

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

Trade Mark No. T1005905C
1 October 2014

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

TSUNG-TSE HSIEH

AND

APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY

REDSUN SINGAPORE PTE. LTD.

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

Cur Adv Vult

GROUND OF DECISION

1 Tsung-Tse Hsieh, of Taiwan, Republic of China, is the Registered Proprietor (“the Proprietor”) of the following trade mark:



(“the Subject Mark”), in Singapore in Class 30 in respect of “Artificial coffee; beer vinegar; chocolate beverages; cocoa beverages; coffee beverages; tea-based beverages; binding agents for ice cream (edible ices); chicory (coffee substitute); chocolate; chocolate beverages containing milk; cocoa; cocoa beverages with milk; cocoa products; coffee; coffee beverages with milk; coffee flavorings (flavourings); vegetable based coffee substitutes; unroasted

coffee; ice cream; edible ices; flavourings, other than essential oils, for beverages; frozen yoghurt (confectionery ices); ice for refreshment; ice, natural or artificial; iced tea; powder for making ice cream; puddings; sorbets (ices); tea". The Subject Mark was registered in Singapore effective from 11 May 2010.

2 Redsun Singapore Pte. Ltd. ("the Applicants") applied for a declaration of invalidity on 24 September 2012. A Counter-Statement was filed on 23 November 2012 in defence of the registration of the Subject Mark. On 25 March 2013, the Applicants commenced an action for passing off in the High Court (Case No. S 237/2013) against Red Sun Tea Shop (Singapore) Pte Ltd, the Proprietor's local distributor, in relation to the use of their "RED SUN" trade mark and company name in Singapore. On 22 August 2013, the High Court entered judgment against Red Sun Tea Shop (Singapore) Pte Ltd for passing off, on account of their failure to exchange their affidavit of evidence-in-chief with the Applicants by the relevant deadline. The Applicants and the Proprietor were not able to negotiate a settlement in the present proceedings. The Proprietor indicated, on 10 October 2013, an intention to cancel the registration of the Subject Mark. However, he was not willing to file the relevant form and fee to effect the cancellation. Neither was he willing to authorise the Applicants to file the relevant form and fee on his behalf to cancel the registration of the Subject Mark.

3 Hence, the Applicants proceeded to file evidence in support of their application on 8 May 2014. The Proprietor did not file any evidence. As such, in accordance with Trade Marks Rules 33(3) and 59(2)(d) (Cap 332, 2008 Rev Ed), the Proprietor was deemed to have admitted to the facts alleged by the Applicants in their application for declaration of invalidity of the registration. Further, the Proprietor's agents were discharged and a new address for service in Singapore was not furnished by the relevant deadline. Hence, the Proprietor was not permitted to take part in the proceedings by virtue of Trade Marks Rule 9(6)(c). The Applicants elected not to make submissions at a hearing and this application is now determined based on the pleadings filed by both parties and the Applicants' evidence.

Grounds of Invalidation

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

Applicants' Evidence

5 The Applicants' evidence comprises five Statutory Declarations, respectively declared in Singapore by the following:

- (i) Lim Han Tee, Managing Director of the Applicants, on 24 April 2014
- (ii) Lim Han Chuah, a salesman of the Applicants since 1995, on 24 April 2014
- (iii) Chu Yim Ling, a homemaker and friend of Lim Han Tee, on 24 April 2014
- (iv) Lee Siang King, a financial adviser and friend of Lim Han Tee, on 7 May 2014
- (v) Tan Swee Teck, a company director and fellow church member of Lim Han Tee, on 24 April 2014




Applicable Law and Burden of Proof

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

Background

7 The Applicants are a company incorporated on 30 November 1995. They were formerly known as Redsun Health Products Pte Ltd until this name was changed to Redsun Singapore Pte. Ltd. on 18 March 2003. The Applicants' company activities are described as "Retail sale of health supplements" and "Retail sale of cosmetics and toiletries" in the records of the Accounting and Corporate Regulatory Authority. The Applicants claim to be in the business of importing, selling and distributing health products, health supplements and tea in Singapore since November 1995.

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

No.	Trade Mark	Trade Mark No.	Registration Date	Class	Specification
1		T9408130F	20 September 1994	5	Pharmaceutical preparations being health food supplements, dietetic substances adapted for medical use, herbal preparations and substances for human use, vitamins, all included in Class 5
2		T9600740E	20 January 1996	5	Pharmaceutical preparations being health food supplements, dietetic substances adapted for medical use, herbal preparations and substances for human use, vitamins, all included in Class 5
3		T9600741C	20 January 1996	5	Pharmaceutical preparations being health food supplements, dietetic substances adapted for medical use, herbal preparations and substances for human use, vitamins, all included in Class 5

Where the Applicants' Marks are not referred to collectively, each trade mark will be denoted by its trade mark number set out above.

