under the type of goods or services to which the Opponents' Mark is applied (*Amanresorts* at [145] and [142]).

32 However, I note that the Opponents' ultrasonic cleaning equipment and products are not limited for use in certain industries, and that the Opponents in fact design and manufacture bespoke ultrasonic cleaning equipment depending on the cleaning requirements of the customer: see the Opponents' SD at [4]. The Opponents also describe ELMA products as their "closest competitor product": see the Opponents' SD at [8]. It is not disputed that ELMA ultrasonic cleaning products are used across a range of industries.

33 Accordingly, on the facts, I hold that the relevant sector of the public comprises actual and potential users of ultrasonic cleaning systems in general.

34 The next issue is whether the Opponents' Mark can be said to be well known to this sector of the public. If so, the Opponents will be entitled to rely on the deeming provision in Section 2(8) of the Act to establish that their mark is well known in Singapore. On this issue, it is important to draw a distinction between marks that are "well known" to the relevant sector of the public in Singapore, and marks which are merely "known" to the relevant sector of the public. There are different degrees of public knowledge of a trade mark, and the requisite level of knowledge required under Singapore's legislation tends towards the higher end of the scale: *Amanresorts* at [149].

35 I am unable to accept the Opponents' submission that their mark is well known to the relevant sector of the public. As mentioned at [22]-[23] above, the Opponents rely heavily on the *Amanresorts* case to support their position. However, a comparison of the facts in that case with the evidence which the Opponents have been able to furnish illustrates the wide gulf between the renown of the Respondents in *Amanresorts* and the Opponents in the current case:

	<i>Amanresorts</i> Case	Present Case
(a)	Respondents were part of the Amanresorts group of companies which comprised over 80 companies around the world (at [1])	The Opponents have only one company (i.e. the Opponents themselves) in Liverpool, UK. The Opponents purport to have a worldwide network of distributors (at [7] of the Opponents' SD). However, there is no evidence of this apart from a listing of icons depicting the flags of various countries on the Opponents' website; the icon for Singapore also appears to be inaccurate in that clicking on this icon brings you to a site with a statement "Page Not Found" (see Exhibit "TH-11" to the Applicants' SD).
(b)	One of these companies (the Second Respondent in the case) was the	The Opponents have no business presence in Singapore.

	<p>corporate headquarters, which was incorporated in Singapore. The international reservations office, which handles 30-40% of global reservations and inquiries which are not directed specifically to individual Aman resorts, was also located in Singapore (at [1] and [13]).</p>	<p>The Opponents list a company known as X-Works Pte Ltd as their distributor in Singapore (see Opponents' SD at [7]). However, the Applicants note that the Opponents' website does not identify any distributor or agent in Singapore (see Applicants' SD at [17] and Exhibit "TH-11" to SD).</p> <p>In their written submissions, the Opponents state that X-Works Pte Ltd is a "service agent". This is not set out in the Opponents' SD and X-Works Pte Ltd have not themselves furnished any evidence relating to the work they do for the Opponents.</p>
(c)	<p>Respondents had developed a string of 16 ultra-luxury resorts in exotic locations across the world. One of these resorts had the same name (Amanusa) as the Appellants, and all the resorts had the prefix "Aman" in their names (at [4] and [7]).</p>	<p>None of the purported distributors listed at [7] of the Opponents' SD operates under a name which includes the word "ALPHASONICS" or anything remotely similar to this word.</p>
(d)	<p>The quality and exclusivity of the Aman resorts was undisputed. They had won numerous international awards, and consistently garnered high rankings in prestigious guides. Various reviews also lavished praise of the resorts. The resorts had been featured in internationally-renowned newspapers and periodicals around the world. Some local publications (such as <i>The Straits Times</i>, <i>Her World</i> and <i>Female</i>) also contained references to the resorts (at [5], [6] and [19]).</p>	<p>The Opponents have not adduced evidence of any awards which they have won, or any features or reviews of their products.</p> <p>The Opponents have, however, submitted letters from a customer (Winson Press Pte Ltd) and the AFTA which state that the Opponents are respected manufacturers of ultrasonic cleaning systems for the print industry in Singapore (see Exhibits "B" and "E" to the Opponents' SD).</p> <p>In contrast, the Applicants have furnished a letter from Elma, the producers of the ELMA line of ultrasonic cleaning equipment, which is a leading company in the field, that they have allegedly not come across nor heard of the Opponents: see Exhibit "TH-10" to</p>

		the Applicants' SD.
(e)	The Respondents' worldwide sales in 2006 were more than US\$86 million. Revenue from the international reservations office based in Singapore amounted to US\$31 million (at [12] and [13]).	<p>The Opponents assert that they have produced nearly 2,000 cleaning systems worldwide under the "ALPHASONICS" mark to-date (see the Opponents' SD at [5]) (i.e. a period of about 20 years from 1993 to 2012). They have not provided the monetary value of these systems, and have not adduced any documents in support of their assertion.</p> <p>In contrast, the Applicants assert that the global sales of ELMA ultrasonic cleaning equipment for 2008 were in the region of 25 million Euros (see the Applicants' SD at [6]).</p>
(f)	Between 1995-2005, some 1,382 Singaporeans visited the Amanusa Bali (at [14]).	<p>The Opponents have sold three ultrasonic cleaning systems bearing the Opponents' Mark to companies in the print industry in Singapore. Each machine was sold for between S\$6,000 to S\$9,000, and these sales occurred in the years 2000, 2002 and 2009 (see invoices exhibited in Exhibits "C" to the Opponents' SD).</p> <p>In their written submissions (at [2] and [25]), the Opponents also urge the Registrar to consider their sales of consumables such as cleaning agents. However, these are sold under the mark "ULTRACLEAN" (see invoices exhibited in Exhibits "C" to the Opponents' SD) as conceded by the Opponents in the course of oral submissions.</p> <p>In contrast, the Applicants' sales of ELMA ultrasonic cleaning equipment amounted to S\$34,701.21 in 2010, S\$87,041.87 in 2011 and S\$81,401.86 in 2012 (January-July) (see the Applicants' SD at [7]). It should be mentioned that the Applicants are themselves not a large company, and yet their sales in</p>

