

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

Trade Mark No. T1100145H
16 April 2014

IN THE MATTER OF A TRADE MARK APPLICATION BY

CHOICE FORTUNE HOLDINGS LIMITED

AND

OPPOSITION THERETO BY

**SEIKO HOLDINGS KABUSHIKI KAISHA
(TRADING AS SEIKO HOLDINGS CORPORATION)**

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

Ms Teresa O'Connor (instructed by Henry Goh (S) Pte Ltd) for the Applicants
Mr Lim Ren Jun and Ms Chen Shishu (Wong & Leow LLC) for the Opponents

Cur Adv Vult

GROUND OF DECISION

1 Choice Fortune Holdings Limited (“the Applicants”) applied on 6 January 2011 to register **SEIKI** (“the Application Mark”), in Singapore in Class 9 in respect of “Television sets; liquid crystal display televisions; disc players with DVD and optical disc format that uses a blue-violet laser; combo drive with optical disc format that uses a blue-violet laser” (“the Application Goods”).

2 The application was accepted and published on 19 August 2011 for opposition purposes. Seiko Holdings Kabushiki Kaisha (trading as Seiko Holdings Corporation) (“the Opponents”), filed their Notice of Opposition to oppose the registration of the Application Mark on 16 December 2011. The Applicants filed their Counter-Statement on 8 February 2012.

3 The Opponents filed evidence in support of the opposition on 16 August 2012. The Applicants filed evidence in support of the application on 12 December 2012. The Opponents filed evidence in reply on 5 March 2013. After a Pre-Hearing Review on 3 July 2013, both parties filed supplemental statutory declarations to rectify irregularities in their respective evidence filed earlier. The opposition was first fixed for hearing on 25 November 2013, then refixed to 28 March 2014 because of the unavailability of the Opponents' agents on the original date. The hearing was further refixed to 16 April 2014 due to the unavailability of the Applicants' agents. The opposition was finally heard on 16 April 2014.

Grounds of Opposition

4 The Opponents rely on Sections 8(2)(b) and 8(4)(ii)(A) of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) in this opposition. They did not pursue the grounds under Sections 7(6), 8(4)(i), 8(4)(ii)(B) and 8(7)(a) although these grounds were originally pleaded in their Notice of Opposition.

Opponents’ Evidence

5 The Opponents’ evidence comprises three Statutory Declarations declared by Akio Naito, a Director of the Opponents, in Tokyo, Japan respectively on 3 August 2012, 1 March 2013 and 24 July 2013.

Applicants’ Evidence

6 The Applicants’ evidence includes a Statutory Declaration declared by Lai Yin Ping, the Financial Controller of the Applicants, on 7 December 2012 in Los Angeles, United States of America. The Applicants’ evidence also comprises a Supplemental Statutory Declaration by Ameen Kalani dated 9 July 2013, which rectifies the omission of certain Accounting and Corporate Regulatory Authority (ACRA) printouts from Exhibit LYP-12 of the Applicants' Statutory Declaration dated 7 December 2012.

Applicable Law and Burden of Proof

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

Background

8 The Applicants are a company incorporated in British Virgin Islands. They own and license the Application Mark to their associated company SEIKI Digital Company Limited (“SEIKI Digital”) and SEIKI Digital's group of companies, including SEIKI Inc. a company incorporated in the USA.

9 The Applicants claim that the Application Mark was suggested by a former staff member, one Yu Yong, in an internal trade mark naming contest with a cash prize of RMB5000. The word "SEIKI" in the Application Mark is a transliteration from Japanese, meaning "century", "regular" and also a male given name. The concept which the Applicants claim they intended to convey through the Application Mark was that SEIKI Digital's products are "next generation", as suggested by "century". The slogan used in marketing is "Inspire the Next Generation":



10 Seiki Digital and its affiliated companies and licensees started using the Application Mark in or around 2010. Thus far, goods bearing the Application Mark are mainly sold in the USA and Hong Kong. In the USA, SEIKI Inc. distributes the goods under the "SEIKI" mark. There is a sales channel through their website www.seikidigital.com and another sales channel through distributors and dealers in the USA, such as Kmart, Walmart, Sears and amazon.com. The Opponents' Statutory Declaration dated 1 March 2013 states that the Opponents were also "*opposing the Applicant's trade marks featuring the "SEIKI" mark in the US, Hong Kong and Korea*", but that they "*verily believe that the extent to which legal action had been taken in other jurisdictions in respect of the Applicant's trade marks featuring the "SEIKI" mark is irrelevant to the merits of the present Opposition*".

11 The Opponents were established in 1881 in Tokyo, Japan, as a clock retailer. In 1892, Mr Kintaro Hattori established a clock factory and named it "Seikosha". In the Japanese language, "Seiko" means "success" or "precise workmanship" and "Sha" means "house". Mr Hattori had in mind his goal to "succeed" in producing "precision" clocks. The product range gradually expanded until in 1924, the first wristwatches under the "SEIKO" brand were produced. The Opponents' wristwatches gained popularity worldwide and, by the end of World War One, had replaced the pocket watch as the standard portable timepiece.

12 The Opponents are listed on the Tokyo stock exchange and their corporate headquarters are sited in Tokyo. As a holding company, the Opponents oversee the management of their subsidiaries and affiliated companies in a wide range of industries which manufacture and sell a diverse range of products including watches, clocks, electronic devices, industrial equipment, semiconductors, eyewear, metronomes, musical tuners and sports equipment. The Opponents also claim to have marketed the world's first television watch, the "SEIKO" TV Watch, in 1982 and 1983. Another distinction is that the Opponents became the official timer of the Olympic Games in Tokyo in the 1960's, an honour previously held by the Swiss. The Opponents are one of the few wristwatch manufacturers that produce all their watches and movements entirely in-house.

13 The Opponents first used their "SEIKO" mark in Singapore in or around 1963. Their products under the "SEIKO" brand were marketed in Singapore through their sole dealer for Southeast Asia, Thong Sia Company (Singapore) Private Limited (as it now is). The Opponents' "SEIKO" watches are available at more than 70 watch dealers in Singapore. For more than 50 years, the mark "SEIKO" has been extensively exposed to the Singapore public through various mass media platforms, including newspapers, television and popular magazines. Public advertisements have also been placed on public buses, at Mass Rapid Transit stations, and in various shopping malls.

14 The annual worldwide sales for SEIKO products averaged about S\$ 3.1 billion per annum from 2005 to 2010. For the same period, worldwide advertising, promotional and marketing expenditure ranged from about S\$ 115.803 million to S\$217.688 million per annum.

15 In Singapore, the sales figures for products sold under the mark “SEIKO” from 2005 to 2010 ranged from about S\$ 12.454 million to S\$ 15.781 million per annum. For the same period, total advertising expenditure for the mark “SEIKO” in Singapore amounted to more than S\$ 4 million.

16 The Opponents own more than 1148 trade mark registrations worldwide, such as in the USA, Australia, Canada, China, France, Germany, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Taiwan, United Kingdom and United Arab Emirates for the mark “SEIKO” in various classes including Class 9. Taking into account the numerous trade mark registrations for variant marks incorporating the mark “SEIKO”, this number would be even higher.

