

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

Trade Mark No. T1100008G
3 September 2014

**IN THE MATTER OF
A TRADE MARK REGISTRATION IN THE NAME OF**

LI SAN ZHONG

AND

APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY

TIME INC.

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

Ms Yvonne Tang (Drew & Napier LLC) for the Applicants
Mr Tan Siah Yong (ComLaw LLC) for the Registered Proprietor

Cur Adv Vult

GROUND OF DECISION

1 Li San Zhong is the Registered Proprietor (“the Proprietor”) of the following trade mark:



("the Subject Mark"), in Singapore in Class 16 in respect of "Books; educational materials (other than apparatus) for use in teaching; printed programmes; printed publications; calendars; cards; magazines (periodicals); newsletters; patterned stationery; patterns for embroidery; periodic publications; periodical magazines; posters; printed patterns; printed periodical publications". The Subject Mark was registered in Singapore on 3 January 2011 in the name of Fortune Times Pte Ltd. The latter was the first Registered Proprietor of the Subject Mark before the assignment to the Proprietor, see [16] below.

2 Time Inc. ("the Applicants") applied for a declaration of invalidity on 3 July 2012. A Counter-Statement was filed on 2 November 2012 in defence of the registration of the Subject Mark.

3 The Applicants filed evidence in support of their application on 19 August 2013. The Applicants filed supplementary evidence on 6 January 2014 to clarify the currency used in their earlier evidence filed on 19 August 2013. The Proprietor missed the deadline to file evidence. After an interlocutory hearing on 21 May 2014, the Proprietor's late request for extension of time to file evidence was refused. The matter proceeded to a full, substantive hearing on 3 September 2014.

Grounds of Invalidation

4 The Applicants rely on a number of grounds in the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act"). They are Sections 8(2)(b), 8(4)(i), 8(4)(ii)(A), 8(4)(ii)(B), 8(7)(a), all the foregoing being read with Section 23(3); and Section 7(6) as read with Section 23(1).

Applicants' Evidence

5 The Applicants' evidence comprises two Statutory Declarations, both declared by Paul A. Lee, the Assistant Secretary and the Associate General Counsel of the Applicants, on 13 August 2013 and 2 January 2014 respectively, in New York, United States of America.

Applicable Law and Burden of Proof

6 As the applicable law is the Act, there is no overall onus on the Proprietor either before the Registrar during examination or in invalidation proceedings. The undisputed burden of proof in the present case falls on the Applicants.

Background

7 The Applicants are a company incorporated on 28 November 1922. They claim that 91 years after their founding, they are one of the largest content companies in the world with a portfolio of approximately 96 magazines.

8 The Applicants rely on their earlier trade marks in Singapore as follows (respectively "the Applicants' 'TIME' Marks" and "the Applicants' 'FORTUNE' Marks", and collectively referred to as "the Applicants' Marks"):

No.	Trade Mark	Trade Mark No.	Class	Specification
1		T4708278D	16	Printed periodicals and publications in Class 16
2	TIME	T5620304A	16	Printed periodicals and publications.
3	TIME	T6640561E	16	Printed matter, newspapers and periodicals, books, photographs, cards, maps, charts, correspondence courses, instructional material, music books, musical programmes
4	TIME	T6640560G	9	Cinematograph-films, printed-films (photo), television films; sound recording and reproducing apparatus or instruments; sound producing records for use with phonographs
5	FORTUNE	T7874671D	16	Printed Publications.
6	FORTUNE	T8102892D	9	Computers, electronic data processing apparatus; recorded computer programs, but not including recorded computer programs in the form of sound recordings

9 The Applicants' TIME magazine was created in 1923 and was the first weekly news magazine in the United States of America. It has a domestic US audience of more than 17 million and a global audience of more than 21 million.

10 The Applicants' FORTUNE magazine is a global business magazine founded in 1930. It has a worldwide circulation of more than 1 million and a readership of nearly 5 million. English editions of FORTUNE magazine are published in Europe and Asia and local-language editions in China, Turkey, South Korea, Indonesia and India.

11 The global revenue and advertising figures for the Applicants' TIME magazine are as follows:

Year	Revenue from advertisements, subscription and retail sales (in USD) (in excess of)	Advertising and Promotional Expenses (USD) (in excess of)
2007	360,000,000	90,000,000
2008	330,000,000	80,000,000
2009	260,000,000	70,000,000
2010	250,000,000	60,000,000
2011	240,000,000	60,000,000
2012	220,000,000	60,000,000

12 The revenue and advertising figures for the Applicants' TIME magazine in Singapore are as follows:

Year	Revenue from advertisements, subscription and retail sales (in USD) (in excess of)	Advertising and Promotional Expenses (USD) (in excess of)
2007	4,500,000	560,000
2008	5,500,000	600,000
2009	3,000,000	400,000
2010	3,000,000	400,000
2011	3,000,000	400,000
2012	2,500,000	340,000

13 The global revenue and advertising figures for the Applicants' FORTUNE magazine are as follows:

Year	Revenue from advertisements, subscription and retail sales (in USD) (in excess of)	Advertising and Promotional Expenses (USD) (in excess of)
2007	115,000,000	36,700,000
2008	112,000,000	35,000,000
2009	72,000,000	28,500,000
2010	67,000,000	22,000,000
2011	70,000,000	24,000,000
2012	64,000,000	23,000,000

14 The revenue and advertising figures for the Applicants' FORTUNE magazine in Singapore are as follows:

Year	Revenue from advertisements, subscription and retail sales (in USD) (in excess of)	Advertising and Promotional Expenses (USD) (in excess of)
2007	1,500,000	390,000
2008	2,000,000	440,000
2009	1,000,000	260,000
2010	760,000	178,000
2011	740,000	147,000
2012	710,000	140,000

15 The Applicants' Marks are registered in many countries worldwide, including in Australia, Canada and the United Kingdom.

16 The Proprietor is an individual based in China. He was assigned the Subject Mark from Fortune Times Pte Ltd on 25 March 2013. The Proprietor has sought to defend the registration of the Subject Mark in the present invalidation proceedings, despite the outcome of the interlocutory proceedings resulting in no evidence being admitted on his part.

PRELIMINARY ISSUE

17 As recounted at [3] above, the Proprietor missed the deadline to file evidence and, after an interlocutory hearing, was not allowed to file evidence out of time. There was an issue in dispute on the consequences of the Proprietor not filing any evidence in these proceedings.

18 The provisions in question are Trade Marks Rules 33(3) and 59(2)(d) (Cap 332, 2008 Rev Ed). These rules provide that, where a registered proprietor does not file evidence in support of his trade mark registration, he is deemed to have admitted to the facts alleged by the applicant in his application for declaration of invalidity of the registration. Up to this point, the parties are in consensus. There is divergence, however, on what “*deemed to have admitted to the facts alleged by the applicant*” means.

19 The Applicants argued in favour of a very broad reading of “*deemed to have admitted to the facts alleged by the applicant*”. They claim that the Proprietor is deemed to have admitted all the elements in the grounds of invalidation relied on by the Applicants. As such, the Applicants' case is made out because the allegations, including those establishing each ground of invalidation, are admitted.

20 The Proprietor cited *Morton's of Chicago, Inc v Lone Star Restaurants Limited* [2011] SGIPOS 2 which makes clear at [12] as follows:

12 As referred to above, Rule 59 read with Rule 33 provides that a failure to file evidence by the Registered Proprietors shall be treated as an admission by the Registered Proprietors to the facts alleged by the Applicants in his application for a declaration of invalidity of the registration. However, this simply means that all statements of a factual nature submitted by the Applicants in his application are not disputed. The Registrar is still required to make findings of facts and determine whether such factual findings satisfy the legal tests as expounded in the cases such that the respective grounds for invalidation are made out.