		Singapore are so much more than the Opponents.
(g)	<p>In 2006, the Respondents spent about US\$2.4 million globally on marketing and promotions.</p> <p>They distribute a quarterly newsletter and an e-mail newsletter (every 2-3 weeks) to 122,000 recipients worldwide, including over 2,700 in Singapore. They also distribute a different newsletter to travel agents (including some in Singapore) every 2-3 weeks.</p> <p>Brochures for the Respondents' resorts are available in Singapore at the Respondents' international corporate office and international reservations office, distributed to travel agents at trade shows and to guests at business or charitable functions.</p> <p>The Respondents have employed targeted advertising to holders of American Express's "Platinum" card and "Centurion" card. There are approximately 900 American Express Centurion members and 4,200 American Express Platinum members in Singapore. The Respondents have similar marketing arrangements with The Hongkong and Shanghai Banking Corporation for holders of its "Platinum" card (at [15]-[18]).</p>	<p>The Opponents place advertisements in a single magazine, AFM, which is allegedly published 4 times a year and circulated in more than 3,500 companies in 12 countries (including Singapore, in which the magazine is allegedly distributed to 280 companies). Sample advertisements were provided for five editions of the magazine (Apr/May 2008, Aug 2008, Nov 2008, Jul 2011 & Nov 2011): see Exhibit "D" to the Opponents' SD. Most sample advertisements are in the form of a small banner at the bottom of the page saying "See the [new product] by Alphasonics at [Booth no. for a trade show]." Exhibits "D-14" and "D-15" are ½-page and full page advertisements respectively.</p> <p>The Opponents also claim to be an active member of the AFTA, whose head office is located in Singapore, for 10 years (since 2002). The Opponents further claim to have regularly been a sponsor of the AFTA's annual trade event, which is held in a different country in Asia each year. Specifically, the Opponents have participated as sponsor for AFTA events in Bangkok (2008) and KL (2009). During oral submissions, the Opponents said they do not have any evidence of the Opponents participating in an AFTA event in Singapore.</p> <p>The Opponents have not indicated how much they spent on advertising and promotions whether in Singapore or globally. The Opponents have also not furnished any evidence of advertising and promotions outside the print industry.</p>
(h)	The Respondents maintain a stable of	It appears that the Opponents operate a

	<p>websites under the name “Aman” which are hosted in Singapore (“the Respondents’ ‘Aman’ websites”). The website, <http://www.amanresorts.com>, has been registered since 1996. Other websites are based on the names of the respective Aman resorts such as the website, <http://www.amanusa.com/amanusa/home.aspx>, for the Amanusa Bali. According to the Respondents, in respect of searches for the word “Amanusa” done via the search engines, Google and Yahoo!, 28 out of the top 30 search results and all of the top 30 search results respectively contain references to this particular resort (at [20]).</p>	<p>single website <http://www.alphasonics.co.uk>. The Opponents have not furnished any evidence of the number and geographical origin of “hits” or visits to their website.</p> <p>[Note: In any event, I agree with the Applicants' submissions at [26(c)] above (citing <i>Amanresorts</i> at [54]) that a website, in and of itself, is irrelevant to the consideration of whether the mark is well known in Singapore as websites, unless blocked by governments, are inevitably accessible by Internet users.]</p>
(i)	<p>The Respondents own “Aman”-prefixed trade marks in various countries around the world for the names “Aman” and “Amanresorts” as well as for the individual names of all the resorts and hotels which they operate (at [21]).</p>	<p>There is no evidence that the Opponents have applied to register their mark anywhere in the world, not even in the UK or the European Community.</p>

36 In case I am wrong and the relevant sector of the public in Singapore should be confined to actual and potential users of ultrasonic cleaning systems in the print industry, I am still not persuaded that the Opponents' Mark can be said to be well known to this sector of the public in Singapore. Among other things, I note that the Opponents have not furnished any evidence of the size of the market for ultrasonic cleaning systems in the print industry, how many Singapore companies there are in this industry, the average number of such systems which would be required by these companies, how long each machine can last before it has to be replaced, etc. I am unable to accept that the sale of just three ultrasonic cleaning machines over a ten year period could warrant a finding that the Opponents' Mark is well known even to this niche market.

37 As the Opponents are not able to rely on the deeming provision in Section 2(8) of the Act to establish that they are well known in Singapore, it will be necessary to examine the other matters listed in Section 2(7) of the Act. Before doing so, I pause to note that these matters are not an exhaustive list and the court or tribunal is ordinarily free to disregard any or all of the factors listed (save for the degree to which the mark is well known to or recognized by any relevant sector of the public in Singapore), and to take

additional factors into consideration. There is no single universally-applicable test to determine whether a trade mark is well known in Singapore, but the guidelines in Section 2(7) of the Act strive toward some semblance of objectivity: see *Amanresorts* at [137] to [138].

38 Applying the guidelines in Section 2(7) of the Act to the present case, I find that the Opponents have clearly not been able to establish that their mark is well known in Singapore:

	Matters set out in Section 2(7) of the Act	Application to Present Case
(a)	degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore	Limited (see discussion at [35] above).
(b)(i)	duration, extent and geographical area of any use of the trade mark	<p>The Opponents assert that they have produced nearly 2,000 cleaning systems worldwide under the "ALPHASONICS" mark to-date (see the Opponents' SD at [5]) (i.e. a period of about 20 years from 1993 to 2012). They have not provided the monetary value of these systems, and have not adduced any documents in support of their assertion.</p> <p>As far as Singapore is concerned, the Opponents have only sold three ultrasonic cleaning systems bearing the Opponents' Mark over a 10-year period from 2000-2009. These sales were to companies in the print industry.</p>
(b)(ii)	duration, extent and geographical area of any promotion of the trade mark	<p>The Opponents place advertisements in a single magazine, AFM, which is allegedly published 4 times a year.</p> <p>The Opponents have participated as sponsor for AFTA events in Bangkok (2008) and KL (2009).</p> <p>(See [35(g)] above for details.)</p>
(c)	any registration or application for the registration of the trade mark in any country or territory in which the trade	No evidence of any registrations or applications for the Opponents' Mark anywhere in the world, not even in their

	mark is used or recognised, and the duration of such registration or application	home territory of the UK.
(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	No evidence furnished.
(e)	any value associated with the trade mark	No evidence furnished.
-	Any additional factors relied on by the Opponents?	Nil.