17 In the present opposition, the Opponents rely on a large number of trade marks registered in Singapore. Of these, the most relevant are the registrations for the mark “SEIKO” alone, in respect of Class 9 (collectively "the Opponents' SEIKO Marks"):

S/No.	TM No.	Trade Mark	Specification
1	T9109613B	SEIKO	Batteries and cells.
2	T8005108F	SEIKO	Scientific, surveying, electrical, wireless, photographic, cinematographic, optical, weighing, measuring, signaling and checking (supervision) apparatus and instruments; gramophones, gramophone records; metronomes; parts and fittings included in Class 9 for all the aforesaid goods.
3	T7255875D	SEIKO	Scientific and electrical apparatus and instruments, all included in Class 9, wireless, optical, weighing, measuring, signaling and checking (supervision) apparatus and instruments; tape recording apparatus and record players.
4	T6945842F	SEIKO	Desk-type electronic computers, and electric or electronic calculating machines and parts and attachments therefor.
5	T0620289J	SEIKO	NTP (Network Time Protocol) servers.
6	T0415052D	SEIKO	Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), lifesaving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or

			images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; electronic dictionaries; electronic spell-checkers; spelling verifiers; electronic pocket translators; electronic translating apparatus, computer program for translating; reference apparatus and software; hand-held computers and software therefor.
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MAIN DECISION

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

18 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

19 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 the recent decision of *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]).

20 To succeed under Section 8(2)(b), the Opponents have to prove three elements, namely that the 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

21 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*”).

22 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)]).

23 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"...

24 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.

25 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*

26 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*").

27 The Opponents submit that the Application Mark is visually similar to the Opponents' SEIKO Marks because:

- (i) the length (five letters each) is identical;
- (ii) the structure (one word each) is identical;
- (iii) both marks are in block letters;
- (iv) the first four letters are identical i.e. "SEIK";
- (v) the Application Mark is not sufficiently distinguished from the SEIKO Mark. The only minute difference is the last letter i.e. an "I" for the Application Mark and an "O" for the SEIKO Mark. Imperfect recollection of consumers will therefore weigh heavily; and
- (vi) analogously, in *Sarika* at [21] to [26], the Singapore Court of Appeal held that "NUTELLA" and "NUTELLO" were visually similar; in *Red Bull GmbH v. Sun Mark Limited* [2012] EWHC 29 (Ch) at [84], "BULLIT" was found likely to be misread by some as "BULLET" and vice versa; and in *BAKO (Trade Mark Opposition)* [2010] UKIntelP O-255-10 ("*Bako*") at [42], "BAKO" and "BUKO" were also found to be visually similar to a high degree. These cases, like the present, concerned marks which differ only by one vowel.

28 On the other hand, the Applicants submit that it would not be a fair assessment to dissect the marks into the separate components "SEIK-" and "I" / "O". This is because consumers perceive marks as wholes. The Applicants cited several cases which dealt with the issue of visual similarity between short marks. The principle elicited from these cases is that where the word marks are short, "*a single letter difference can have a marked impact on visual character... The final letters are easily distinguishable and, more importantly, shape the consumer's visual perception of the marks*" (*In the Matter of Application to Register the Trade Mark SPIRIT and Opposition by Spirig Pharma AG* O-138-08 at [11]); "*In short words, differences in the letters, even if at the end of those (short) words, are likely to stand out more. The difference is less likely to be overlooked*" (*In the Matter of Trade Mark Application No. 2,505,006 for Yelp (and Device) and Opposition by Yell Limited* [2013] WL 128111at [37]).

29 The Applicants therefore submit that the marks "SEIKO" and "SEIKI" are visually very easy to distinguish because the two letters "O" and "I" could not be more different visually speaking. They are written using diametrically different strokes and are strikingly different, "I" being vertical and linear whereas "O" is rounded with no linear part. The visual impact of the final letter "I" in the Application Mark therefore has an impact which is not lost in the overall visual impression of the respective marks.

30 The Applicants point out that the marks to be compared here are not complex or composite in nature, but are merely simple, short words with an uncomplicated structure. The consumer can take in the entire mark or sign at a glance and the differences can also be noticed at one glance. Thus, as regards visual similarity, the Applicants submit that the degree of visual similarity is a very low one, confined only to the fact that the prefix portions of both the mark and the sign is the same. However, the completely different last letters "O" and "I" would not go unnoticed by the average consumer.

31 In rebuttal, the Opponents noted that some of the marks in the cases cited by the Applicants are dictionary words, for example, "YELL" and "YELP". They submit that it would be more relevant to consider cases where the marks compared were not dictionary words, such as in the case of *In the Matter of Application No. 2338998 and Opposition*

Thereto O-043-06 6 February 2006 (Decision of the Appointed Person in the UK) where the marks “OKO” and “OKA”, both non-dictionary words, were found visually similar.

32 Having considered the parties’ submissions, I first say that reference to case authorities dealing with visual comparison of short marks is helpful, up to a limit. The circumstances in which each set of marks was found to be similar or not similar, to a high degree or low degree, will vary from case to case. However, the principles gleaned from the cases afford some guidance and could be helpful for application in different matrices, when taken with a dose of common sense in the shoes of the average consumer.

33 The markers for visual similarity described by the High Court in *Ferrero* above are a good basic starting point. Thus, the Opponents have, following these markers, argued that the Application Mark is visually similar to the Opponents’ SEIKO Marks because, among other things, they are identical in length (5-letters long) and structure (comprising one word). As for the third marker of whether the same letters are used in the marks, it is not disputed that the first four out of the five letters between the marks (“SEIK-”) are identical. However, the enquiry does not stop here. I do not think that the High Court in *Ferrero* intended the approach in [51] of its decision to function as a fixed formula that is applied mathematically to lead to a pre-determined conclusion. That there are more letters in common than not does not necessarily lead to a conclusion that the marks are therefore similar. At the very least, however, it is a starting point to note the points of obvious similarity.

34 To continue the inquiry, I also consider the specific features of this case, namely the short length of the competing marks and the fact that the Opponents’ SEIKO Marks comprises a Japanese word with no meaning in English. “SEIKO” may be considered an invented word in the English language and is therefore distinctive in the technical sense as opined at [24] of *Staywell*.

35 As regards the short length of the competing marks, I am persuaded by the Applicants’ case authorities that in some instances, a single letter difference in short marks can have a marked impact on visual perception. For example, where the single-letter difference appears at the end of the marks, it may be less likely to be overlooked and more likely to stand out (as opposed to an instance where the single-letter difference occurs in the middle of the mark with identical letters on either side). This consideration weighs in the Applicants’ favour.

36 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])*”. This factor weighs in the Opponents’ favour.

37 The assessment of mark-similarity is more an art than a science, more of feel than of formula, though guided by principles. Overall, taking into account the foregoing considerations, I find that the Application Mark is visually similar to the Opponents’ SEIKO Marks to a low degree.

(ii) *Aural Similarity*

38 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".

39 In this regard, the Opponents argue that there is aural similarity because the Application Mark and the Opponents' SEIKO Marks have two syllables each, have an identical first syllable "SEI" and their second syllables both start with the same "k" sound. The Opponents also drew analogies with two cases: in the *Sarika* decision at [27] to [32], the Court of Appeal held that "NUTELLA" and "NUTELLO" were aurally similar; and in *Bako* at [43], "BAKO" and "BUKO" were considered aurally similar to a high degree. These cases, like the present, concerned marks whose pronunciations differ only by a vowel.