21 The above decision still provides guidance today on how the Registrar will proceed where a registered proprietor does not file evidence in invalidation proceedings. Thus, the Proprietor is deemed to have admitted to all statements made by the Applicants of a factual nature including, for example, the existence and validity of the Applicants' Marks at [8] above. However, the Proprietor would not be deemed to have admitted that the Subject Mark is confusingly similar to the Applicants' Marks. The latter issue falls under the Registrar's purview and duty to adjudicate.

MAIN DECISION

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

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

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.

Decision on Section 8(2)(b)

Step-by-step Approach

23 Since its articulation by the Court of Appeal in ***The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd*** [2006] 2 SLR(R) 690, the three-step test has been firmly entrenched in Singapore jurisprudence as the relevant test under Section 8(2)(b). The Court of Appeal in ***Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal*** [2014] 1 SLR 911 ("*Staywell*") reiterated at [15] as follows:

... It is clear from the plain words of ss 8 as well as 27 of the Act that the only relevant type of confusion for the purpose of grounding an opposition or an infringement action, is that which is *brought about* by the similarity between the competing marks and between the goods and services in relation to which the marks are used. Since this court's decision in *Polo (CA)*, our courts have given effect to this statutory wording by applying what is now known as the "step-by-step" approach, as opposed to the competing "global appreciation approach" applied in Europe after *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199 ("*Sabel v Puma*"). Under the step-by-step approach, the three requirements of similarity of marks, similarity of goods or services, and likelihood of confusion arising from the two similarities, are assessed systematically. The first two elements are assessed individually before the final element which is assessed in the round. Under the global appreciation approach the elements of similarity between marks and goods or services, whilst still necessary ingredients in the confusion inquiry, are elided with other factors going towards the ultimate question of whether there is a likelihood of confusion (see *Sabel v Puma* at 223–224, and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 ("*Canon*") at 132). Whilst there have been suggestions that the two approaches might be distinct without being different, we maintain this dichotomy and endorse the step-by-step approach as being conceptually neater and more systematic and, importantly, as being more aligned with the requirements imposed under our statute (see *Polo (CA)*) at [8]).

24 To succeed under Section 8(2)(b), the Applicants have to prove three elements, namely that the competing marks are similar; the goods are identical or similar; and, because of the foregoing, there is a likelihood of confusion on the part of the public. I shall examine each element in turn.

Similarity of Marks: Principles

25 The Court of Appeal in ***Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA*** [2013] 1 SLR 531 ("*Sarika*") at [16] (affirmed by the Court of Appeal in ***Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal*** [2013] 2 SLR 941 ("*Hai Tong*") at [39]) held that:

The decided cases have established that the court will consider three aspects of similarity, *viz*, visual, aural and conceptual similarity: *Polo (CA)* at [24]; *Mobil Petroleum Co., Inc v Hyundai Mobis* [2010] 1 SLR 512 at [17]. However, it is not a pre-requisite that all three aspects of similarity must be made out before there can be a finding of similarity between the sign and the mark: *Mediacorp News Pte Ltd v Astro*

All Asia Networks plc [2009] 4 SLR(R) 496 at [32] ("*Mediacorp*"). The relative importance of each aspect of similarity varies with the circumstances, in particular, with the goods and types of marks: *Mediacorp* at [32], citing Bently and Sherman, *Intellectual Property Law* (Oxford University Press, 3rd ed, 2009) ("*Bently & Sherman*") at p864. Simply put, a trade-off between the three aspects of similarity can be made, and each case ought to be viewed in its own context: *Ozone Community Corp v Advance Magazine Publishers Inc* [2010] 1 SLR 382 ("*Ozone Community*") at [40]. Whether there is similarity between the sign and the mark is a question of fact and degree for the court to determine: *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*City Chain*") at [47]; *Johnson & Johnson v Uni-Charm Kabushiki Kaisha (Uni-Charm Corporation)* [2007] 1 SLR(R) 1082 at [9] ("*Johnson & Johnson*").

26 In addition to the passage above, the Court of Appeal in *Hai Tong* held at [40(b)] that in assessing similarity between two contesting marks, the court considers them as a whole but does not take into account any external added matter or circumstances because the comparison is mark for mark. This inquiry should be undertaken from the perspective of the average consumer who would exercise some care and a measure of good sense in making his or her purchases, and it is assumed that the average consumer has "imperfect recollection", such that the contesting marks are not compared side by side and examined in detail for the sake of isolating particular points of difference. The court will consider the general impression likely left on the essential or dominant features of the marks (at [40(c)-(d)]).

27 This approach to a determination of similarity of marks was endorsed by the Court of Appeal in *Staywell* at [26] as follows:

When speaking of the assessment of a mark as a whole, it may be noted that the cases have consistently stated that the "visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components"...

28 As regards distinctiveness, it was reiterated in *Staywell* at [30] that:

... distinctiveness (in both its technical and non-technical senses) is a factor *integrated into* the visual, aural and conceptual analysis as to whether the competing marks are similar. It is not a separate step within the marks-similarity inquiry.

29 In considering the similarity of marks, the High Court decision in *Ferrero SPA v Sarika Connoisseur Cafe Pte Ltd* [2011] SGHC 176 ("*Ferrero*") also sets out the following principles at [50]:

(a) First, the court considers the two signs/marks "as a whole" (*Polo* at [8]; *City Chain* at [47], [50]). However, the court would not take into account "any external added matter or circumstances" because the comparison is "mark for mark" (*MediaCorp* at [33], citing *Caterpillar Inc v Ong Eng Peng* [2006] 2 SLR(R) 669 at [55] ("*Caterpillar*")).

(b) Second, the signs/marks are considered from the viewpoint of the average consumer – *not* an unthinking person in a hurry, but rather, a person who would exercise some care and good sense in making his purchases (*Polo* at [34]).

(c) Third, when comparing the two signs/marks, what is relevant is the “imperfect recollection” of the customer (*MediaCorp* at [33], citing *Nautical Concept Pte Ltd v Jeffery Mark Richard* [2007] 1 SLR(R) 1071 at [30]). The court will not compare the two marks side by side and examine them in detail, because “the person who is confused often makes comparison from memory removed in time and space from the marks” (*MediaCorp* at [33], citing *Caterpillar* at [55]).

Similarity of Marks: Analysis

(i) *Visual Similarity*

30 The High Court in *Ferrero* sets out the following approach to determine visual similarity between competing marks at [51]:

In the case of word marks, a determination of visual similarity typically involves looking at the (a) length of the marks; (b) structure of the marks (*i.e.*, whether there are the same number of words); and (c) whether the same letters are used in the marks (*Ozone Community* at [49], citing Bently & Sherman, *Intellectual Property Law* (Oxford University Press, 3rd Ed, 2009) at 865 (“*Bently & Sherman*”)).

31 The Applicants submit generally that the Subject Mark is similar to the Applicants' Marks. They assert that the distinctive and dominant components of their "FORTUNE" Marks and their "TIME" Marks are "Fortune" and "Time" respectively. By themselves, the "FORTUNE" Marks and "TIME" Marks say nothing about the Class 16 goods for which they are registered. The Applicants also claim that the Applicants' Marks enjoy acquired distinctiveness. As such, the Applicants submit that the "FORTUNE" Marks and "TIME" Marks have a high level of "technical distinctiveness" and enjoy "a high threshold before a competing sign will be considered dissimilar to it".

32 On the other hand, the Proprietor points out that the Subject Mark as an entire mark consists of the square device, the four Chinese characters and the two English words “FORTUNE TIMES” whereas the Applicants’ Marks each consists of one word “TIME” and “FORTUNE”. There is also a difference in the word “TIMES” in the Subject Mark compared to the Applicants’ "TIME" Marks. The Proprietor submits that the dominant part of the Subject Mark is the square device with the four Chinese characters. The length and structure of the marks are different and although there appears the same word “FORTUNE” in both marks, there is no similarity as the Subject Mark comprises two English words “FORTUNE TIMES” with the square device and Chinese Characters. The Proprietor highlights that the word “TIMES” in the Subject Mark is different from the word “TIME” in the Applicants’ TIME Marks, both perceived as English words alone and in context of the entire Subject Mark.