9 The Applicants' annual sales and advertising figures in Singapore are as follows:

Year	Sales Revenue (in SGD)	Advertising and Promotional Expenses (SGD)
2007	3,899,552.00	697,460.00
2008	4,087,626.00	778,491.00
2009	4,549,249.00	776,454.00
2010	4,571,058.00	644,207.00
2011	5,348,222.00	809,258.00

2012	4,780,108.00 (unaudited)	503,105.00
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10 The Applicants declare that about 90 to 95% of their annual sales revenue pertains to “RED SUN” health products, supplements, and tea. The remaining sales revenue is derived from other products which do not bear the “RED SUN” mark and/or are not health products, supplements nor tea.

11 The Applicants highlight that due to the popularity of their “RED SUN” tea, the quantity and range of these products have increased over the years. In the past two to three years, approximately, the sale of “RED SUN” tea accounted for about 20 to 25% of the Applicants’ annual sales revenue.

12 The Applicants' Marks are registered in several countries worldwide, including in Taiwan and Malaysia.

13 Not much is known about the Proprietor. From the pleadings filed, it appears that Hsieh is an individual based in Taiwan. He claims, in the counter-statement, to have used the Subject Mark in Taiwan since 1999. The Proprietor’s business in Taiwan is said to involve the setting up of retail stores selling quality teas and other beverages. The Proprietor claims to have established his own business reputation in Taiwan and seeks to expand his business to other countries. The Subject Mark is registered in Hong Kong and Singapore.

PRELIMINARY ISSUE

14 As recounted at [2] above, on 22 August 2013, the High Court entered judgment against Red Sun Tea Shop (Singapore) Pte Ltd for passing off, on account of their failure to exchange their affidavit of evidence-in-chief with the Applicants by the relevant deadline.

15 The issue is whether the Applicants’ successful action in the High Court for passing off leads to a pre-determined conclusion that the Applicants’ ground of invalidation under Section 8(7)(a) of the Act succeeds, since the latter essentially entails an allegation of passing off as well.

16 If the High Court had made a positive finding of passing off, in that the elements of this ground have been established, and subject to more evidence of the correlation of the facts and issues before the High Court and the Registrar respectively, it could have been that the Registrar may be bound by the substantive decision of the High Court and the Applicants may have succeeded on their ground of invalidation under Section 8(7)(a).

17 However it would appear that the Applicants obtained judgment in the High Court suit because of the defendants' non-compliance with the Assistant Registrar’s directions for evidence to be exchanged. The substantive issues relating to passing off have not been adjudicated upon. Thus, it behoves the Registrar to substantively consider the Applicants’ claim of passing off in these grounds of decision.

MAIN DECISION

Ground of Invalidation 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 *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 Applicants have to prove three elements, namely that the competing marks are similar; the goods are identical or similar; and, because of the foregoing, there is a likelihood of confusion on the part of the public. I shall examine each element in turn.

Similarity of Marks: Principles

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 Using the approach of the High Court in *Ferrero* above as a starting point, it is immediately apparent that the Subject Mark is significantly longer than the Applicants’ Marks, comprising eleven Chinese characters and eight English words. The Applicants’ Marks on the other hand are much shorter in length, with two words and one character (T9408130F), three characters (T9600740E) or four characters (T9600741C). As for whether the same letters are used in the marks, it is observed that the phrase “RED SUN” appears in both the Subject Mark and the Applicants’ T9408130F. Other than this, the words and characters used in the competing marks are different.

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

29 To my mind, the most distinctive and memorable component of both the Subject Mark and the Applicants’ T9408130F is the phrase “RED SUN”. The same phrase appears in bold font at the base of both marks and makes a lasting visual impact. Secondly, the Chinese characters “紅太陽” could also be distinctive and memorable in the Subject Mark, as they appear in relatively larger font than the remaining Chinese characters and are found at the top of the Subject Mark.

30 The distinctive and memorable component of the Applicants' T9600740E and T9600741C, on the other hand, would be, respectively, the Chinese characters "紅日" and the circle-within-a-square device. The Japanese characters in T9600741C would probably not be as distinctive and memorable visually as the circle-within-a-square device because the Japanese language is generally less used than the English and Chinese languages in Singapore.

31 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])*". Lim Han Tee averred in his statutory declaration at [32] that "*The words 'RED SUN' bear no meaning whatsoever in relation to the Applicant's Products in question, which are health products and supplements and tea. It does not make sense for the Respondent to claim that 'RED SUN' is not distinctive of the Applicant simply because 'RED' and 'SUN' are common English words.*" I am inclined to find that the Applicants' Marks fall within the category of marks which enjoys a fair degree of technical distinctiveness, as there is no direct, or even indirect, reference to the goods claimed as far as the evidence discloses. As such, it would take relatively more before a competing sign will be considered dissimilar to the Applicants' Marks.

32 Taking into account the most distinctive and memorable component of both the Subject Mark and the Applicants' T9408130F, that is, the phrase "RED SUN" and bearing in mind that there is a high threshold to cross before these marks are distinguished, I do not think that the other elements in the Subject Mark (such as the Chinese characters and oval sun device) suffice to differentiate the marks. In terms of visual perception of the competing marks, therefore, I find that the Subject Mark is similar to the Applicants' T9408130F. However, the Subject Mark is not visually similar to the Applicants' T9600740E and T9600741C because their distinctive and memorable components are rather different.