40 The Applicants submit that the emphasis in pronunciation falls on the second syllable and not the first. i.e. "sei-**KO**" and not "**SEI**-ko", "sei-**KI**" and not "**SEI**-ki". This pattern of pronunciation is caused by the hard and emphatic sound required by the consonant "k" when placed after "sei". Although both marks are two-syllable words beginning with the letters "SEI" (pronounced to rhyme with "say"), the second syllable i.e. "**KO**" (to rhyme with "koe") and "**KI**" (to rhyme with "key") are pronounced entirely differently. The Applicants elaborated that by definition, vowels are sounds produced with no constriction in the vocal tract as compared with consonants. The pronunciation of the vowel "i" is not likely to be mistaken for the letter "o" even if the consumer vocalizes the whole sign "SEI-KI" softly. When the marks are pronounced, the vowels at the end of each mark would not be lost as these vowels are easily articulated and make an aural impact. The "SEI" part of the words is relatively soft in comparison with the second syllables. Therefore, the Applicants conclude that it is not possible to somehow mis-hear or disregard the second syllables in this case. The normally held view that there is a tendency to slur the endings of words does not apply here, because the emphasis of the hard sound of "k" will not allow the consumer to slur the terminal endings of "SEIKO" and "SEIKI" respectively.

41 As opined by Luxmoore LJ and cited with approval by the House of Lords in *Aristoc, Ld v Rysta, Ld* [1945] RPC 65, 72, "*the answer to the question whether the sound of one word resembles too nearly the sound of another... must nearly always depend on first impression.*"

42 In the present case, I accept that the competing marks are not readily susceptible to slurring at the end. However, while the Applicants have submitted that the emphasis in pronunciation lies in the second syllable of both marks, that is not the only way in which "SEIKI" and "SEIKO" could reasonably be pronounced in Singapore, having regard to the cultural and linguistic melting pot that is Singapore. The other way these marks could be pronounced entails a stress on the first, common syllable "SEI" and ends with a softer "KI" or "KO". Hence, where the marks are verbalised in the latter way, the identical element is more aurally pronounced (pun unintended).

43 Overall, as a matter of "*first impression*", I find that the Application Mark is aurally similar to the Opponents' SEIKO Marks to a low degree.

(iii) *Conceptual Similarity*

44 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).

45 The Opponents submit that consumers are likely to apprehend both the competing marks as foreign words. With imperfect recollection, the consumer would consider the marks to be conceptually similar. Even if consumers understand the meaning of the marks in Japanese, the Opponents claim that both “SEIKI” and “SEIKO” allude to the idea of consistent quality (“SEIKO” in the Japanese language means “success” or “precise workmanship” and “SEIKI” means “century” or “regular”) and are hence conceptually similar.

46 The Applicants submit that the marks are conceptually neutral insofar as they would make any impression conceptually at all on the average consumer in Singapore. Both marks could be said to sound “Japanese” but this in itself cannot lead to the conclusion that they are conceptually similar. Thus, the average Singaporean consumer will not have stored away in his recollection any particular connotation or impression regarding the Opponent’s SEIKO Marks. If the average Singaporean consumer perceived the Opponent’s SEIKO Marks as being “Japanese”, nevertheless the average Singaporean consumer also stores away in his sub-consciousness that there are numerous Japanese brands on the market and that as regards short word marks, care should be taken to recognize their differences.

47 In considering whether the marks “NUTELLO” and “NUTELLA” were conceptually similar, the Court of Appeal in *Sarika* at [34] opined as follows:

... we think that the case of *Hyundai Mobis (IPOS)* ([23] *supra*) is of greater relevance to the present. There, the marks in question were word marks and comprised invented words, similar to the situation in the present case. The words “Mobil” and “Mobis” were invented. The PAR observed that while the applicants there argued that “Mobis” was derived from the words “mobile” and “system”, it was not obvious when one sees the word “Mobis” that it meant so. He therefore concluded that no finding of conceptual similarity could be made because both the “Mobil” and the “Mobis” marks were meaningless. Similarly, following this reasoning, since the words “Nutello” and “Nutella” are invented and meaningless with no particular idea underlying each of them (and nothing has been shown in that regard) it is difficult to say that they are conceptually similar.

48 In the present case, both “SEIKI” and “SEIKO” are meaningless words in the English language. On a basic application of the principles in *Sarika* above, then, the marks are not conceptually similar. However, the Opponents raised an interesting point that the connotation in both marks is that they are foreign words. The Applicants also acknowledge this dimension by observing that both marks could be perceived as “Japanese” but were careful to submit that this in itself could not lead to the conclusion that they were conceptually similar.

49 First, I am mindful that the average consumer in Singapore is not likely to know the meanings of “SEIKI” and “SEIKO” in Japanese. Hence, it would be unfruitful to determine whether the meanings of these words in Japanese (“century” or “regular” on the one hand and “success” or “precise workmanship” on the other) are conceptually similar. Second, however,

these marks are not in quite the same category as the marks "Mobil" and "Mobis" referred to in *Sarika* above. This is because "SEIKI" and "SEIKO" are actual words in their original language, Japanese, and were conceived in Japanese, unlike "Mobil" and "Mobis". The average consumer in Singapore is reasonably likely to perceive them, howsoever vaguely without a sense of their meanings, as Japanese-like marks. Thus, while "SEIKI" and "SEIKO" are invented words in the English language, in terms of concept, the marks carry suggestions of bearing "Japanese-like characteristics".

50 Can "national" characteristics ever qualify as concepts and ideas behind trade marks? If so, to what degree of granularity must these conceptual suggestions reach before they can be said to be the "*ideas that lie behind or inform*" trade marks?

51 I think there is no bar as such against "national" or even "regional" characteristics if they are sufficiently precise. For example, it is foreseeable that if a mark embodies a specific Swiss-related connotation of time keeping precision, or if it carries notions of an idyllic Caribbean holiday, the mark could have a sufficiently precise concept as opposed to being conceptually meaningless. Even though it may be easier for such concepts to be embodied in graphical visual devices, the same could still potentially be conveyed through verbal elements in the mark.

52 Thus, returning to the competing marks in question, I would not dismiss immediately the Opponents' suggestion that consumers are likely to apprehend both marks as foreign words. However, I would probe further and seek to uncover what idea or notion is borne by this seemingly foreign quality. Having considered the marks "SEIKI" and "SEIKO", I fail to see a more defined connotation in either of them. The conceptual suggestion of "Japaneseness" is too nebulous in the present case. Being Japanese-like can mean different things to different consumers. To one, it could bring to mind *kawaii*, a specific quality of cuteness in Japanese culture. To another, it may carry allusions to Japanese restraint and resilience. To yet another, it may hark of futuristic concepts and robotic technology. In the absence of a sufficiently defined concept of being Japanese-like that is relevant and consistently perceived in the present case, I would agree with the Applicants that the marks are conceptually neutral.

53 Thus, I conclude that "SEIKI" and "SEIKO" are not conceptually similar.

Conclusion on Similarity of Marks

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

55 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*...

56 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].

57 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*.

58 Earlier on, I have found that the competing marks are visually and aurally similar to a low degree but not conceptually similar. I also consider that the earlier mark "SEIKO" carries a relatively high degree of distinctiveness. Given that "*trade-offs can occur between the three aspects of similarity in the marks-similarity inquiry*" and that "*technical distinctiveness is an integral factor in the marks-similarity inquiry*" (respectively [18] and [25] of *Staywell*), I conclude that the Application Mark and the Opponents' SEIKO Marks "*when observed in their totality, are similar rather than dissimilar*", but only marginally.

Similarity of Goods

59 The Applicants argue in their written submissions that none of the Application Goods are objectively specified in any of the Opponent's Class 9 registrations except in Trade Mark No. T8302408Z for "**SEIKO 精工**" which covers "*television apparatus*".