33 The approach to determine visual similarity described by the High Court in *Ferrero* above is a good starting point. The Subject Mark is significantly longer than the Applicants’ Marks, comprising four Chinese and two English words. The Applicants’ Marks are single-word marks, comprising either the word “FORTUNE” or the word “TIME”. The Subject Mark has more words than the Applicants’ Marks. As for whether the same letters are used in the marks, it is observed that the word “FORTUNE” in the Applicants’ “FORTUNE” Marks is wholly subsumed in the Subject Mark, as part of a larger whole. The word “TIME” in the Applicants’ “TIME” Marks overlaps with the word “TIMES” in the Subject Mark.

34 One is also to consider distinctiveness in the ordinary and non-technical sense, in accordance with *Staywell* at [23]. This takes into account the “*distinctive (in the non-technical sense) and memorable components of the mark*” which “*are those that tend to stand out in the consumer's imperfect recollection.*” What then is the distinctive (non-technical)



and memorable aspect of the Subject Mark and the Applicants' Marks?

35 The Applicants aver that the distinctive and memorable components for both the Subject Mark and the Applicants' Marks are the words “FORTUNE” and “TIMES”, because the Chinese characters in the Subject Marks are merely translations of the English words “FORTUNE” and “TIMES”.

36 While there is no contention that the distinctive and memorable component of the Applicants' “FORTUNE” Marks and “TIME” Marks are the words “FORTUNE” and “TIME” respectively, the same is not necessarily the case for the Subject Mark.

37 Visually, it appears to me that the large Chinese characters arranged in a square device form the most distinctive and memorable component of the Subject Mark. However, marks are perceived as wholes without unnecessary dissection. Hence, in determining whether marks are visually similar, I also regard the presence of the smaller English words “FORTUNE TIMES” to the right of the Chinese characters in the Subject Mark.

38 As for technical distinctiveness, the Court of Appeal in *Staywell* opined at [25] that “*a mark which has greater technical distinctiveness enjoys a high threshold before a competing sign will be considered dissimilar to it (Sarika at [36])*”. The Applicants argue that “FORTUNE” and “TIME” have no relation to publications (the goods covered by the specifications of the Applicants' Marks) and therefore enjoy high technical distinctiveness. The Applicants' Marks appear to have been registered in Singapore without the need for evidence of use demonstrating acquired distinctiveness. Further and in any case, the Applicants claim, the Applicants' Marks would have acquired distinctiveness as a result of long use in Singapore. I would assess this factor rather evenly between the parties. The words “FORTUNE” and “TIME”, are known English words with easily accessible meanings. Such words would be lower down on the scale of “technical distinctiveness” as compared to invented words which are highly distinctive technically, such as “NUTELLA” in the *Sarika* decision. Nevertheless, it is acknowledged that the Applicants' Marks are still moderately distinctive in the technical sense, and certainly more distinctive than descriptive signs.

39 The assessment of mark-similarity is more an art than a science, more of feel than of formula, guided by principles such as that of considering the marks as wholes and of imperfect recollection. The Subject Mark is designed very differently from the Applicants' Marks such that the visual impact is different. Overall, I find that the Subject Mark is not visually similar to the Applicants' Marks.

(ii) *Aural Similarity*

40 A determination of aural similarity involves, as the Court of Appeal in *Sarika* opined at [28], “*a qualitative assessment of the relative number of syllables which the two marks have in common*”. At [30]-[31], the court also endorsed the consideration of “*how an average*

Singaporean consumer would pronounce the respective words" and the making of "allowances for imperfect recollection and careless pronunciation and speech".

41 In this regard, the Applicants submit generally (see [31] above) that the Subject Mark is similar to the Applicants' Marks, asserting that the distinctive and dominant components of their "FORTUNE" Marks and their "TIME" Marks are "Fortune" and "Time" respectively.

42 However, on "*a qualitative assessment of the relative number of syllables which the two marks have in common*", the Subject Mark has seven syllables (four syllables from the four Chinese characters and three syllables from the English words) whilst the Applicants' "FORTUNE" Marks have two syllables each and the Applicants' "TIME" Marks have one syllable each.

43 Reading the Subject Mark from left to right, as an ordinary member of the public would usually do, even more so with the larger size of the Chinese characters on the left, the distinctive and dominant aural component of the Subject Mark is "时代财智".

44 The aural impression of the Subject Mark, read as "时代财智 Fortune Times" is quite different from the aural impression given by the Applicants' "FORTUNE" Marks and "TIME" Marks. Therefore, I find that the Subject Mark is not aurally similar to the Applicants' Marks.

(iii) *Conceptual Similarity*

45 On the issue of conceptual similarity, the High Court in *Ferrero* at [66] states that:

In considering whether there is *conceptual* similarity between marks, it is necessary to consider the *ideas that lie behind or inform the earlier mark* (*Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 ("*Festina*") at [38], citing *Bently & Sherman* at p 866).

46 The Applicants submit that the word "Times" is commonly used in the names of newspapers and publications and is understood as a word that merely denotes that name of the newspaper or publication. In this regard, the Applicants cited examples of newspapers and publications such as The New York Times, The Business Times, The Straits Times, The Sunday Times, Radio Times, Nursing Times, The Hotel Times, Vegetarian Times, Tokyo Disney Resort Times and so on.

47 Therefore, the Applicants submit that "Fortune Times" in the Subject Mark is conceptually the same as the Applicants' "FORTUNE" Marks, because the word "Times" is just a common component in the names of newspapers and publications. Hence, when consumers perceive the Subject Mark, they will disregard the word "Times" and focus on the word "Fortune". Also, the Chinese characters in the Subject Mark merely translate the English words.

48 On the other hand, the Proprietor submits that the English words in the Subject Mark, "Fortune Times" speaks of a period of fortune. The Proprietor also distinguished between "Time" in the Applicants' "TIME" Marks and the word "Times" in the Subject Mark as being different in meaning.

49 The Applicants have helpfully provided definitions from The New Century Chinese-English Dictionary on the four Chinese characters in the Subject Mark:

“时代”:

1. Times.
2. The times.
3. A period of one’s life.

“财”: wealth; money.

“智”: wisdom; resourcefulness; wit.

50 Considering the meaning of the four Chinese characters both separately and as a whole phrase “时代财智”, one observes that the element of “wisdom, resourcefulness and wit” embodied in the word “智” is not found in the Applicants’ Marks. To this, the Applicants responded at the hearing that “智” read with “财” refers to fortune, and the management thereof, which requires wisdom.



51 I perceive that the “*ideas that lie behind or inform*” the Subject Mark have to do with current (“时代” and “Times”) insights and nuggets of wisdom (“智”) on wealth-related issues (“财” and “Fortune”). The concept of the Applicants’ “FORTUNE” Marks on the other hand revolves around luck, fortune and wealth. As for the Applicants’ “TIME” Marks, there may be a connotation of currency, as in *timely* news and commentary on *current* affairs.

52 Overall, the Subject Mark is not conceptually similar to the Applicants’ “TIME” Marks. As for the Subject Mark compared with the Applicants’ “FORTUNE” Marks, I am prepared to find that there is marginal conceptual similarity.

Conclusion on Similarity of Marks

53 The Court of Appeal decision in *Staywell* made clear two points, among others, when concluding whether or not two marks are similar.