39 I further observe that the policy considerations for protecting well known trade marks do not apply in the present case. The Opponents do not appear to have expended large amounts of time, effort or money to develop and promote their mark. The Opponents' Mark also certainly does not perform a crucial signalling, symbolic or myth-making role in society. Conversely, conferring protection on the Opponents' Mark would create an unnecessary barrier to the use of the mark: see the paragraphs in *Amanresorts* cited at [28] above).

Conclusion on Section 8(2)(b)

40 In view of my finding that the Opponents' Mark is not a well known mark in Singapore, it would accordingly not constitute an "earlier trade mark" within the meaning of Section 2(1) of the Act and not be entitled to protection under Section 8(2)(b) of the Act. I therefore find that the ground of opposition under Section 8(2)(b) of the Act fails.

Observations

41 Counsels for the parties have not referred me to any case in Singapore where an opponent has relied on the alleged status of their mark as a "well known trade mark" (instead of relying on an earlier application or registration) for an opposition under Section 8(2)(b). It would therefore be helpful to set out some observations for cases of this nature.

42 In the first place, it is probable that such cases are rare because most marks which can be said to be well known in Singapore would, in practice, be registered in Singapore for a party's goods of interest. If a party has indeed expended large amounts of time, effort or money to develop and promote their mark, it is unlikely that they will be

deterred by the low marginal cost to register this mark in Singapore at least in relation to the goods or services of primary interest to them.

43 If a mark has not been applied for or registered in Singapore, traders thinking of launching a new product or service would obviously not be able to uncover such marks even if they do a pre-filing search on the Trade Marks Register prior to selecting a trade mark for their new product or service. The threshold for determining whether a mark is well known in Singapore should not be set so low as to expose legitimate traders to unforeseen and unforeseeable risks that the mark which they select is blocked by a mark which is barely-known in Singapore.

44 Further, even if an opponent is only able to establish that the "goods or services... for which the earlier mark is protected" is confined to a very narrow category of goods (e.g. "ultrasonic cleaning systems for the print industry" in the present case), this would still be likely to form a subset of the goods for which registration is sought (e.g. "ultrasonic cleaning apparatus... for industrial use" in the present case) and may also be regarded as similar to other goods in the specification (e.g. "chemical cleaning agents" for such apparatus).

45 Parties which rely on the additional protection conferred on well known marks under various provisions in the Act frequently cite the comments of the Court of Appeal in *Amanresorts* at [229] 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 by the Court of Appeal] (see s 2(7)(a) of the current TMA), which sector could in certain cases be miniscule."

46 These comments should be understood in the context of the facts before the Court of Appeal, and the other observations made by the Court of Appeal. With regard to the facts, as discussed in [35] above, it is abundantly clear that the "Aman" names did enjoy a high degree of recognition among those of a high income level in Singapore. The Court of Appeal also observed, among other things, that the trade mark in question "must still be well known in Singapore" (at [135]), that a distinction must be drawn between marks which are well known and marks which are merely known to the relevant sector of the public (at [149]), and that the factors listed in Section 2(7) to assist in assessing whether a mark is well known in Singapore "strive toward some semblance of objectivity" (at [137]) (and should not be disregarded if the party seeking to rely on the alleged well known status of their mark is unable to rely on the deeming provision in Section 2(8) by establishing that the mark is well known to any relevant sector of the public in Singapore). Perhaps most importantly, the Court of Appeal identified the policy considerations for protecting well known trade marks in Singapore, namely: protecting the time, effort and money spent on developing and promoting the mark; and preserving the signalling, symbolic and even myth-making roles which such marks may have to a Singapore consumer (at [143]). The absence of these factors would suggest that a mark is unlikely to qualify for protection as a well known mark in Singapore.

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

47 Section 8(4)(b)(i) of the Act 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.

(emphasis added)

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

48 As I have found that the Opponents' Mark is not well known in Singapore, it follows that this ground of opposition fails as well.

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

49 Section 8(4)(b)(ii) of the Act 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 —

...

(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 —

(ii) if the earlier trade mark is well known to the public at large in Singapore –

(A) would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or

(B) would take unfair advantage of the distinctive character of the earlier trade mark.

(emphasis added)

50 The Court of Appeal observed in *Amanresorts* at [229] that the protection conferred on marks which are "well known to the public at large in Singapore" should be "the preserve of a rare and privileged few." The Court of Appeal elaborated in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 at [94] that to come within the definition of being well known to the public at large in Singapore, the mark "must necessarily enjoy a much higher degree of recognition" such that it must be

"recognized by most sectors of the public" although the Court of Appeal would not go so far as to say "all sectors of the public."

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

51 As I have found that the Opponents' Mark is not well known in Singapore, it must follow that, all the more so, it is not well known to the public at large in Singapore. This ground of opposition likewise fails.

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

52 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
...

53 To succeed in an action under the law of passing off, it is well-established that a claimant (i.e. the Opponent in this case) must prove the "classic trinity" of goodwill, misrepresentation and damage: see, for example, the recent Court of Appeal decision in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal* [2013] SGCA 26 ("*Hai Tong*") at [109]. The parties are in agreement on this point.

Opponents' Submissions

54 The Opponents again rely heavily on *Amanresorts*. They submit that the relevant criteria for determining whether goodwill exists in a name is exposure (*Amanresorts* at [53]), and that goodwill can be limited to particular sections of the public which can be small so long as they are not negligible (*Amanresorts* at [44]). The Opponents rely on their advertisements in AFM and participation in AFTA events (see [24(a)] above for details). By purported analogy with *Amanresorts*, the Opponents submit that, by reason of the Opponents' goods being highly technical and specialised equipment, the marketing and advertising efforts undertaken by the Opponents to potential customers of such equipment are sufficient to generate the requisite goodwill for the Opponents.