60 At the hearing, the Applicants further submitted that the Opponents' SEIKO Marks in Class 9 essentially comprise class headings, which do not necessarily cover all goods in the class. The Applicants submitted orally that at most, the respective goods were similar, not identical.

61 The Applicants are right in that class headings do not necessarily cover all goods in the class. However, the phrase "apparatus for recording, transmission or reproduction of sound or images" under the Opponents' earlier trade mark T0415052D appears broad enough to overlap with the Application Goods, namely "Television sets; liquid crystal display televisions; disc players with DVD and optical disc format that uses a blue-violet laser; combo drive with optical disc format that uses a blue-violet laser". In view of the Applicants' concession at the hearing that the goods were at most similar, I shall not dwell further on this point.

62 I find that the respective goods are similar and that the second element under Section 8(2)(b) has been satisfied.

Likelihood of Confusion: Principles

63 As the Application Mark and the Opponents' SEIKO Marks are similar, and as their respective goods are similar, I am required to pursue the line of inquiry by further determining whether, as a result of the aforesaid similarity of marks and goods, there is a likelihood of confusion under Section 8(2)(b).

64 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*

65 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...

66 Hence, how the Applicants have sometimes used the Application Mark in relation to the Application Goods, as follows:



is but one instance of the possible normal and fair uses of the Application Mark. Another possible normal and fair use would be to use the Application Mark on its own without the green stylised “S” which resembles a leaf and without the tagline “Inspire the Next Generation”.

67 One would also have regard to the notional fair use of the Opponents’ SEIKO Marks in relation to the specifications claimed in their registrations. It does not matter that the Opponents’ SEIKO “television watch” is no longer sold. It matters that their specifications include “apparatus for recording, transmission or reproduction of sound or images”, which is similar to the Application Goods.

(ii) *Extraneous Factors*

68 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].

69 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.

Likelihood of Confusion: Analysis

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

70 The Opponents submit that greater protection should be afforded to distinctive marks such as the Opponents' SEIKO Marks. On the other hand, in oral submissions, the Applicants relied on *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*") for the proposition that an earlier mark's strong reputation could have the effect of lowering the likelihood of confusion instead.

71 The Opponents further submit that the competing marks are closely similar, leading to a greater likelihood of confusion. As expected, the Applicants contend the contrary, that the marks are only similar visually and even this to a low degree.

72 Having regard to the degree of similarity of the marks, I have held that they are visually and aurally similar to a low degree, and not conceptually similar. Hence, this factor in the consideration of likelihood of confusion lies in the Applicants' 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.

73 As to the reputation of the earlier marks, 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 Opponents' SEIKO Marks, especially as used on timepieces, might indeed have an effect contrary to a likelihood of confusion, as the "SEIKO" brand, no doubt with a long and established presence in Singapore, could be sufficiently entrenched in the mind of consumers as to dispel any real possibility of confusion with the Application Mark, "SEIKI". 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 Application Mark and the Opponents' SEIKO Marks, such "confusion" would not be relevant in a determination of likelihood of confusion under Section 8(2)(b).

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

77 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*.

78 The relevant goods under consideration here are the Application Goods and the goods claimed under the Opponents' SEIKO Marks set out at [1] and [17] above. Among the latter goods, those that have been found similar to the Application Goods earlier ("apparatus for recording, transmission or reproduction of sound or images") are the closest in nature to and therefore most appropriate for consideration alongside the Application Goods at this juncture. Hence, the goods under scrutiny now are essentially televisions, disc players, combo drives on the one hand and the generally scoped specification "apparatus for recording, transmission or reproduction of sound or images" on the other.

79 The Opponents submit that the above goods, essentially electrical goods, are usually sold in stores specialising in such goods, such as Harvey Norman, Courts and Best Denki. The Applicants' evidence also states that "*Most consumers in Singapore who wish to buy the Application Goods would frequent such stores.*" Hence, the Opponents argue that the trade channels for the goods in question are in common, thus increasing the likelihood of confusion.

80 The Opponents further submit that electronic and electrical stores usually do not take steps to differentiate the goods. The Opponents also submit that consumers need not have specialist knowledge when purchasing electrical goods. They argue that the Application Goods can be bought with minimal product information. On the other hand, the Applicants counter that unlike fast moving consumer goods, in Singapore, televisions and disc players are bought after careful deliberation. Such goods are big ticket items, relatively expensive and not routinely bought on a frequent basis. The actual process of selection and purchase in Singapore tends to be time-consuming and involves interactive engagement with salesmen after perusing newspaper advertisements.

81 In relation to the Opponents' first point that common trade channels increase the likelihood of confusion, this may not always be true. One has to consider the features of the common trade channels in order to assess their bearing on a likelihood of confusion. This

leads us to the subsequent points made by the parties, which focus on how their goods, already found to be similar, are presented to and selected by consumers in Singapore.

82 While the Opponents claim that electrical goods tend to be displayed in close proximity to each other without differentiation in electrical stores like Harvey Norman, I am mindful of the Court of Appeal's comments in *Staywell* at [96] that marketing choices made by traders are not permissible extraneous factors in a determination of likelihood of confusion. The nature of the goods, including televisions and disc players, does not *per se* dictate that they be displayed for sale in close proximity. It is not beyond envisaging that high end home entertainment systems (of which televisions and disc players form a part) could be displayed in a spacious showroom. On the other hand, that televisions and disc players may be displayed in close proximity in electrical stores like Harvey Norman is more likely reflective of the retailers' sales and marketing strategies, which is subject to change.

83 However, it is nevertheless legitimate to consider "*the normal way in or the circumstances under which consumers would purchase*" the goods, at [96] of *Staywell*. It would appear that whether the goods are displayed in close proximity or otherwise, such as in a spacious showroom, the consumer would generally go through a process of perusal, deliberation, and sometimes engagement with a sales person, before coming to a purchase decision. Especially in the case of televisions, it would not be uncommon for prospective purchasers to go to the store and check out the screen and sound quality of the television models they are interested in. Specialist knowledge may or may not be needed, depending on the consumer's objectives and expectations of the technology behind, and the specifications for, the goods. Further, I take the Applicants' point that the goods are relatively expensive and not routinely bought on a frequent basis. Hence, the consumer is reasonably expected to pay more attention than not to his selection and purchase of goods.

(iii) Conclusion on Likelihood of Confusion

84 On balance, taking into account the permissible extraneous factors, I do not find a reasonable likelihood of confusion that goods bearing the Application Mark and the Opponents' SEIKO Marks emanate from the same undertaking or from economically linked undertakings.

Conclusion on Section 8(2)(b)

85 The ground of opposition under Section 8(2)(b) therefore fails.

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

86 Section 8(4)(ii)(A) of the Act reads:

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 —

...

(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

87 Section 2(1) defines “earlier trade mark” as:

- (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

88 Section 2(1) defines “well known trade mark” as:

- (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

89 Sections 2(7) to (9) are pertinent to a consideration of whether a trade mark is well known in Singapore. They are set out below:

(7) 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.

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

(9) In subsections (7) and (8), "relevant sector of the public in Singapore" includes any of the following:

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

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

90 To succeed under this ground, the Opponents have to show that:

- (i) the whole or an essential part of the Application Mark is identical with or similar to the Opponents' SEIKO Marks;
- (ii) the Opponents' SEIKO Marks are well known to the public at large in Singapore; and
- (iii) the use of the Application Mark in relation to the Application Goods would cause dilution in an unfair manner of the distinctive character of the Opponents' SEIKO Marks.