54 First, there is no “*particularly or notably low threshold of marks-similarity*”, *Staywell* at [16]. The Court of Appeal went to some length to clarify at [17]-[18] as follows:

... The court must ultimately conclude *whether the marks, when observed in their totality, are similar rather than dissimilar*. The three aspects of similarity are meant to guide the court's inquiry but it is not helpful to convert this into a checkbox exercise in which a tick, however faint it might be, in any one box must compel the court to find that the marks are similar when a sensible appraisal of the marks as a whole would show otherwise.

... In short, the criteria of visual, aural and conceptual similarities do not invite a formulaic consideration; rather, they are signposts towards answering the question of *whether the marks are similar*...

55 Second, "*the assessment of marks similarity is mark-for-mark without consideration of any external matter*". The Court of Appeal elaborated at [20]:

This means that *at the marks similarity stage* this even extends to not considering the relative weight and importance of each aspect of similarity having regard to the goods. This does not mean that the court ignores the reality that the relative importance of each aspect of similarity might vary from case to case and will in fact depend on all the circumstances including the nature of the goods and the types of marks, as we observed at [40(b)] of *Hai Tong*. Rather, such considerations are properly reserved for the *confusion* stage of the inquiry, because that is when the court is called upon to assess the *effect* of objective similarity between the marks, on the perception of consumers. We recognise that this reflects a slight departure from the approach taken by the High Court in *Festina Lotus SA v Romanson Co Ltd* [2010]4 SLR 552 at [55]-[56], and by this court in *Sarika* at [38].

56 I therefore consider whether the respective marks, "*when observed in their totality, are similar rather than dissimilar*", noting the Court of Appeal's rejection of the suggestion that "*any modicum of similarity would compel the court to make a finding of marks-similarity*" at [19] of *Staywell*.

57 Earlier on, I have found that the competing marks are not visually and aurally similar, but the Subject Mark is conceptually similar to the Applicants' "FORTUNE" Marks just marginally. Even given that "*trade-offs can occur between the three aspects of similarity in the marks-similarity inquiry*" ([18] of *Staywell*), I conclude that the Subject Mark and the Applicants' Marks are more dissimilar than similar when observed in their totality.

58 Hence, I find that the first element under Section 8(2)(b) has not been satisfied.

Similarity of Goods

59 In respect of the element of similarity of goods, the Applicants made submissions on the Applicants' Marks in Class 16 (in particular T7874671D, T5620304A and T6640561E) and not on the remaining earlier marks set out at [8] above, including those in Class 9. The Proprietor admits that the respective goods are goods of the same description and similar; and I agree that this is the case.

60 Hence, I find that the second element under Section 8(2)(b) has been satisfied.

Likelihood of Confusion: Principles

61 As indicated above, I have not found marks-similarity at the first stage of the 3-step enquiry under Section 8(2)(b) of the Act. The enquiry effectively ended then. However, in the event I am wrong on the lack of marks-similarity, I continue with a consideration of the likelihood of confusion at the third stage of the enquiry. The following assessment is based on the premise that the Subject Mark is marginally more similar to the Applicants' "FORTUNE" Marks than not because of their conceptual overlap.

62 At [55] of its decision in *Staywell*, the Court of Appeal restated as follows:

... Once these threshold criteria have been met, the issue of the likelihood of confusion arises and this in our view directs the court to look at (a) *how* similar the marks are (b) *how* similar the services are and (c) given this, how likely the relevant segment of the public will be confused. In *Hai Tong* we said (at [85(c)]):

Having regard to the express terms of s 27(2), there are three specific elements that plainly must be considered. These are: (i) the similarity between the registered mark and the allegedly infringing mark; (ii) the similarity or identity between the goods or services in relation to which the marks are used; and (iii) the relevant segment of the public in relation to whom the court must consider the likelihood of confusion. Each of these elements can vary. The marks may be identical or similar, and if the latter, they can vary in their degree of similarity. In the same way, the goods or services in relation to which the marks are used may be identical or similar, and again, if the latter, they may vary in the degree or extent to which they are similar. ... And as to the relevant segment of the public, there may be characteristics that are particular to the group in question. Each of these factors will have a bearing on the likelihood of confusion. As an illustrative proposition, the likelihood of confusion must be greater where, say, the contesting marks are similar to a high degree, the goods are identical in nature and the segment of the public in question is undistinguished in its attention than would be the case if the marks and the goods are somewhat similar but not exceedingly so, and the relevant segment of the public happens to be highly knowledgeable and very fastidious. ...

(i) *Notional Fair Use*

63 The Court of Appeal in *Staywell* clarified the approach to determining likelihood of confusion at [60] and [62]:

Accordingly in opposition proceedings the inquiry must take into account the full range of the competing monopoly rights that are already enjoyed on the one hand, namely the actual and notional fair uses to which the incumbent proprietor has or might fairly put his registered trade mark, and compare this against the full range of such rights sought by the applicant by reference to any actual use by the applicant (assuming there has been prior use) as well as notional fair uses to which the applicant may put his mark should registration be granted. This is the setting in which the question of whether there is a likelihood of confusion is assessed...

... It would still be necessary to consider the wider question of whether the notional fair uses that the applicant might put the mark to could conflict with the notional fair uses to which the proprietor of the registered mark could put his mark to. As we have noted, this latter inquiry sets a higher threshold for the applicant than an inquiry that focuses only on whether the actual use is infringing, and it follows that as a practical matter, in opposition proceedings, the applicant will have to meet that higher threshold regardless of whether there has already been actual use. In essence, in such proceedings, he will be required to establish that the notional fair use of his mark would not infringe the notional fair use rights of the registered proprietor; whereas in infringement proceedings the only question is whether the actual use by the alleged infringer infringes the notional fair use rights of the registered proprietor of the mark...

(ii) *Extraneous Factors*

64 In *Staywell*, the Court of Appeal also affirmed the relevance of extraneous factors "to the extent they inform the court as to how the similarity of marks and goods will likely affect the consumer's perception as to the source of the goods", see [83].

65 On the specific types of extraneous factors that are permissible, we have guidance from the court in the conclusion at [95]-[96] of *Staywell*:

95 Although the risk of origin-based confusion is the primary interest sought to be protected by trade mark law, there must be a limit to the range of external factors that may be taken into account to determine whether a sufficient likelihood of such confusion exists. The permissible factors are those which (a) are intrinsic to the very nature of the goods and/or (b) affect the impact that the similarity of marks and goods has on the consumer. The impermissible factors are those differences between the competing marks and goods which are created by a trader's differentiating steps. In other words, factors which are not inherent in the goods, but are susceptible to changes that can be made by a trader from time to time, should not be permissible considerations. In particular, we are satisfied that it is unnecessary, unworkable and impermissible for the court to have regard to such issues as pricing differentials, packaging and other superficial marketing choices which could possibly be made by the trader. In contrast, extraneous factors that relate to the *purchasing practices* and *degree of care* paid by the consumer when acquiring goods of the sort in question, can be considered and assessed without descending into the details of particular differentiating steps which the trader might choose to take in relation to the goods and services falling within the specification.

96 Based on these considerations, the following represents a non-exhaustive list of factors which we regard as admissible in the confusion inquiry:

(a) Factors relating to the impact of marks-similarity on consumer perception: the degree of similarity of the marks themselves (see *Hai Tong* ([18] *supra*) at [85(c)(iii)]), the reputation of the marks (see *Polo (CA)* ([8] *supra*) at [34]), the impression given by the marks (see *Polo (CA)* at [28]), and the possibility of imperfect recollection of the marks would all be relevant. Clearly, the greater the similarity between the marks, the greater the likelihood of confusion. As to the reputation of the mark, *Mobil Petroleum Co, Inc v Hyundai Mobis* [2010] 1 SLR 512 ("*Mobil*") at [74] makes it clear that a strong reputation does not necessarily equate to a higher likelihood of confusion, and could in fact have the contrary effect as in *McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR(R) 177 (see at [64]).