55 The Opponents also rely on the Court of Appeal decision in *Hai Tong* (at [112] and [114]) for the proposition that the Opponents' limited sales of ultrasonic cleaning equipment in Singapore (i.e. the sale of just three machines over the course of 10 years (see [24(b)] above for details)) does not preclude a finding that the Opponents have sufficient goodwill to maintain an action for passing off.

56 In their Further Submissions on the issue of the threshold for determining whether goodwill exists, the Opponents also rely on three decisions of IPOS, which I will consider below.

57 The Opponents also submit that the requirement of misrepresentation is satisfied as "actual and potential consumers of ultrasonic cleaning systems who are made aware of the Opponent's ALPHASONICS name with its goodwill and who do an online search on the Opponent's ALPHASONICS name or source for cleaning equipment would be likely to come across the Applicant's advertisements in the course of the search" (see the Opponents' Written Submissions at [100]). The Opponents submit that a misrepresentation would be made to these consumers.

58 Finally, the Opponents submit that "loss of future trade and profit is likely to result since potential customers would be drawn to the Applicant to obtain what the customers thought would be the Opponent's goods or goods from an entity that are somehow connected with the Opponent" (see the Opponents' Written Submissions at [111]).

Applicants' Submissions

59 The Applicants submit that the Opponents have failed to adduce evidence which supports a claim of goodwill in Singapore as at the Application Date. As goodwill is territorial in nature, the fact that the Opponents may have been operating a long time in England does not support its case (citing *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc. and another* [2012] SGHC 204 at [71]). Evidence of only a few sales to a few customers over a span of 10 years does not amount to evidence of goodwill.

60 In their further submissions, the Applicants submit the Opponents must have a minimum level of goodwill in Singapore in order to have an actionable case of passing off. Goodwill must be tied to a business in Singapore, emanating from and tied to the fundamental principle that the law of passing off is intended to protect a party from the "loss of custom resulting from the misrepresentation by another": *Jet Aviation (Singapore) Pte Ltd v Jet Maintenance Pte Ltd* [1998] 3 SLR 287 ("*Jet Aviation*") at [23]. The court held that there was no fixed yardstick or presumption which applies as to the level of goodwill. What is clear from this case and other cases is that there has to be a sufficient number of customers and level of name/brand recognition which cannot be of a trivial nature. This is reflected in *Hart v Relentless Records Ltd* [2002] EWHC 1984 ("*Relentless Records*") at [61]-[62], where Jacob J held that "the law of passing off does not protect goodwill of trivial extent" and there has to be "more than a minimal reputation". The Applicants also cited the local case of *Intuition Publishing Ltd v Intuition Consulting Pte Ltd* [2012] SGHC 149 ("*Intuition Publishing*"), where the court held that the claimant's five transactions over a one-year period of which four were with the same client, constituted negligible goodwill and declined to consider the other grounds of passing off. The Applicants submitted that the present case is analogous to *Intuition Publishing*, in that the Opponent has no presence in Singapore and appears to have sold only three units of ultrasonic cleaning machines in 13 years. Furthermore, only a single ultrasonic cleaning machine was sold in Singapore in the last decade and this transaction stemmed from an exhibition outside of Singapore. Furthermore, there was no

evidence of advertising and promotion in Singapore beyond small banner postings in a 2008 AFM (see [35(g)] above).

61 The Applicants also submit that there is no evidence of any misrepresentation by the Applicants which has led to confusion that the Opponents are the source of the Applicants' goods, and that the Opponents have not established any evidence of damage or a likelihood of damage.

Decision on Section 8(7)(a)

Goodwill

62 The Court of Appeal in both *Amanresorts* (at [38]) and *Hai Tong* (at [111]) described "goodwill" as "the bedrock" of the tort of passing off. The Court of Appeal in these cases (and also both the Court of Appeal and the High Court in numerous other cases) cited and endorsed Lord Macnaghten's famous description of goodwill in *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217 at 223-224:

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.

63 Goodwill must co-exist with a business, trade or calling, and is therefore territorial in nature: see Susanna H S Leong, *Intellectual Property Law of Singapore* (Academy Publishing, 2013) ("*Susanna Leong*") at [35.019], [35.020] and [35.025], and cases cited therein.

64 As noted at [59] above, the Applicants submit that the fact that the Opponents may have been operating a long time in England does not support its case. This brings to mind the so-called "foreign business problem", which is described as follows in *Susanna Leong* at [35.051]:

This particular attribute of locality in goodwill has given rise to the 'foreign business problem' which essentially hinges on how the requirement for 'business within the jurisdiction' is to be satisfied in the context of foreign businesses. Do foreign businesses need to actually engage in trading activities/do business within the jurisdiction in order to enjoy goodwill so as to pursue an action of passing off or can they merely rely on the reputation they may enjoy within the jurisdiction in the absence of actual 'business within jurisdiction'?

65 There have been several local cases discussing this issue, and these are discussed in some detail by Professor Ng-Loy Wee Loon in her textbook on *Law of Intellectual Property of Singapore* (Sweet & Maxwell, Revised Edition, 2009) ("**Ng-Loy Wee Loon**") at [17.2.1] to [17.3.1]. In general, these cases involve a situation where a foreign trader enjoys considerable renown in Singapore, but does not actually trade in Singapore.

66 In a sense, what I have before me in the current case is the converse situation of the "foreign business problem" in that the Opponents are known only to a handful of customers in Singapore, but have made a few actual sales in Singapore (specifically, three sales over the course of ten years).

67 In this regard, it is helpful to note Christopher Wadlow's perceptive observations in *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011) ("**Wadlow**") at [3-078] that:

In the worst case, an international company seeking to expand into a new territory may find itself blocked by a small business already trading under the same name and style, perhaps on a minuscule scale; and perhaps having been set up for the very purpose of blocking anticipated expansion of the claimant or being bought out for a large sum. **On the other hand, a rule of law dealing with this situation has to avoid the opposite scenario of *bona fide* domestic traders finding themselves open to litigation at the suit of unknown or barely-known claimants from almost anywhere in the world.** (emphasis added)

68 In the same vein, Professor Ng-Loy observed that "Singapore law should not allow a foreign trader to stifle local enterprises unless and until he has entered the market here, or at least is clearly about to enter the market and thus contribute to the economy here": see *Ng-Loy Wee Loon* at [17.2.5].