(i) *Similarity of Marks*

91 As I have earlier found the Application Mark marginally similar to the Opponents' SEIKO Marks, this element under Section 8(4)(ii)(A) of the Act has been established.

(ii) *Well Known to the Public at Large*

92 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".

93 The Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and anor* [2009] 3 SLR(R) 216 ("*Amanresorts*") cautioned at [229] that "*such protection (i.e. protection despite the absence of confusion) should, for now, properly be the preserve of a rare and privileged few.*" Trade marks which attain "*the coveted status of being 'well known to the public at large in Singapore' ... form a rare and exclusive class*", [233].

94 The Applicants are prepared to accept that the Opponents' SEIKO Marks are well known to the relevant sector in Singapore in respect of timepieces, in the field of horology and chronometry; but not that these marks well known to the public at large. The issue before us now is whether the Opponents' SEIKO Marks are well known to the public at large in Singapore.

95 In this regard, the Opponents made extensive submissions that "SEIKO" is indeed well known to the public at large. They draw guidance from two Singapore decisions which found the marks "CLINIQUE" and "NUTELLA" well known to the public at large in Singapore, in *Clinique Laboratories, LLC v Clinique Suisse Pte Ltd and another* [2010] 4 SLR 510 ("*Clinique*") at [39] to [41] and in *Ferrero* at [155] to [156] respectively.

96 The Opponents compared the evidence in *Clinique* and in *Ferrero* with the Opponent's evidence in the present case to argue that "SEIKO" should similarly be considered well known to the public at large:

- (i) "CLINIQUE" was first used in Singapore in 1976 (*Clinique* at [39]). Here, "SEIKO" was first used in Singapore much earlier, in 1963.
- (ii) Sales figures for products sold under the "CLINIQUE" mark were about S\$ 10 million per annum from 2004 to 2008 (*Clinique* at [39]). In the present case, the sales figures for products sold under the SEIKO Mark from 2005 to 2010 were much higher, about S\$ 14 million per annum.
- (iii) The products under the "CLINIQUE" mark were offered for sale in 13 stores and counters in Singapore (*Clinique* at [41]). On the other hand, the Opponents' "SEIKO" watch products as well as "SEIKO" optical lenses and frames are presently offered for sale by more than 70 watch dealers and 100 optical shops in Singapore respectively. More than 60 of these watch dealers and optical shops are located in malls and shopping centres all over Singapore in the heartlands, iconic shopping belts and business districts.
- (iv) Survey evidence showed that "NUTELLA" was the most recognised brand among all other listed brands of sweet spreads, with 71.2% of interviewed subjects selecting "NUTELLA" as a sweet spread that they were familiar with (*Ferrero* at [155(b)]). In the present case, the Opponents' survey showed that over 72% of interviewed subjects indicated that they either presently own a "SEIKO" product; had previously owned a "SEIKO" product; or are at least aware of "SEIKO" even if they do not own or have not previously owned a "SEIKO" product.
- (v) In *Clinique* at [41], the High Court considered the brand's "*extensive advertising efforts in various media*". In the present case, in Singapore, the Opponents have regularly and prominently displayed the Opponents' SEIKO Marks in public advertising campaigns. Advertisements have been placed in full view of the masses on public buses; at high traffic volume Mass Rapid Transit stations such as Somerset and Raffles Place; in major shopping malls in Singapore such as Raffles City and Citylink Mall; in high shopping traffic areas like Orchard Road; and in popular local newspapers like *Today* as well as magazine publications such as *8 Days*; *i-Weekly*; *UW*; *Her World*; *Cleo*; *FAN*; *Men's Health*; *August*; *Arena*; *Wowpod* and *Timecraft*. Through these promotional campaigns, the Opponents' SEIKO Marks have been

continually made known to the general public in Singapore at large, and not just any particular target group. The Opponents spent significant time, effort and money in promoting the Opponents' SEIKO Marks in Singapore. The total advertising expenditure in Singapore from 2005 to 2010 amounted to more than S\$ 4 million.

97 In addition, the Opponents canvassed the following arguments in support of their contention that "SEIKO" is well known to the public at large:

- (i) They have exposed the Opponents' SEIKO Marks extensively in the worldwide media and earned numerous awards throughout the world. The Opponents have championed their SEIKO Marks in the international and domestic spotlight by frequently participating in major sporting events as the official timer. These sporting events were naturally reported to and watched by the Singapore public. They include Olympic Games such as the 1964 Tokyo Olympic Summer Games, 1992 Barcelona Olympic Summer Games, 1998 Nagano Olympic Winter Games, 2002 Salt Lake City Olympic Winter Games; soccer World Cups such as 1978 World Cup in Argentina, 1982 World Cup in Spain, 1986 World Cup in Mexico, and 1990 World Cup in Italy; as well as athletics world championships such as the 1987 and 2007 International Association of Athletics Federations World Championships in Italy and Osaka respectively.
- (ii) The well known status of the Opponents' SEIKO Marks has been recognised by courts and trade mark offices in many jurisdictions, including China, Taiwan, Korea, Hong Kong, the Philippines and Italy.
- (iii) Many registrations for the mark "SEIKO" and its variants exist worldwide, including Singapore. This is relevant under Section 2(7) of the Act.

98 The Applicants on the other hand submit that the Registrar of Trade Marks had already decided in an earlier opposition, *Seiko Holdings Kabushiki Kaisha (trading as Seiko Holdings Corporation) v Seiko Advance Ltd* [2011] SGIPOS 3 ("*Seiko Advance*"), that the mark "SEIKO" was not well known to the public at large. In oral submissions at the hearing, they sought to discredit the Opponents' survey evidence, which was also admitted and considered in *Seiko Advance*. This same evidence was not sufficient to support a finding that "SEIKO" was well known to the public at large in *Seiko Advance*. In relation to the survey, the Applicants pointed out that the recognition of "SEIKO" was not 100% and only higher among older consumers. They also objected that the survey was conducted quite long ago, in 2009. The survey appeared to be specific to the *Seiko Advance* opposition and therefore not relevant in the present opposition against the registration of "SEIKI".

99 The Applicants emphasized at the hearing that the decisions in *Clinique* and in *Ferrero* needed to be read with circumspection. They observed that in *Clinique*, the competing marks were identical and in *Ferrero*, "NUTELLO" was far more similar to "NUTELLA" than "SEIKI" is to "SEIKO" here. The Applicants also enunciated a list of earlier trade marks which were found to only be well known in Singapore, but not to the public at large: Volvo, Marlboro, Victoria's Secret, Morton's, Calvin Klein and Kenzo. Likewise, the Applicants submit that "SEIKO" was not so iconic, as "ROLLS ROYCE" is, to be considered well known to the public at large.

100 I have considered the evidence in light of the requirements of the Act and case law. In order to be well known to the public at large, the “SEIKO” mark "*must necessarily enjoy a much higher degree of recognition*", and the recognition must be "*by most sectors of the public*", see *Ferrero* at [153].

101 Hence, it bears saying at the outset that contrary to the Applicants’ suggestion, a 100% recognition rate is not mandatory in finding that a mark is well known to the public at large (though, if a 100% recognition rate could ever exist in reality, such a finding would not be too difficult to reach). I am also not persuaded by the Applicants’ objection that the survey was conducted quite long ago, in 2009. Given that the Application Mark was filed in 2011, a survey conducted two years earlier on a trade mark with a long history should not be so quickly outdated as to be unreliable. Further, even though, as the Applicants point out, the survey was specifically commissioned in respect of the opposition in *Seiko Advance*, as long as the questions are crafted appropriately and there are safeguards in how the survey was conducted, the results may still be relied on for other purposes.