(b) Factors relating to the impact of goods-similarity on consumer perception: it would be legitimate to take into account factors concerning the very nature of the goods without implicating any steps that are taken by the trader to differentiate the goods. This includes the normal way in or the circumstances under which consumers would purchase goods of that type (see [20] above, *Mystery Drinks* at [48], *Lloyd* ([23] *supra*) at 1352; and *Phillips-Van Heusen Corp v OHIM* ([20] *supra*) at [55]). This factor is not directly dependent on the marketing choices that the trader makes. As alluded to at [94] above, it would also be relevant to have regard to whether the

products are expensive or inexpensive items, the nature of the goods and whether they would tend to command a greater or lesser degree of fastidiousness and attention on the part of prospective purchasers (see generally *Hai Tong* at [85(c)(i)]), and the likely characteristics of the relevant consumers and whether they would or would not tend to apply care or have specialist knowledge in making the purchase. We refer here to *In the matter of an Application by the Pianotist Company Limited for the Registration of a Trade Mark* (1906) 23 RPC 774 where it was observed that, having regard to the nature of the article in question (musical instruments), the (high) price at which it was likely to be sold, and the nature of the consumers who are likely to purchase such products ("generally persons of some education"), a man of ordinary intelligence was unlikely to be confused (at 778). The price of the type of product being sold is distinct from the issue of price disparity between the parties' products. The former consideration directly impinges on the degree of care the consumer is likely to pay to his purchase and therefore his ability to detect subtle differences. As observed in *Reed Executive plc v Reed Business Information Ltd* [2003] RPC 12 at [103], "a 50 pence purchase in the station kiosk will involve different considerations from a once-in-a-lifetime expenditure of 50,000 pounds". On the other hand, superficial price disparity between the competing goods, which speak (*sic*) more about the trader's marketing choices rather than differences in the nature of the goods themselves, is not a factor we find relevant to the inquiry.

(iii) "Mosaicking" of Marks

66 The Applicants also submit that not only would the Subject Mark appear to the public to be confusingly similar to the Applicants' "FORTUNE" Marks, the similarities are increased due to the fact that the name "Fortune Times" would appear to the public to be merely a combination of two of the Applicants' most well known trade marks, namely "FORTUNE" and "TIMES".

67 In this regard, the Applicants referred to one Australia decision and one UK decision where the plaintiffs succeeded in obtaining injunctions on the ground of passing off to stop the defendants from taking the names of two different companies and combining them to form a new name for registration. In *Fletcher Challenge v Fletcher Challenge Pty Ltd & Anor* [1982] FSR 1 ("*Fletcher*"), within a few hours after the announcement in Australia of the impending merger of the Fletcher and Challenge companies in New Zealand under the name "Fletcher Challenge", the defendants applied to reserve the company name "Fletcher Challenge Pty Ltd" in Australia. In *Glaxo Plc & Anor v Glaxowellcome Limited & Others* [1996] FSR 388 ("*Glaxo*"), the defendant filed an application to register the company "Glaxowellcome Limited" one day after a press release announced a take-over bid by Glaxo Plc for Wellcome Plc. The press release had stated that if the bid was successful, Glaxo Plc would be renamed Glaxo-Wellcome Plc.

68 I have considered the above cases and do not find them persuasive to the present invalidation proceedings under Section 8(2)(b). The considerations for misrepresentation under the law of passing off are broader in that one may take into account all surrounding circumstances and not only those factors pertaining to mark-similarity and goods-similarity.

69 On the subject of "mosaicking" marks in the assessment of likelihood of confusion, I refer to the recent decision of *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd*

[2014] SGIPOS 10 at [48] to [52], where Principal Assistant Registrar Sandy Widjaja succinctly analysed as follows:

48 Before I proceed to analyse the Application Mark against the Opponents' Earlier Marks based on the above principles, there is an important issue to be resolved and that is how the marks are to be compared. A table in this regard will aid the analysis. The question is, would the proper approach to the analysis be the approach as per Table 1 below (as submitted by the Applicants):

TABLE 1		
S/N	Application Mark	Opponent's Earlier Mark T1111886Z
1.		
2.		Opponent's Earlier Mark T1113897F 

Or Table 2 below (as submitted by the Opponents):

TABLE 2		
S/N	Application Mark	Opponent's Earlier Mark T1111886Z
1.		
		Opponent's Earlier Mark T1113897F 

This issue is important as it will determine the way in which the principles propounded above are applied.

49 My view is that the approach should be that of Table 1. In addition to the Applicants' submissions, importantly, section 8(2)(b) reads as follows:

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.

50 It is also to be recalled that the Court in *St Regis* at [20] provided that:

[20] Finally, on this issue, we reiterate that the assessment of marks similarity is *mark-for-mark* without consideration of any external matter... It is clear that the method for comparison is mark-for-mark or to put it another way, it is [a] mark-for-[a] mark.

51 In light of the above, it is not appropriate to compare the Application Mark as against the Opponents' Earlier Marks together, as submitted by the Opponents on the basis that while separately registered, the Opponents uses a combination of the Opponents' Earlier Mark T111886Z and the Opponents' Earlier Mark T1113897F on their products as a composite mark. It is the Opponents' mark as registered, which is in question here.

52 It is the Opponents' prerogative as to the marks which they wish to seek protection. However, each registered trade mark, which is a property right and is granted the rights and remedies under the Act in itself, should be treated separately on its own.

70 Because the three-step test under Section 8(2)(b) is firmly entrenched in our jurisprudence, we would have to resist any suggestion that other marks can be taken into consideration (“mosaicking” of marks) in the assessment of likelihood of confusion at the third step, when the condition precedent of marks-similarity at the first step only allows a mark-for-mark comparison.

Likelihood of Confusion: Analysis

(i) Factors Relating to the Impact of Marks-Similarity on Consumer Perception

71 Having regard to the degree of similarity of the marks, I have held that they were only conceptually similar, and marginally so. Hence, this factor in the consideration of likelihood of confusion lies in the Proprietor's favour – “*Clearly, the greater the similarity between the marks, the greater the likelihood of confusion*” ([96] of *Staywell*) and conversely, the lesser the similarity between the marks, the lower the likelihood of confusion.

72 The Applicants emphasize that their FORTUNE magazine is of long vintage and has a readership of almost 5 million, winning accolades over the years. However, I am at the same time mindful that an earlier mark's strong reputation could have the effect of lowering the likelihood of confusion instead: *Mobil Petroleum Co, Inc v Hyundai Mobis* [2010] 1 SLR 512 (“*Mobil*”) and *McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR(R) 177 (“*McDonald's*”).

73 The Court of Appeal in *Staywell* cited with approval (at [96]) *Mobil* at [74], where it was made clear that a strong reputation does not necessarily equate to a higher likelihood of confusion, and could in fact have the contrary effect as in *McDonald's* (see at [64]). In the present case, any reputation derived from the Applicants' “FORTUNE” Marks, might indeed have an effect contrary to a likelihood of confusion, as FORTUNE magazine (with the

prominence of singularity in the word “Fortune”) – if it is as established as the Applicants claim – could be sufficiently entrenched in the mind of consumers as to dispel any real



possibility of confusion with the Subject Mark . At this juncture it is apposite to refer to *Staywell* where the Court of Appeal considered an argument relating to initial interest confusion.