69 The Court of Appeal in *Amanresorts* (at [68]) also pointed out that the position Singapore takes on "the 'foreign business problem' may not be of much significance, considering that foreign entities which have no goodwill and/or do not carry on any business in Singapore may still get protection for the names which they use to market their goods, services or business if those names are 'well known trade marks'." This observation was made in the context of Section 55 of the Act, but the relevant provisions in Section 55 mirror those in Sections 8(2)(b), 8(4)(b)(i) and 8(4)(b)(ii)(A) and (B), considered above. If an opponent seeking to rely on the alleged renown of his trade mark fails under these provisions, can he be permitted to succeed through the side door of a passing off claim? I think the answer must be "No".

70 Further, as noted at [43] above, even if a domestic trader carries out a pre-filing search on the Trade Mark Register prior to selecting a trade mark for its new product or service, the domestic trader would not be able to uncover marks which have not been applied for or registered in Singapore. If the unregistered mark is well known in Singapore, it could be argued that the domestic trader should have been aware of the mark, or could have become aware of it through a simple desk top search on the internet

or perhaps through basic inquiries in the relevant market. If the threshold for establishing renown in Singapore is set too low, however, the possibility of a domestic trader uncovering such a mark would be correspondingly low. This would create great uncertainty for the domestic trader.

71 This leads us to the question of how then we should deal with the fact that the Opponents have made actual sales in Singapore. In the present case, I am of the view that this issue is easily disposed of as the goodwill (if any) is too trivial to warrant protection in Singapore. As noted by Laddie J. in *Sutherland v V2 Music Ltd* [2002] EMLR 28 at [22] (cited with approval in *Amanresorts* at [51]):

The law of passing off protects the goodwill of a small business as much as [the goodwill of] the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial.

72 In *Relentless Records*, Jacob J. (as he then was) found that the claimant company, which he described as "an unmemorable minnow" (at [68]), had "been exposed to no more than a few hundred semi-amateur DJs" and that "it is not unreasonable to suppose that a proportion" of these DJs did remember the claimant company (at [61]). On whether this "minuscule reputation" could "create a valuable asset, a goodwill capable of protection by passing off" (see [61]), Jacob J. expressed the view that "the law of passing off does not protect a goodwill of trivial extent" (at [62]).

73 In *Intuition Publishing* at [116] read with [110] and [117], the High Court found that "the only exposure of the plaintiff's [m]arks which the plaintiff has established was that arising from its [four] invoices to Reuters Asia Pte Ltd in 1999." The court held that "[a]ny goodwill arising from such exposure must be negligible. The courts do not protect negligible goodwill." In view of its finding that the plaintiff had not established any protectable goodwill, the court declined to consider whether the elements of misrepresentation and damage were present, and dismissed the claim for passing off.

74 As noted at [56] above, the Opponents seek to rely on three decisions of IPOS. I find that these can all be distinguished and do not assist the Opponents. In *Ex Hacienda Los Camichines SA DE CV v Rum Creation & Products Inc* [2012] SGIPOS 1, the Registrar found that the opponents had not made out the element of goodwill in Singapore (at [154]). In *Autozone Automotive Enterprise v Autozone Parts, Inc* [2013] SGIPOS 1, the facts were quite different. Among other things, in support of their claim to goodwill, the applicants provided evidence of 11 invoices issued in a single month (in contrast to three sales over ten years in the present case). Even so, this goodwill did not extend to retail services (see [123]), which were the services of interest in that case. Further, the Registrar ultimately found that the applicants had not established a cause of action for passing off as the applicants could not establish misrepresentation ("AUTOZONE" compared with "AUTOZONE AUTOMOTIVE ENTERPRISE") (see [132] to [138]) and consequently the element of damage was also not made out (at [139]). Finally, in the case of *Carita v Pardaco Trading Pte Ltd* [2009] SGIPOS 1, the opponents had similarly furnished evidence of sales of 52 items over about six months (at [67]). The Registrar concluded that goodwill was limited to consumers in a niche area of

trading, but there was no misrepresentation or damage, and hence no passing off (at [69] to [72]). As observed at [78] below, the elements of goodwill, misrepresentation and damage are closely related, and a finding of minimal goodwill would in any event greatly affect a party's ability to establish misrepresentation or damage.

75 On the issue of goodwill, it is a matter of fact and degree whether the goodwill in a particular case is too trivial to be given protection: see *Susanna Leong* at [35.024]. In the present case, the Opponents rely on their actual sales, advertisements in AFM and participation in AFTA events in support of their submission that they enjoy goodwill in Singapore. With regard to participation in AFTA, as discussed in [35(g)] above, it does not appear that the AFTA events which the Opponents participated in were held in Singapore. In relation to advertisements, it is pertinent to note that the Court of Appeal in *Amanresorts* at [51] disregarded the Respondents' examples of mass media exposure in the form of articles in *Female*, *Time* and *Her World*, as this sort of publicity which was sporadic at best would have generated only trivial goodwill. Although these publications are instantly recognisable by most Singaporeans, articles in them were not sufficient to generate protectable goodwill in Singapore. The Opponents' advertisements in AFM would, all the more so, be insufficient to satisfy the requirement of goodwill in this case.

76 In terms of actual sales, the Opponents sought to rely on the decision of the Court of Appeal in *Hai Tong* for the proposition that limited sales do not preclude a finding of goodwill. However, in *Hai Tong* (see [112] and [114]), the plaintiffs had developed a sustainable business based in Singapore over a period of more than four decades, with the annual sales figures for the relevant products amounting to \$235,150 in the year 2009 when the acts of the defendants that were complained of first commenced.

77 In the current case, the Opponents do not have any business presence in Singapore, and have only sold three items at a total sale price of £22,289 over a ten year period (which works out to just £2,229 per annum). It is inconceivable that the Opponents will be able to sustain a business in Singapore with such sales. Even in combination with the advertisements in AFM and participation in AFTA events, I am unable to accept that the Opponents have established any protectable goodwill in Singapore.