102 The Opponents’ survey evidence is of particular interest and relevance to the inquiry. The Opponents’ survey involved intercept interviews with respondents from a wide age group ranging from ages 18 to 69. The breakdown of respondents in each age group (18-29, 30-39, 40-49, 50-69) was roughly equal as was the breakdown between genders. There were also ethnic quotas established from Singapore Department of Statistics 2005 General Household Survey. A total of n=402 interviews was completed across ten locations across Singapore. These locations were selected to provide a wide and representative geographical spread of heartland and central retail and business districts. They include Ang Mo Kio, Jurong, Tampines, Woodlands, Raffles Place and Orchard Road.

103 During the interviews, respondents are shown a card with the following statements and asked to indicate which applied to them:

- I currently own a Seiko product.
- I have owned a Seiko product in the past but not anymore.
- I am aware of Seiko but have never owned a Seiko product.
- I have not heard of Seiko before today.

104 The Opponents' claim that 72% of the respondents were aware of the “SEIKO” brand in Singapore is based on an aggregation of the positive responses to the first three statements above, as follows:

Statement	Agree	Conclusion
I currently own a Seiko product.	12%	72% aware
I have owned a Seiko product in the past but not anymore.	22%	
I am aware of Seiko but have never owned a Seiko product.	38%	
I have not heard of Seiko before today.	28%	28% not aware

105 What then is an appropriate degree of recognition by the public? In *Ferrero*, a 71.2% recognition rate among the survey respondents persuaded the High Court that “NUTELLA” was well known to the public at large. In the present case, the “SEIKO” mark has a 72% recognition rate among the survey respondents. At the very least, this figure shows that a substantial part of the population recognises the mark “SEIKO”. Given the significant sales and advertising figures in respect of the Opponents’ SEIKO Marks, and given that most

people in Singapore wear watches to tell the time, a 72% recognition rate is relatively consistent with the reality check. However, I move on to consider other evidence adduced by the Opponents in support of their claim before coming to a conclusion whether “SEIKO” is well known to the public at large in Singapore.

106 The nature and extent of the use and advertisement of the Opponents’ SEIKO Marks in Singapore have been highlighted above at [96]. The extensive reach of the “SEIKO” mark, in terms of entering the consciousness of the general public in Singapore, can reasonably be acknowledged. The Opponents’ advertisements have been exposed to the public in areas of high human traffic such as MRT stations in town and major shopping malls, among others. Whether in print, on bill boards, on television or through high-viewership sporting events, the Opponents’ SEIKO Marks have left an impression on the general public in Singapore. Their presence is hard to miss in normal daily life in Singapore, be it during a commute by bus or train, or shopping, watching sports or browsing periodicals at leisure.

107 I am mindful that the same mark “SEIKO” was not found to be well known to the public at large in an earlier IPOS decision, *Seiko Advance*. However, the evidence before the Principal Assistant Registrar in *Seiko Advance* could have been different from that in the present case.

108 Likewise, in respect of the list of marks put forward by the Applicants, the appropriate conclusion to draw from the findings that Volvo, Marlboro, Victoria’s Secret, Morton’s, Calvin Klein and Kenzo were all not well known to the public at large despite being well known in Singapore, is that the evidence adduced in those cases did not suffice to discharge the burden of proof. In another factual matrix, it might be possible for better evidence to support a finding that one or more of such marks is well known to the public at large.

109 Turning to the Opponents’ evidence that the well known status of the Opponents’ SEIKO Marks has been recognised in other jurisdictions, including China, Taiwan, Korea, Hong Kong, the Philippines and Italy, I do not think this adds very much to the Opponents’ case here. That the mark is well known in other jurisdictions *may* be relevant under Section 2(7)(d) of the Act, in particular “*the extent to which the trade mark was recognised as well known by the competent authorities of that country or territory*”. However, ideally, the Opponents should be able to lay out the final link from this to their proposition that “SEIKO” is well known to the public at large *in Singapore*. The same can be said for the Opponents’ registrations for the mark “SEIKO” and its variants worldwide. Further, the criteria for well known marks in these jurisdictions have not been adduced in evidence before me. Hence, it would be difficult to rely on the state of affairs overseas to analogise that the same should be true in Singapore. It is also noted that Article 2(1)(c) of the World Intellectual Property Organisation’s Joint Recommendation Concerning Provisions on the Protection of Well-known Marks (“the WIPO Joint Recommendation”) countenances that there could be cases where the listed factors would not be relevant. This is also consistent with the language of Section 2(7) of the Act which says “... including such of the following matters *as may be relevant*”.

110 Looking at all the items of evidence and giving them the respective, appropriate weight, I am persuaded that, on a balance of probabilities, the mark “SEIKO” is well known to such a high degree and recognised by most sectors of the public as to be well known to the public at large in Singapore.

(iii) *Dilution in an Unfair Manner*

111 Having found the mark “SEIKO” well known to the public at large, I now consider whether the use of the Application Mark in relation to the Application Goods would cause dilution in an unfair manner of the distinctive character of the Opponents’ SEIKO Marks.

112 Dilution in Singapore may be by way of blurring or tarnishing, see *Amanresorts* at [225]. The Opponents submit that there would be dilution by blurring in the present case, if the mark “SEIKI” were used in relation to the Application Goods.

(a) *Is there dilution by blurring?*

113 The definition of "dilution" is set out in Section 2(1) of the Act as follows:

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

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

114 The Court of Appeal in *Sarika* elaborates, at [96], [98] and [99], that:

96 It appears from the definition of “dilution” provided in s 2(1) TMA that the essence of dilution is the weakening of the mark’s ability to identify goods...

98 Thus, what the dilution action protects is the well known trade mark’s distinctiveness or uniqueness from being eroded, thereby protecting its “selling power and ‘commercial magnetism’”: *Bently & Sherman* at 885. This protection is reflective of the transition in the role of trade marks to that of “symbols” and “valuable assets in their own right” today; they are not just signals or indicators of a good’s origin. The mark identifies the good or gives it an identity, and importantly, it in *itself* attracts custom due to its “advertising” quality or selling power: *Bently & Sherman* at 712.

99 It must be shown in a dilution by blurring claim that the relevant public makes a connection or establishes a link between the sign and the trademark. As explained in *Citicorp* (at [31]), a link implies that the consumer will “call to mind” the proprietor’s well known mark after seeing the other party’s sign used in relation to that party’s goods. Whether a link is established and whether there is consequently a real and serious likelihood of damage to the distinctive character of the mark are questions to be resolved by considering all the circumstances of the case. Each case must be considered on its own facts. This so called “global” approach has been accepted in various EU decisions like that of *Adidas* (at [30]) and *Citicorp* (at [31]).

115 Whether there is dilution by blurring can be broken down into two elements according to the Court of Appeal in *Sarika* above, at [99]. These are (i) “*whether a link is established*”; and (ii) “*whether there is consequently a real and serious likelihood of damage to the distinctive character of the mark*”.

116 Ng-Loy Wee Loon observes in her article “The *Sense and Sensibility* in the Anti-Dilution Right” (2012) 24 SAclJ 927 (“Ng-Loy’s article”), at [40], that:

... Mental association is a necessary but insufficient condition to be satisfied to succeed in a blurring claim. To put it another way, mental association is the *trigger* and blurring is the *effect*, and this trigger does not automatically cause this effect...