74 In *Staywell*, the Opponents had argued that confusion which arose initially but which would have been dispelled by the time of the purchase could amount to confusion under Section 8(2) of the Act. The Court of Appeal considered this argument and opined at [113]:

Having considered the relevant American, English and European authorities on the matter, our view is that the doctrine of initial interest confusion is directed at a different purpose than that of s 8(2) (and s 27(2)) of our Act. The rationale underlying the doctrine is very much the protection of the reputation of a well-known mark from dilution or the prevention of misappropriation of the owner's goodwill. But this court in *Mobil* ([96] *supra* at [94]) and *Amanresorts* ([105] *supra* at [229]) made clear that protection against dilution is the sole province of s 8(4)(b)(ii) of the Act, which was added to our Act for that specific purpose. The courts have repeatedly stated that the confusion element in s 8(2) is concerned with the origin and source of goods, and not simply their reputation or associative properties (see *Hai Tong* ([18] *supra*) at [72], *City Chain* at [58] and *Richemont* ([40] *supra*) at [20]). If a consumer is initially confused but this is unlikely to persist to the point of purchase because of a lack of sufficient similarity in the marks or the goods then the purpose of the trade mark as a "badge of origin" has not been undermined...

75 It was concluded at [116] of *Staywell* that "*the doctrine of initial interest confusion should not be introduced into our law because it is inconsistent with the purpose of s 8(2) of the Act which is only to protect the trade mark as an indication of origin.*"

76 Thus, in the present case, even if there were any initial interest confusion between the Subject Mark and the Applicants' "FORTUNE" Marks, such "confusion" would not be relevant in a determination of likelihood of confusion under Section 8(2)(b).

77 At the hearing, the Applicants made an interesting submission pertaining to how a composite mark, comprising a dominant element and a less dominant but nonetheless independently distinctive, may be perceived. They refer to a European Court of Justice (ECJ) decision, *Medion AG v Thomson Multimedia Sales Germany & Austria* [2005] E.C.R. I-8551, [2006] IP & T 150. This was a trade mark infringement case (under Article 5(1)(b), *in pari materia* with Section 27(2)(b) of the Act) where the competing marks are "LIFE" (the plaintiff's earlier mark) and "THOMSON LIFE" (the defendant's later mark). The ECJ's view was that there might be a likelihood of confusion in the use of "THOMSON LIFE", even though the overall impression produced by the combination of "THOMSON" and "LIFE" was not dominated by the earlier mark "LIFE".

78 The ECJ opined at [29] to [35] as follows:

29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a

composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord* (para 32)).

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by art 5(1) of the Directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite mark juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the tenth recital in the preamble to the Directive, the guarantee of the earlier mark as an indication of the origin would not be assured, even though it still had an independent distinctive role in the composite sign.

79 At the hearing, I observed that the ECJ uses the global assessment test unlike Singapore which uses the three-step test under Section 8(2)(b) of the Act. The Applicants had the opportunity to respond, and they accordingly responded that the main point of citing the ECJ case is that the act of combining two marks, “THOMSON” and “LIFE”, is taken into account by ECJ towards a finding of confusion.

80 As opined at [70] above, we cannot countenance the “mosaicking” of marks when applying the three-step test under Section 8(2)(b). This may be the relatively rare instance where the application of the three-step test as opposed to the global assessment test yields a different outcome. Also, and on a separate note, even as the ECJ has taken into account the less dominant but nonetheless independently distinctive element of the composite mark

towards a finding of likelihood of confusion, we have likewise given due regard to all elements of the Subject Mark, and not only the dominant elements, see [37], [44] and [51] above.

(ii) *Factors Relating to the Impact of Goods-Similarity on Consumer Perception*

81 Under this heading, it is in order to consider "*factors concerning the very nature of the goods without implicating any steps that are taken by the trader to differentiate the goods. This includes the normal way in or the circumstances under which consumers would purchase goods of that type ... whether the products are expensive or inexpensive items, the nature of the goods and whether they would tend to command a greater or lesser degree of fastidiousness and attention on the part of prospective purchasers ... and the likely characteristics of the relevant consumers and whether they would or would not tend to apply care or have specialist knowledge in making the purchase*", see [96] of *Staywell*.

82 The relevant goods under consideration here are the goods claimed under the Subject Mark and the Applicants' "FORTUNE" Marks. Among such goods, the Proprietor has conceded similarity or even identity ("*goods of the same description*" as the Proprietor submitted) between the goods in Class 16. Hence, the goods under scrutiny now are the goods of overlap, essentially printed publications and periodicals. The Applicants make the point that the closer the goods are to each other in nature, the higher the likelihood of confusion.

83 Having regard to "*the normal way in or the circumstances under which consumers would purchase*" the goods, the Applicants further submit that printed publications and periodicals are typically placed on display in bookstores where consumers would select, browse and purchase titles without the intervention of sales personnel.

84 The Applicants also submit that the goods in question are relatively inexpensive. For example, they claim that the regular newsstand price of the FORTUNE magazine is S\$13.50, while the TIME magazine is priced at S\$9.50. At this pricing, the Applicants submit, purchasers would not naturally exercise much care in the purchase. As for the nature of the goods, the Applicants submit that periodicals are not technical products such as computers, nor personal items such as medication or cosmetics, nor high-end expensive goods such as cars. Thus, it is the Applicants' submission that purchasers of periodicals would not pay much attention during the purchase.

85 As for "*the likely characteristics of the relevant consumers and whether they would or would not tend to apply care or have specialist knowledge in making the purchase*", the Applicants submit that purchasers of periodicals would generally not apply care nor have specialist knowledge. Purchasers include businesspeople and adults who have an interest in financial matters or current affairs. A significant portion of such purchasers is likely to be those without sufficient knowledge of the Chinese language, or are foreigners living or working in Singapore. The likelihood of confusion for such purchasers is even greater, as the Subject Mark would appear to them simply as "FORTUNE TIMES".

86 The Applicants submit that there is a high likelihood that the competing marks would be seen as economically linked, even when they are not.

87 Among the various factors pertaining to the impact of goods-similarity on consumer perception, the first factor on the degree of similarity of the goods falls in favour of the Applicants. However, the enquiry is more equivocal when the remaining factors are taken into account. Given that periodicals are typically self-serve goods available for selection and purchase off the shelf, the consumer may have opportunity to browse the contents of the periodicals before deciding whether to make the purchase. On the other hand, such opportunity may not present itself if the periodical is wrapped and sealed. If browsing is possible, a consumer could browse the periodical and, perhaps at a subconscious level, corroborate the contents with the impression given by the trade mark of the periodical to ascertain that the periodical is what he thought it was, before making the purchase. Alternatively, a consumer could browse the periodical and, without regard to the title or brand of the periodical, make a purchase simply because the contents interested him (a case of “a rose by any other name would smell as sweet”).

88 A consideration of the impact of the price factor on consumer perception also may not clearly aid the Applicants in the current analysis. At first glance, if periodicals are contrasted with obviously more expensive goods such as cars, it could be said that the degree of attention a consumer of periodicals pays to his purchase is lower than that for a consumer of cars. Up to this point, I am prepared to agree that the factor in isolation is in the Applicants’ favour. However, this high level of abstraction may not be too helpful at a more specific level, as the impact of price on the selection and purchase of periodicals could be less straightforward than thought. While the price of periodicals in general is not high, this factor may carry less weight in the consumer’s selection and purchase of such goods. The content of the periodical would be the paramount consideration for the consumer. To this end, the prospective consumer would exercise a relatively high degree of care in selecting the reading material of interest to him and not pay less attention to what periodical he buys because the price is relatively low.