Misrepresentation and Damage

78 In the case of misrepresentation, the issue is whether the Applicants have made a false representation that has led, or is likely to lead, to deception or confusion amongst the public. As for damage, this must be caused by the misrepresentation and the damage must be to the Opponents' goodwill. Importantly, "it is crucial to appreciate that both the misrepresentation and the damage must relate to the plaintiff's goodwill. A misrepresentation is actionable as a tort of passing off only if it causes (or is likely to cause) damage to the plaintiff's goodwill": see *Amanresorts* at [69]. As noted in *Susanna Leong* at [35.015], the elements of goodwill, misrepresentation and damage, although identified as separate and distinct elements in an action for passing off, are in fact intertwined. Further, as noted in *Wadlow* at [3-082], "[i]f the claimant is barely known here and has very little business in [the relevant jurisdiction, i.e., Singapore in the present case], then it may reasonably be doubted if any but the most blatant

misrepresentation would be likely to deceive anyone, or damage such goodwill as the claimant might have."

79 In the English High Court case of *HFC Bank Plc v Midland Bank Plc* [2000] FSR 176, Midland Bank rebranded itself as "HSBC" and the plaintiffs commenced an action in passing off against them. It was established that there was some confusion among customers but this was largely due to the low level of brand recognition enjoyed by the plaintiffs in the first place. To adopt the helpful summary in *Amanresorts* at [59]:

The plaintiff in that case ("HFC") was a bank which adopted the practice of dealing with its customers in indirect ways: for instance, through introductions from credit brokers, through retail finance agreements and through its credit card business conducted under other brand names. As a result, only a small proportion of its customers were familiar with the name "HFC". When HFC tried to stop the defendant ("Midland Bank") from using a similar name, HFC relied on the evidence of some of its customers, who claimed to have mistaken Midland Bank for HFC. Lloyd J held (at 198–199):

What this comes down to, in my judgment, is that in respect of none of these witnesses had HFC achieved brand recognition. This is not very surprising given the type of contact between each of [the witnesses] on the one hand and HFC on the other, the stage that it had got to, and also given HFC's deliberate policy of not cultivating general awareness of its brand name among the public as a whole. ...

...

I do not regard any of the six witnesses whom I treat as relevant for this purpose [*ie*, for the purpose of determining whether customers were confused between HFC and Midland Bank] as being people within the scope of HFC's established goodwill at the time of [their] respective mistakes [in thinking that HFC and Midland Bank were the same].

80 I find that the Opponents have not established the elements of misrepresentation or damage.

Conclusion on Section 8(7)(a)

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

Ground of Opposition under Section 7(6)

82 Section 7(6) of the Act reads:

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

Opponents' Submissions

83 The Opponents submitted that the Applicants had acted in a manner that plainly fell short of the accepted standard of commercial behaviour observed by reasonable and experienced men in general. The Opponents cited the case of *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 ("*Festina*") at [100] for the three instances by which a court could find that there was bad faith, namely, that: (a) there was no intention to use the mark; (b) there was an abuse of relationship; and (c) the applicant was aware that a third party had some sort of claim to goodwill in the mark. In *Festina*, it was also held that a "clear-cut" example of bad faith would be where there was outright copying of the proprietor's mark such that the two competing marks are practically identical: at [115]. The Opponents submitted that there was essentially very little difference between the competing marks in this case, such that there could be an inference that the Applicants had "blatantly copied from the Opponent with some meagre attempt at differentiation" (see [12] of the Opponents' Further Submissions). The Opponents also submitted that it would be reasonable for the Applicants to conduct a search on the word "Alphasonics" on the relevant search engines, instead of searching only the domain names "alphasonics.com" and "alphasonics.com.sg."

84 The Opponents also argued that the Applicants had not demonstrated a genuine intention to develop, distribute and/or produce their own line of ultrasonic cleaning equipment under the Application Mark. The Applicants, despite mentioning to the Opponents via e-mail correspondence that their business was founded on the distribution of ELMA products, had gone on to register the Application Mark just one week later. The Applicants have also not furnished any evidence to support their alleged genuine intention in their statutory declaration. However, during cross-examination by the Opponents, Hoi mentioned that they had in fact produced two separate ultrasonic cleaning machines catering to the oil and gas and marine industries, but that this was not in his statutory declaration because he did not see the relevance of the same.

Applicants' Submissions

85 The Applicants referred to *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR (R) 1073 ("*Weir Warman*") for the "incontrovertible proposition that if a registrant of a trade mark has the proprietorship of that trade mark, or at the very least, *the right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade" (at [49] of *Weir Warman*). Hoi had acted on the advice of the Applicants' legal counsel in filing for registration of the Application Mark and did not intend to prevent the Opponents from registering their mark in Singapore. In any event, the Opponents have never filed an application to register the mark in question in Singapore. The Applicants submit that the Opponents are essentially seeking to introduce a "new, unknown and undefined duty to troll through the 'Internet' using 'search engines' on trade mark applicants and on anyone registering a company name" (at [2.16] of the Applicants' Further Submissions), such that failure to do so would result in conduct which falls short of acceptable commercial behavior. The Opponents cited *Weir Warman* at [89] for the proposition that "so long as the facts and circumstances required by the trade mark registration form are disclosed fully and accurately, and where one has the right to register the trade mark, it goes too far...to

require the registrant to additionally disclose any other circumstances that may be relevant."

Decision on Section 7(6)

86 The Act does not define the term "bad faith" in the context of Section 7(6). However, the Singapore court has considered the concept of bad faith in numerous cases. Most recently, the Court of Appeal in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 ("*Valentino*") helpfully reviewed the English and local cases on this issue and summarised the applicable principles of law (at [23] to [30]). I reproduce below the Court of Appeal's conclusion at [29] and [30] (emphasis in judgment):

29 In [*Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] 2 SLR(R) 814 ("*Wing Joo Loong*")], this court observed at [105] that "[t]he *test* for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal" [emphasis in original]. It would be useful to set out in full the observations of this court at [105]-[106] which are as follows:

105 The *test* for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in *Harrison v Teton Valley Trading Co Ltd* [2004] 1 WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):

The words 'bad faith' suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (*id* at [25]) as the 'combined' test of bad faith, contains both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think).