117 In practice, there is much subjectivity in application of the test for dilution. In *Sarika*, the Court of Appeal considered the issue from multiple angles and factors. In particular, at [100], the Court of Appeal singled out five factors which led to a finding of dilution by blurring: (i) the degree of recognition of the earlier trade mark; (ii) the distinctive quality of the earlier trade mark given the invented nature of the word; (iii) the close similarity between the marks increasing the likelihood that the public will make a mental connection between them; (iv) the admission of the Applicants that the sign “NUTELLO” was derived from the “NUTELLA” mark and the intention was to inform consumers that the Applicants’ “NUTELLO” product was a mixture of espresso and “Nutella” chocolate cream spread; and (v) the similarity of the parties’ respective goods increasing the likelihood that consumers would draw a mental link between the sign “NUTELLO” and the “NUTELLA” mark.

118 Following the approach of the Court of Appeal in *Sarika*, in relation to the first element of a mental link, the Opponents submit that there is such a requisite link because:

- (i) The mark “SEIKO” is well recognised by the public at large in Singapore.
- (ii) The mark “SEIKO” is a distinctive mark and thus, it is easier to establish a link (*Sarika* at [100]). The greater its distinctiveness, the deeper it impresses upon the public consciousness, and there is therefore a greater need to protect the mark against dissociation from the products which it has been used in relation to (*Sarika* at [100]).
- (iii) The Application Mark and the mark “SEIKO” are closely similar. This increases the likelihood that consumers will make the requisite mental link.

119 The Opponents further submit that given that consumers are likely to readily draw the requisite mental link, if the Application Mark is allowed to be registered for the Application Goods like televisions sets and disc players, its extended use will create a real and serious likelihood of weakening the identity of the mark “SEIKO” for watches. The mark “SEIKO” may no longer have the capacity to conjure an immediate association with its watches. Thus, the second element outlined by the Court of Appeal in *Sarika* is also satisfied.

120 In Ng-Loy's article, the author expressed concern with the multifactorial approach taken in the US. There, under the current §43(c)(2)(B) of the Lanham Act (1946), a statutory non-exhaustive list of factors guide the inquiry for blurring. The factors on that list appear to overlap with the factors considered by the Court of Appeal in *Sarika* at [100]. The three factors in the Opponents’ submissions at [118] are all found on this list as well. Hence, I think it pertinent to consider the learned author’s commentary on some of such factors.

121 With regard to the degree of recognition and distinctiveness of the earlier trade mark (as relied on by the Opponents in submissions), Ng-Loy observes at [43] that these factors:

... go towards establishing the level of recognition or distinctiveness of the senior mark. Pegging the level of distinctiveness of the senior mark is necessary because the statutory anti-dilution right is available only to marks that are “widely recognised by the general consuming public of the US” (or in the case of Singapore, to trade marks that are “well known to the public at large in Singapore”). This very high level of renown or distinctiveness is the subject matter of protection of the anti-blurring right. The blurring inquiry is to determine if there would be a reduction or loss of this distinctiveness. If so, it is not clear how the level of distinctiveness of the senior mark

(the very subject matter of protection) can inform on whether there would be harm to the subject matter.

122 The author also comments on the multifactorial approach, which appears similar to the "global" approach taken by the Court of Appeal in *Sarika* at [99] and by the Opponents in the present case, from a public policy angle, at [44]:

The other criticism about adopting this multifactorial approach in the blurring inquiry is the uncertainty it generates. Uncertainty breeds conservatism, especially on the part of the defendant who is in a face-off with a mega brand owner with deep pockets. SMEs trying to break into a market dominated by a mega brand owner will feel pressured to back down if all that their lawyers can tell them with certainty is that "it all depends on the facts"...

123 Leaving these concerns aside for the time, I endeavour to apply the multifactorial, "global" approach in accordance with *Sarika* at [99] to [100].

124 I consider that the degree of recognition of the earlier trade mark, "SEIKO", is relatively high. I have also found earlier that the Opponents' SEIKO Marks have a relatively high degree of distinctiveness. These would be factors in the Opponents' favour.

125 Earlier on in the inquiry under Section 8(2)(b), I have found that the competing marks are visually and aurally similar to a low degree but not conceptually similar. Overall in the balance, I concluded that the Application Mark and the Opponents' SEIKO Marks "*when observed in their totality, are similar rather than dissimilar*", but only marginally.

126 As for possible admission, the Applicants here did not admit to any intended association between the Application Mark and the Opponents' SEIKO Marks, unlike the defendants in *Sarika*. The Court of Appeal in *Sarika* also considered the degree of similarity of the parties' respective goods, which would increase the likelihood that consumers would draw a mental link between the two marks. In the present case, comparing the Application Goods with the Opponents' goods for which they are well known under the "SEIKO" mark, being timepieces, it would be a stretch to say that electronic goods such as television sets and disc players are so similar to timepieces that "*it would be extremely likely for consumers to draw a mental link*" between the Application Mark, "SEIKI", and the well known mark "SEIKO".

127 Hence, having taken the multifactorial, "global" approach, I find that the Opponents have not discharged their burden of proof to show that dilution would occur.

128 The inquiry under Section 8(4)(ii)(A) effectively ends here, but it is of interest, and perhaps of some help in developing jurisprudence for the future, to consider the suggestion in Ng-Loy's article.

129 Ng-Loy's article proposes, at [44], a new formula to be used in the blurring inquiry:

... There are two stages in this new formula. The first stage contains one condition to be satisfied, namely, the proprietor of the senior mark is known to be engaged in substantially one field of activity. If this condition is not satisfied, blurring cannot occur and this marks the end of the blurring inquiry. On the other hand, if this condition is satisfied, it does not automatically follow that blurring would occur. The

inquiry has to move on to the second stage where consideration is given to the degree of similarity between the junior mark and the senior mark. This factor impacts on the blurring inquiry in this way: the higher the degree of similarity, the greater the risk of blurring occurring, and in the case where the marks are identical or substantially identical, there is a presumption that blurring would occur.

130 Applying the alternative approach proposed above, one first considers whether the proprietor of the senior mark is known to be engaged in substantially one field of activity.

131 The Applicants canvassed an interesting argument at the hearing, which I will describe at this juncture. The Applicants submit that the Opponents themselves are diluting the mark “SEIKO”. The evidence shows that the Opponents are known for timepieces, but the Opponents’ own evidence also shows that their SEIKO Marks are used in relation to golf clubs, spectacle lens and frames, industrial equipment, musical tuners, printing machines (under the mark “SEIKO EPSON”) and so on. The Opponents have trade mark registrations in 12 classes, and have diverse business interests in all these fields. The Applicants conclude that it would be very difficult for the Opponents to claim there is dilution if there is not a single field of business using the mark “SEIKO”, but many fields, particularly if the public is not aware that all these undertakings are related.