89 Taking into account the characteristics of consumers of periodicals, their profile is also varied. Some consumers are casual browsers who will ascertain whether the contents of a particular issue of a periodical are interesting enough before making the purchase. Other consumers are regular readers of the periodical title and will pick up every issue from the newsstand or bookstore without going through the ritual of flipping through its pages first. Yet other consumers, as regular readers, would subscribe to the periodical of their choice and expect every issue of the correct title to be delivered to them; there is no further effort in selection and purchase needed after the initial effort in ascertaining the details of their subscription such as title, period of subscription, payment mode etc. For the casual consumer who is not a regular reader of a particular title, he would generally ascertain whether the contents are of interest, either by browsing or, if the issue is wrapped, by scrutinising the cover page for an indication of the content highlights. In this process, he would have reasonable opportunity to be exposed to the trade mark associated with the periodical and chances of confusion are lower. For the regular reader who picks up every issue of a periodical title from the newsstand or bookstore, his habit would be to identify the same title each time. Such a reader is more likely than not to buy the issue that bears the name that is identical to the periodical title he is accustomed to, and will not be distracted by other titles that are suggestive of similar subject matter. Thus, the chances of confusion are also relatively low. As for the regular reader who purchases periodicals by subscription, the likelihood of confusion is even lower. At the point of subscription, such a consumer would have exercised due care and diligence in the selection of the periodical title, and mostly without the potential distraction from other titles in close proximity.

(iii) *Conclusion on Likelihood of Confusion*

90 The competing marks are only conceptually (as opposed to visually and aurally) similar, and marginally so (for the purpose of analysis under the element of “likelihood of confusion”). Goods-wise, the consumer is likely to exercise a sufficient degree of care in selecting reading content of interest to him. On balance, taking into account all the permissible extraneous factors, I do not find a reasonable likelihood of confusion that goods bearing the Subject Mark and the Applicants’ “FORTUNE” Marks emanate from the same undertaking or from economically linked undertakings.

Conclusion on Section 8(2)(b)

91 The ground of invalidation under Section 8(2)(b) therefore fails.

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

92 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 —

...(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.

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

93 Under Section 8(4)(b)(i), the Applicants have the burden of establishing the following:

- (i) The whole or essential part of the Subject Mark is identical with or similar to the Applicants' Marks
- (ii) The Applicants' Marks are well known in Singapore
- (iii) Use of the Subject Mark in relation to the goods claimed would indicate a connection with the Applicants
- (iv) Use of the Subject Mark is likely to damage the Applicants' interests

94 I will address each of these elements in turn.

Similarity of Marks

95 Earlier in the enquiry under Section 8(2)(b), I have found that the Subject Mark is not similar to the Applicants' "FORTUNE" Marks nor the Applicants' "TIME" Marks. As the considerations under this element of Section 8(4)(b)(i) are largely the same, the enquiry under this ground effectively ends. However, in case I am wrong, I move on to the second element and consider, below, whether the Applicants' Marks are well known in Singapore.

Well Known in Singapore: Principles

96 In assessing whether a trade mark is well known in Singapore, the Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and Another* [2009] 3 SLR(R) 216 ("*Amanusa*") held that regard must be had to Section 2(7) of the Act which states:

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

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

97 In interpreting how these factors should assist the court, the Court of Appeal in *Amanusa* held at [137] that "it appears that the court is ordinarily free to disregard any or all of the factors listed in Section 2(7) as the case requires (subject to [Section 2(7)(a) of the Act]), and to take additional factors into consideration."

98 Section 2(7)(a) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore due to Section 2(8) of the Act which 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", see [139] of *Amanusa*.

99 Consequently, the Applicants' Marks need only be well known to any relevant sector of the public in Singapore for them to be deemed to be well known in Singapore. I am also mindful that "it is not too difficult for a trade mark to be regarded as 'well known in Singapore' ", see *Amanusa* at [229].

Relevant Sector of the Public

100 Section 2(9) 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.

101 The court in *Amanusa* discussed the ambit of the phrase "*all actual consumers and potential consumers in Singapore of the goods*" at [152] and concluded that "*the inquiry is much more focused and manageable if one looks only at the specific goods or services to which the [Opponents'] trade mark has been applied (i.e., if one considers only the [Opponents'] goods or services).*"

102 The Applicants submit that the relevant sector of the public would be actual and potential consumers in Singapore of magazines such as the Applicants' FORTUNE magazine and TIME magazine. These include business people, both locals and foreigners; and the adult population in Singapore that is interested in financial matters and current affairs. I largely agree with this premise.

Well Known in Singapore: Analysis

103 The question then turns to whether the Applicants' Marks were well known to this relevant sector of the public as at 3 January 2011, the application date of the Subject Mark. The relevant sales and advertisement figures would be those up to 3 January 2011.

104 The history of the Applicants' FORTUNE magazine and TIME magazine, as well as other indicia such as the readership, revenue, advertising and promotional figures have been set out at [9] to [15] above.

105 In addition, the Applicants highlight that FORTUNE magazine and TIME magazine have won numerous awards and accolades, globally and regionally. Non-exhaustive examples include the following:

International

- (i) 2010: TIME.com won an award in the National Headliner Awards category "Magazine Affiliated Online Journalism"
- (ii) 2011: TIME.com came in second in the Magazine Affiliated Website category at the National Headliner Awards
- (iii) 2011: FORTUNE was honoured by the Society of American Business Editors and Writers 16th Annual Best in Business Awards
- (iv) 2012: TIME was awarded "Magazine of the Year" in the National Magazine Awards organised by the American Society of Magazine Editors. The "Magazine of the Year" recognises excellence in print and on digital platforms
- (v) 2012: FORTUNE received a Loeb Award in the Magazine category of the Gerald Loeb Award, by the UCLA Anderson School of Management

Regional

- (i) 2011: TIME's Hannah Beech was recognised as "Journalist of the Year" by Society of Publishers in Asia (SOPA)
- (ii) 2012: In the SOPA Awards for Editorial Excellence, TIME Asia was awarded Honorable Mention in the categories of Excellence in Lifestyle Coverage; Excellence in Reporting on the Environment; and Excellence in Feature Photography

(iii) Numerous awards to TIME Asia for human rights reporting, including out of Southeast Asia, from Amnesty International

106 The Applicants also mention that their “TIME” Marks have been recognised as well known in India and the UK. This is a factor under Section 2(7)(d) of the Act.

107 In the overall analysis I find that the Applicants’ Marks are well known to the relevant sector of the public in Singapore. However, in coming to my decision, I bear in mind the low threshold set by the Court of Appeal in *Amanusa*. I also caveat that the fact that the Applicants’ “TIME” Marks have been recognised as well known in India and the UK does not lead to the same conclusion in Singapore in a linear way; there was no expert evidence adduced on the applicable law in India and the UK regarding the criteria for well known-ness.

Use of Application Mark Indicating Connection with the Opponents

108 It has been settled by the Court of Appeal that when determining whether use of the Subject Mark indicates a connection with the Applicants, a likelihood of confusion must be shown: *Sarika* at [76]-[77].

109 As I have found that the Subject Mark is not similar to the Applicants' "FORTUNE" Marks nor the Applicants' "TIME" Marks, there is no necessity to go further in the enquiry to address this element of Section 8(4)(b)(i). However, under the ground of invalidation under Section 8(2)(b), I have proceeded further to consider whether there would be a likelihood of confusion in any case, were the competing marks in fact similar. The considerations under Section 8(2)(b) are applicable here as well.

110 Hence, as consistent with the parallel analysis under Section 8(2)(b), I find that the Applicants have not established that the use of the Subject Mark would indicate a confusing connection with the Applicants.

Damage to the Applicants’ Interests

111 As I have found that the competing marks are not confusingly similar, there cannot be damage to the Applicants’ interests. Even if the Subject Mark and the Applicants’ “FORTUNE” Marks were conceptually similar, marginally, there is no confusing connection. Hence, use of the Subject Mark is still not likely to damage the Applicants' interests.

112 By reason of all the foregoing I find that the ground of invalidation under Section 8(4)(b)(i) fails.

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

113 Having decided that the Applicant's Marks are well known to the relevant public in Singapore, I now turn to consider whether the Applicant's Marks can further be said to be well known to the public at large in Singapore, under Section 8(4)(b)(ii) of the Act.

114 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.