106 Recently, this combined test of bad faith was succinctly explained in *Ajit Weekly Trade Mark* [2006] RPC 25 as follows (at [35] and [41]):

35 ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plasticulture* ([103] *supra*) ... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.

...

41 ... [T]he upshot of the Privy [Council's] decision in [*Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476] is: (a) to confirm the House of Lords' test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships' statement of that test by making it clear that an enquiry into a defendant's views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standards of honest people, the defendant's own standards of honesty being irrelevant to the objective element ...

This court in *Wing Joo Loong* then applied at [107]-[117] the combined test of bad faith which, to reiterate, contains both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think). It is therefore apparent to us that bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case.

30 Furthermore, it is pertinent to note that an allegation of bad faith is a serious claim to make and it must be sufficiently supported by the evidence (see *Nautical Concept Pte Ltd v Jeffery Mark Richard* [2007] 1 SLR(R) 1071 at [15] which we reproduce below):

An allegation that a trade mark has been applied for in bad faith is a serious one. In *Royal Enfield Trade Marks* [2002] RPC 508, it was held (at [31]) that:

A plea of fraud should not be lightly made ... and if made should be *distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts* (see *Davy v. Garrett* [1878] 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of ... bad faith made under section 3(6) [of the UK Trade Marks Act 1994]. *It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.*

(emphasis added; emphasis in original omitted)

This principle of law was alluded to and accepted by *Ng-Loy Wee Loon* at para 21.4.1:

An allegation of bad faith is a serious one, and it must be fully and properly pleaded and should not be upheld unless it is distinctly proved

and this will *rarely be possible by a process of inference*. (emphasis added)

87 In a nutshell, the test of bad faith contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). Whether bad faith exists or not hinges on the specific factual matrix of each case. An allegation of bad faith is a serious claim to make; it must be sufficiently supported by the evidence, and it will rarely be possible to prove an allegation of bad faith by a process of inference.

88 The Opponents' case on bad faith is two-fold. Firstly, the Opponents allege that the Applicants have misappropriated the "ALPHASONICS" name from the Opponents. Secondly, the Opponents assert that the Applicants do not have any *bona fide* intention to use the "ALPHASONICS" mark on the goods applied for. Each of these allegations will now be examined.

Alleged Misappropriation

89 It is clear that the relevant date for ascertaining bad faith is the date of the trade mark application (i.e. 27 April 2011). I will come to this shortly, but it will be helpful to briefly consider how the Application Mark was derived in the first place.

90 It is not disputed that the Applicants (i.e. "Alphasonics (Pte.) Ltd.") were incorporated on 1 January 2010. The Applicants' name "ALPHASONICS" is a portmanteau of two words, "ALPHA" and "SONICS." According to Hoi, he devised this name at some time around the end of 2009. He wanted a name that started with the letter "A" so that it would appear at the top of any directory listing companies which supply ultrasonic cleaning equipment. He therefore selected the word "ALPHA" as it started with the letter "A" and is also a well-recognised phonetic alphabet which in fact represents the letter "A". The combination with the word "SONICS" was to reflect the nature of the Applicants' business. Having selected the name "ALPHASONICS", Hoi conducted a check with the Singapore Accounting and Corporate Regulatory Authority and found that this name was available. He also checked on the availability of the domain names <alphasonics.com> and <alphasonics.com.sg>. The former domain name was already registered by a U.S. company which offered completely different services (namely, "life improvement" services such as personal counselling and life coaching); the latter domain name was available and is currently being used by the Applicants. At this time, the Applicants had never come across or heard of the Opponents.

91 During Hoi's cross-examination and in oral submissions, the Opponents did not appear to dispute that the Applicants had not heard of the Opponents at this point of time. Instead, the Opponents appear to have asserted that the Applicants should have conducted a simple search of the word "ALPHASONICS" on the internet (as opposed to searches on the two specific domain names mentioned in the preceding paragraph). If the Applicants had done so, they would have found out about the Opponents' existence. However, in the Opponents' Further Submissions at [15], it is alleged that "it is more likely than not that Hoi had come to know about the Opponent's mark at the time he decided to use the name

for his company but because the Applicant had assumed that it was a company operating as far as United Kingdom, the Applicant thought it would be safe to adopt the name." I am unable to accept the Opponents' Further Submissions. In cross-examination, Hoi said that in 2003, he was the shareholder of another company which used the business name "IS@Work Pte Ltd." that had been dealing with the distribution of ELMA products as well as an electronic card repair business. At this company, the promotion of ELMA products was done through listing in various online directories as well as cold calling potential clients. Through this experience, Hoi realized the importance of having a name that would feature chronologically at the top of directories. He reiterated the Applicants' position as set out at [85] above, and elaborated that the search on his domain names of interest (i.e. "alphasonics.com" or "alphasonics.com.sg") was done via a search at IP Mirror (ie. <http://www.ipmirror.com/>). Hoi confirmed that he did not conduct a general internet search for the word "alphasonics" using an online search engine. However, he disagreed with the Opponents' suggestion that this was a reasonable course of action given his objectives. I do not disagree that it would have been easy for Hoi to do a simple online search for the word "alphasonics". That, however, is not the point. Unless a potential customer already knows of a company by this name, he will not search the internet for this name. Instead, he is likely to carry out a search for his products of interest (e.g. "ultrasonic cleaning systems") on the relevant online directories. This will generate a list of companies supplying such products, and the choice by the Applicants of a name starting with the letter "A" is to position the Applicants at the top of such lists.

92 At the date of the trade mark application on 27 April 2011, however, the Applicants clearly knew about the Opponents' existence. This is because the Opponents had sent the Applicants a rather strongly-worded email dated 15 April 2011 (Exhibit I of the Opponents' SD) demanding that the Applicants "cease trading under the Alphasonics name with immediate effect", and threatening legal action against the Applicants. The Opponents claimed to "have the support of the United Kingdom Trade Investment Team and also the Liverpool Chamber of Commerce", and the email appears to have been copied to these parties.