132 In this regard, it is apposite to delve more deeply into the reason for the first step of the alternative approach. This is articulated at [45] of Ng-Loy’s article as follows:

The condition that the proprietor of the senior mark is known to be engaged in substantially one field of activity is derived from factor (c) of the US list. In my view, this factor is so critical in the blurring inquiry that it should be elevated to the status of a condition that must be satisfied. To illustrate why it is critical that the senior mark must be used in substantially one field of activity, the NTUC mark – which belongs to the National Trade Union Congress (“NTUC”), the trade union in Singapore that is also involved in commercial activities – will be used. The NTUC mark is a mark that has acquired the status of a household name in Singapore as the brand for a chain of supermarkets. However, it is also well known amongst the general public in Singapore that the NTUC organisation is involved in other businesses such as insurance, dental care and childcare, and the NTUC mark is used to promote these businesses. If the public is asked today what comes to mind at the mention of the NTUC mark, the response would be: “Supermarkets, insurance and childcare.” If there is unauthorised use of the NTUC mark in certain other fields of activity, such as the medical sector, it is far more likely to cause the public to wonder if the unauthorised goods or services are a further diversification of the business activities of the NTUC organisation – in which case, the effect of the mental association is not blurring, but confusion. The remedy for the proprietor of the senior mark lies in traditional confusion-based protection...

133 Going back to the Applicants’ argument, one may at first thought accept that the mark “SEIKO”, with its wide range of application on goods as varied as timepieces, golf clubs and spectacle frames and lenses, is already being diluted by the Opponents themselves. They can hardly then point the finger of accusation at another trader for using a junior mark “SEIKI” on television sets and disc players.

134 However, and this goes back to the first stage in the alternative approach – that the senior mark must be known to be engaged in substantially one field of activity – it is not

widely known to the general public that the mark “SEIKO” is not only used by the same business group in relation to timepieces, but also in relation to a variety of other goods. This is quite unlike the example of NTUC cited in Ng-Loy’s article, which is known to the public in several fields including supermarkets, insurance and childcare. As such, I do not think the fact that the Opponents’ business group uses the mark “SEIKO” in diverse fields other than horology and chronometry and on a wide range of goods precludes the possibility of blurring.

135 Ng-Loy’s article also explains at [45] to [46] as follows:

... There is one more point to note about this condition. The condition is that the senior mark is *known* to be used in substantially one field of activity. If the senior mark is, in fact, used in another field of activity, but this fact is not widely known, it does not preclude blurring from occurring. The ROLLS-ROYCE mark is an example on point. Apart from the automobile industry, the ROLLS-ROYCE mark is, in fact, used in the civil and defence aerospace sector...

... Although the ROLLS-ROYCE mark is used in the automobile industry and in the aerospace industry, the latter is not a well-known fact and therefore the public’s response to the ROLLS-ROYCE mark would only be “cars”. It is because of this unique meaning of the ROLLS-ROYCE mark that the public cannot imagine the Rolls-Royce car company moving outside of the automobile industry. Hence the difficulty to prove confusion when there is an unauthorised use of this mark in relation to goods or services that are not car-related. Thus it is suggested that Schechter’s example can still serve as the *locus classicus* of blurring.

136 Thus, in relation to the first stage of the alternative approach, the senior mark “SEIKO” is indeed known to be engaged in substantially one field of activity.

137 At the second stage, one considers whether the degree of similarity between the junior mark and the senior mark is sufficiently high for blurring to occur.

138 Ng-Loy’s article explains, at [47], why a high degree of similarity between the junior mark and the senior mark is necessary:

... The relevance of this factor to the blurring inquiry is obvious. Since blurring is the risk that the “one mark one product” response will turn into a “one mark two products” response, this risk is higher if the mental association that the consumers make between the junior mark and the senior mark is a very strong and immediate one. The greater the degree of similarity between the two marks, the stronger and more immediate the mental association... In Singapore, it would also be impossible to impose a condition that the marks must be identical or near identical. This is because the anti-dilution provision accepts that it is sufficient if the junior mark is “identical with or *similar* to” the senior mark. However, this does not preclude a tribunal from giving *more weight* to the factor of identity between marks. It is suggested that the tribunal should, in fact, treat the identity or near-identity of marks as creating a rebuttable presumption that blurring will occur in circumstances where the senior mark is used in substantially one field of activity.

139 I am thus mindful that there is no legislative requirement that the senior and junior marks must be identical or near identical. However, giving *more weight* to the degree of similarity between the marks, the conclusion would be that there is no reasonable likelihood

of blurring because the Application Mark and the Opponents' SEIKO Marks were found to be only marginally similar, visually and aurally. One is reminded that a mental association between the marks in itself is not sufficient. Such mental association must lead to dilution, in this case, by blurring, before the ground can be made out.

140 Thus, the same conclusion is reached under the Court of Appeal's approach in *Sarika* and under the alternative two-stage approach suggested by Ng-Loy.

(b) Is there dilution "in an unfair manner"?

141 As I have found that there is no dilution by blurring, there is no necessity to consider if such blurring is "*in an unfair manner*". However, the Opponents made a point in their oral submissions that dilution in an unfair manner is treated as a whole by the Court of Appeal. The Opponents remarked that it was preposterous to say there could be dilution in a fair manner. I would take the opportunity to address the latter point here.

142 Article 4(1)(b)(ii) of the WIPO Joint Recommendation is the inspiration for the legislative language in Section 55 and Section 8(4) of the Act. The relevant section of Article 4(1)(b)(ii) of the WIPO Joint Recommendation provides guidance on what is meant by dilution "*in an unfair manner*" as follows:

... The meaning of the words "*in an unfair manner*" implies that third-party use of a well known mark which is not *contrary to honest commercial practice* (e.g. reference to a well known mark for review or parody) does not constitute dilution.

143 The Opponents' suggestion could not have been the legislative intent behind the provision, which would otherwise render the phrase "*in an unfair manner*" superfluous. The proper interpretation and application of the phrase is illustrated by the Principal Assistant Registrar's decision in *Doctor's Associates Inc v Sim Meng Seh* [2011] SGIPOS 15 ("*Subway*"). Although the Opponents' trade mark "SUBWAY" was not found to be well known to the public at large, the Principal Assistant Registrar went on to consider whether there was blurring, and if so, whether this was in an unfair manner. Being persuaded that there would be dilution by blurring, she nevertheless was unable to find that the Applicants' continued use of the application mark in that case, to which goodwill has attached since 1988, before the Opponents entered the Singapore market, has caused dilution "*in an unfair manner*", *Subway* at [49].

144 Therefore, I cannot agree with the Opponents' interpretation of the phrase "*in an unfair manner*". While the Court of Appeal in *Sarika* did not specifically consider whether the dilution there was caused "*in an unfair manner*", this was not a point raised by the defendant either. Hence, the Court of Appeal may not have had the full opportunity to consider arguments whether the dilution of "NUTELLO" was caused "*in an unfair manner*". It should therefore not be construed, as the Opponents sought to, that the Court of Appeal has definitively treated the requirement "*cause dilution in an unfair manner*" as a whole rather than as two distinct elements.

145 It is interesting to note that Ng-Loy, in her article cited above at [116], has thoughtfully suggested an approach to the fairness-unfairness inquiry by reference to the statutory defences found in Sections 55(6), 55(7) and 55A of the Act. These could serve as checkpoints and present refutable or irrefutable presumptions that certain uses are fair, as the case may be. The other suggestion was to "*adopt an approach in the fairness/unfairness*

inquiry in a way to ensure that the anti-dilution right cannot become the ‘weapon of terror’ of senior mark proprietors to stifle free competition.”

Conclusion on Section 8(4)(ii)(A)

146 Overall, although I have found the mark “SEIKO” to be well known to the public at large in Singapore, the Opponents have not proven the requisite element of dilution in an unfair manner of the distinctive character of this mark. I accordingly find that the ground of opposition under Section 8(4)(ii)(A) fails.

Conclusion

147 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, 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 July 2014

See Tho Sok Yee

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Group

Intellectual Property Office of Singapore