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

115 The Court of Appeal in *Amanusa* has held at [233] that:

A second, much more extensive level of protection is granted to trade marks which have attained the coveted status of being "well known to the public at large in Singapore." These trade marks, which form *a rare and exclusive class*, are entitled to protection from use of the defendant's trade mark on dissimilar goods or services even in the absence of a likelihood of confusion... (emphasis added)

116 Earlier at [229], the Court of Appeal in *Amanusa* cautioned that "*such protection (i.e. protection despite the absence of confusion) should, for now, properly be the preserve of a rare and privileged few.*"

117 The High Court succinctly comments at [153] of *Ferrero* on the requirement for a mark to be well known to the public at large in Singapore as follows:

The TMA does not define the phrase "well known to the public at large in Singapore". However, in *City Chain*, the Court of Appeal emphasised that the test "well known to the public at large in Singapore" must mean *more* than just "well known in Singapore"; to come within the former test, the trade mark must necessarily enjoy a *much higher* degree of recognition (*City Chain* at [94]). It "must be recognised by most sectors of the public though we would not go so far as to say all sectors of the public" (*City Chain* at [94]). Such an approach, as the Court of Appeal recognised, would be in line with the United States' approach in determining famous marks (*City Chain* at [94]). It flows from the logic in *City Chain* that *if* a trade mark is shown to be "well known to the public at large in Singapore", it is *necessarily* also "well known in Singapore".

118 The Applicants' evidence did not disclose that the Applicants' Marks were recognised by "*most sectors of the public*" in Singapore, over and above being known to the relevant sector of the public in Singapore. In view of the foregoing, I find that the Applicants' Marks do not fall into this rare and exclusive class of trade marks which are well known to the public at large.

119 The ground of invalidation under Section 8(4)(b)(ii) therefore fails and it will therefore be unnecessary for me to further consider the elements of dilution or unfair advantage.

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

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

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

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

Decision on Section 8(7)(a)

121 The test for passing off is mostly uncontroversial and the High Court in *Ferrero* sets 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”).

122 I will examine these requisite elements in turn.

Goodwill

123 The Court of Appeal in *Amanusa* at [39] lyrically described goodwill as such:

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).

124 In view of the Applicants' use and promotion of the "FORTUNE" Marks and the "TIME" Marks in Singapore, with revenue, advertising and promotion figures set out at [12] and [14] above, I am prepared to find that the Applicants enjoy goodwill in Singapore as on the application date of the Subject Mark on 3 January 2011.

Misrepresentation

125 As for the second element of misrepresentation, I have earlier found under Section 8(2)(b) that there is no marks-similarity and also no reasonable likelihood of confusion between the Subject Mark and the Applicants' Marks.

126 I am mindful of the words of the Court of Appeal in *Hai Tong* at [115] that:

... the relevant tests for the tort of passing off and a claim for trade mark infringement are not identical, and although *in an action for passing off, the court is not constrained* in the same way that it would be in a trade mark infringement action *in identifying the factors it may take into account...*

(emphasis added)

127 Being able to consider all circumstances and not only factors relating to the impact of marks-similarity and goods-similarity on consumer perception, I now turn to the Applicants' argument, first made in relation to the element of likelihood of confusion under Section 8(2)(b) above at [66]-[67], that it is confusing to the public that two of the Applicants' Marks, "FORTUNE" and "TIME", are found in the Subject Mark.

128 The offending company name in *Fletcher* was "Fletcher Challenge Pty Ltd" and in *Glaxo*, it was "Glaxowellcome Limited". There were no other significant elements in these company names. It was also fairly clear from the facts of those cases that the defendants intended to (mis)appropriate the plaintiffs' goodwill and reputation or to extort a substantial sum from the plaintiff (in *Glaxo*). The latter case also involved fraud as the defendant acted dishonestly and tampered with the date on a statutory declaration. Upon the defendant's explanations, Lightman J could only remark, at page 391, "*All I need say in regard to these suggestions is that there are limits to judicial credulity.*"

129 On the other hand, the Subject Mark in issue in the present proceedings is . Besides the word "FORTUNE" in the Subject Mark, and apart from the word "TIMES" in which the Applicants' "TIME" Mark is subsumed, there are other significant elements in this composite mark. The Chinese characters "时代财智" in a square device are visually, aurally and conceptually impactful and play a big role in forming an impression of the Subject Mark in the mind of the public. It is also not apparent from the circumstances of this case that the

Proprietor had misrepresented to the public that printed publications to which the sign



is applied are those of the Applicants or are associated with the Applicants.

130 It is wholly understandable why the passing off actions succeeded in *Fletcher* and *Glaxo*, given the circumstances in those two decisions. However, I am not quite persuaded that in the present case, there is misrepresentation by the Proprietor.

Damage

131 As the Applicants have not established misrepresentation, it further follows that the element of damage cannot be made out.

Conclusion on Section 8(7)(a)

132 The ground of invalidation under Section 8(7)(a) therefore fails.

Ground of Invalidation under Section 7(6)

133 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.

Decision on Section 7(6)

134 The leading authority on bad faith in Singapore at present is *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”). Following the English case of *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, the Court of Appeal held at [25] that bad faith would include dealings falling short of standards of acceptable commercial behaviour by reasonable and experienced men in the particular area of trade being examined. Bad faith was a concept with “moral overtones”, encompassing behaviour which did not involve any breach of duty, obligation or requirement that is legally binding upon the applicant: *Valentino* at [26].

135 The legal burden of proof in this case lies with the Applicants: *Valentino* at [21]. In this regard the Court of Appeal in *Valentino* held at [30] that:

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 a process of inference.***

This principle of law was alluded to and accepted by a leading local text on Intellectual Property (Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell Asia, Rev Ed, 2009) 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 original)

136 The Applicants submit that having regard to the “standards of acceptable commercial behaviour by reasonable and experienced men in the particular area of trade being examined”, i.e. the trade concerning periodicals and publications, the Proprietor’s actions fall short of these standards. The Subject Mark was chosen in bad faith, to confuse customers into thinking that there exists an association between the Subject Mark and the Applicants. The Applicants claim that the Subject Mark was then deliberately assigned from the original proprietor Fortune Times Pte Ltd, to vest ownership in an individual based outside of Singapore. This individual, Li San Zhong, does not appear to be connected in any way to the assignor, Fortune Times Pte Ltd. The Applicants conclude that such actions are inconsistent with the usual commercial behaviour of reasonable men trading in magazines and publications.

137 The Proprietor rebuts that a mere suggestion of the assignment being clandestine and the Applicants not being able to imagine the reason for the assignment to the current Proprietor cannot establish bad faith without better particularisation.

138 The Applicants’ theory that the Subject Mark was deliberately chosen to confuse customers into thinking that there is an association between the Subject Mark and the Applicants is not supported by sufficient evidence. There is also no basis for me to conclude that the application to register the Subject Mark was made in bad faith because of the circumstances of the assignment from Fortune Times Pte Ltd to Li San Zhong. The enquiry under Section 7(6) pertains to the actual application to register the Subject Mark, and not to the assignment. The Applicants have not made clear how the assignment sheds any light on whether the application to register the Subject Mark was made in bad faith or not.

139 Overall, beyond the Applicants' bare assertion, I cannot find sufficient evidence demonstrating how the Proprietor had fallen short of some acceptable standard of commercial behaviour by reasonable and experienced men in the particular area of trade being examined, bearing in mind the high threshold for such a claim under Section 7(6).

140 The ground of invalidation on Section 7(6) therefore fails.

Conclusion

141 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the application for a declaration of invalidity fails on all

grounds. Accordingly, the Subject Mark shall remain on the register. The Proprietor is also entitled to costs to be taxed, if not agreed.

Dated this 3rd day of December 2014

See Tho Sok Yee
Principal Assistant Registrar of Trade Marks
Hearings and Mediation Group
Intellectual Property Office of Singapore