93 The Applicants had responded on 20 April 2011 (Exhibit J of the Opponents' SD) rejecting the Opponents' allegations. At the same time, the Applicants explained that they only distributed ELMA products. They also proposed a resolution on the basis that the Applicants make clear to any UK customers that the parties are not related, and the Opponents do likewise when dealing with Singapore customers. The Applicants then proceeded to file the Application Mark on 27 April 2011. In the Opponents' SD at [19(iii)], Hoi explained that this was done "to protect [the Applicants'] brand identity" which they had already "invested a lot of time, expense and effort in developing." The Applicants "did not receive any reply from the Opponents to [the Applicants'] suggestion of an amicable resolution", were concerned with "the threatening undertones in the Opponents' email", and were afraid of the Opponents "interfering with the Applicants' legitimate business in Singapore." During cross-examination, Hoi elaborated that he had sought legal advice on what he should do after receiving the Opponents' threatening email. He explained that the Applicants preferred to settle the matter because they were a small company without the resources to sustain litigation. When questioned as to why he decide to apply for the Application Mark just seven days after sending his email to the

Opponents, Hoi answered that he had done so pursuant to legal advice he had received. He felt that he had to protect his business, which was already functioning in Singapore.

94 In *Weir Warman* at [49], the High Court held that it is "an incontrovertible proposition that if a registrant of a trade mark has proprietorship of that trade mark, or at the very least, the *right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade" (emphasis in judgment). In that case, both the plaintiff and the defendant were entitled to apply to register the "Warman" mark, and there was no bad faith on the part of the defendant which had secured registration of the mark in that case.

95 More recently, in *Boxing Brands Limited v Sports Direct International PLC & Others* [2013] EWHC 2200 (Ch), the major issue related to the rights to the word "QUEENSBURY" as a clothing brand. Birss J. found at [98] that at the time the claimants applied to register the mark "QUEENSBURY" for clothing, they knew the defendants were using this name as the name of a gym and/or a boxing team or stable. However, the claimants "had already conceived of using QUEENSBERRY (spelled this way) as something his business was interested in exploiting as a clothing brand" and did not get this idea from the defendants. The claimants also did not know that the defendants intended to use the name as a clothing brand. Birss J. held at [100] that the claimants' trade mark application "was entirely acceptable commercial behaviour. At the very most... [the claimants] might have thought that there might be a risk that in future [the defendants] might diversify into clothing but even if [the claimants] thought that..., it does not matter. The idea of using the mark as a clothing mark did not come from [the defendants], [the claimants] had conceived it already independently. [The defendants] were not using it as such at the time and a prudent business man would therefore realise he needed to apply for a registered trade mark in class 25 to secure his rights. That fact that [the claimants] could be said to have won a race to the trade mark register in these circumstances does not amount to bad faith."

96 In the current case, the Applicants had similarly conceived of the name "ALPHASONICS" independently. The Opponents were based in the UK, the Applicants were not aware of any business which the Opponents may have had in Singapore, and the Applicants, acting on legal advice, took the prudent position to apply for the Application Mark to secure their rights in Singapore. To use the words of Birss J., the Applicants "won a race to the trade mark register". I am unable to discern anything in the Applicants' conduct which is dishonest or contrary to acceptable commercial behaviour.

Whether Applicants had a bona fide intention to use the "ALPHASONICS" mark

97 As noted in *Susanna Leong* at [28.267] (citations omitted):

... the applicant must declare in his application that he is using, or that he has a *bona fide* intention to use, the mark in the course of trade in relation to the goods or services applied for.

It is a recognised instance of bad faith if it can be shown that the applicant had no such intention to use the mark in relation to the goods or services concerned. The law does not sanction the practice of "defensive registration" resulting in a "stockpile of trade marks" for the purpose of subsequently selling them to those who are rightfully entitled or to those who have an interest in acquiring them.

98 It is not disputed that the Applicants do not currently use the Application Mark on the goods applied for (essentially, ultrasonic cleaning equipment and chemical cleaning agents to be used with such equipment; full specifications set out in [1] above). I also note that the Applicants have not filed any application in Class 35 in respect of the retail of the goods applied for, which is what the Applicants are actually using the "ALPHASONICS" mark for presently.

99 However, the Applicants have claimed in Hoi's SD at [19(iv)] that they have "a genuine intention to develop, distribute and/or produce [their] own line of ultrasonic cleaning equipment under the Application Mark." Further, during cross-examination, Hoi elaborated that the Applicants had in fact previously used the "ALPHASONICS" mark on ultrasonic cleaning equipment which they had supplied, albeit on the manual for the machines and not the machines themselves:

Counsel for the Opponents ("O"): *Between the time you put the trade mark application in April 2011 until now, you have not put in any evidence in your SD or your SD subsequent to November 2012 that you started to produce these cleaning agents?*

Counsel for the Applicants ("A"): *Objection. This is not a revocation proceeding. My client is not required to prove use.*

Registrar: *Question is permissible but the statutory declaration does address this point. [To counsel for the Opponents] Ask your question specifically in relation to the SD.*

O: *I don't remember this. I asked if he developed or produced any products under the Application Mark.*

A: *What's the relevance of this question?*

....

Hoi: *We have two specific products, for the oil and gas and marine industries. Even though it's not in the SD, we have [machines] which were made specifically for these two industries.*

O: *Was the mark applied on these machines?*

Hoi: *On the manual, yes. On the machines, it was the serial number unit. On the manual, it's "Alphasonics".*

100 I found Hoi to be an honest witness and his evidence essentially disposes of the Opponents' ground of opposition on this issue. In any event, as noted at [86] above, the Court of Appeal, citing *Ng-Loy Wee Loon* at [21.4.1] has held that "an allegation of bad faith is a serious one, and... should not be upheld unless it is distinctly proved and this will *rarely be possible by a process of inference*" (emphasis by Court of Appeal). The Opponents have failed to cross this high threshold.

Conclusion on Section 7(6)

101 The ground of opposition under Section 7(6) fails.

Overall Conclusion

102 I find that the opposition fails on all grounds. Accordingly, the Application Mark shall proceed to registration. The Applicants are also entitled to costs, to be taxed if not agreed.

Dated this 16th day of October 2013

Mark Lim Fung Chian
Principal Assistant Registrar of Trade Marks
Hearings and Mediation Group
Intellectual Property Office of Singapore