(ii) *Aural Similarity*

33 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*".

34 On "*a qualitative assessment of the relative number of syllables which the two marks have in common*", the Subject Mark has nineteen syllables (eleven syllables from the eleven Chinese characters and eight syllables from the English words) whilst the Applicants' Marks have three (T9408130F and T9600740E) to four (T9600741C) syllables each. However, the enquiry does not end here.

35 Further to a qualitative assessment, when considering "*how an average Singaporean consumer would pronounce the respective words*", it is likely that the Subject Mark would be referred to orally as "RED SUN" or, at the most, "RED SUN TEA SHOP". This is because, as also opined above in relation to visual similarity, the most distinctive and memorable component of both the Subject Mark and the Applicants' T9408130F is the phrase "RED SUN". That is not to say the other components of the competing marks can be simply ignored. Rather, apprehending the marks as wholes, one must not overlook "*the*

permissibility of examining the distinctive components of the competing marks in both the technical and non-technical senses." This approach was endorsed by the Court of Appeal in *Staywell* at [31].

36 As for the Applicants' T9600740E and T9600741C, their aural impression is likely to be centred on the distinctive characters that are generally known to the public, i.e. the Chinese characters "紅日" in T9600740E and the single Chinese character "日" in the circle-within-a-square device in T9600741C (rather than the Japanese characters).

37 Overall, the aural impressions (namely "RED SUN") of the Subject Mark and the Applicants' T9408130F are readily found to be similar. On the other hand, the aural impression of the Subject Mark is quite different from that of T9600740E and T9600741C. Therefore, the Subject Mark is only aurally similar to the Applicants' T9408130F.

(iii) *Conceptual Similarity*

38 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).

39 The Subject Mark contains a device of the sun, eight English words and eleven Chinese characters. The English words are "Red Sun Tea Shop" and "RED SUN TEA SHOP". Three of the Chinese characters "紅太陽" translate into "RED SUN" in English and the remaining eight characters "國際茶飲連鎖事業" translate as "international tea and drinks chain enterprise".

40 On the other hand, the Applicants' T9408130F consists of the phrase "RED SUN" and the Chinese character for "sun", i.e. "日", in the circle-within-a-square device. The Applicants' T9600740E consists of two Chinese characters "紅日" that translate into "RED SUN" in English, and the Chinese character "日" for "sun". As for the Applicants' third earlier mark, T9600741C, this consists of three Japanese characters that translate into "RED SUN" in English, and the Japanese character for "sun". All the Applicants' Marks contain a circle-within-a-square device, which looks like a traditional Chinese coin with square holes, but may also be perceived as a device of the sun. Where this device is in the colour orange, as in T9600741C, it looks more like the sun. However, where the same device is in black and white, it arguably looks like a Chinese coin with square holes as well.

41 The main concept of the Subject Mark is clearly "RED SUN", reinforced in two languages, English and Chinese and reflected visually in the sun device. The main concept of the Applicants' T9408130F can also be said to be "RED SUN", conveyed strongly by the very same words in English and possibly less strongly by the circle-within-a-square device which could depict a sun. The main concept of T9600740E may also be perceived as "red sun" to a fair proportion of the public who can read traditional Chinese script. The Applicants' T9600741C may still convey the concept of "red sun" seeing as the circle-within-a-square device is in the colour of the sun.

42 Overall, the Subject Mark is conceptually similar to all the Applicants' Marks, but markedly more so in relation to T9408130F than to T9600740E and T9600741C.

Conclusion on Similarity of Marks

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

44 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*...

45 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].

46 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*.

47 Given that "*trade-offs can occur between the three aspects of similarity in the marks-similarity inquiry*" ([18] of *Staywell*), I find that the first element under Section 8(2)(b) has been satisfied having regard to the Applicants' T9408130F, but not so in relation to T9600740E and T9600741C.

Similarity of Goods

48 In respect of the element of similarity of goods under Section 8(2)(b), it is clear that the comparison is between the specification of goods claimed under the Subject Mark and the specification of goods claimed under the Applicants' Marks and not the actual goods in use under the respective marks.

49 The Court of Appeal in *Sarika* elaborates at [46] as follows:

We agree that the concept of similarity of goods should not be over extended or be interpreted too broadly. In *British Sugar* (at 296) it was stated that the purpose of the words "similar goods" in s 10(2) of the Trade Marks Act 1994 (c 26) ("UK TMA 1994") and the Directive on which it is based (namely the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks) is to prevent marks from conflicting, both for their respective actual goods and also for a penumbra. However, we need to point out that under the express terms of our s 27(2)(b) TMA, which is substantially similar to s 10(2) of UK TMA 1994, the comparison to be made is not between the alleged infringing goods and the actual goods of the trade mark owner but between the alleged infringing goods and *the products in respect of which the trade mark is registered for*. This is also the view of *Bently & Sherman* (see above at [45]). To say that in determining similarity one should only look at the alleged infringing goods and the actual goods of the trade mark owner and not at the specifications would be to take a view inconsistent with the express terms of the provision. If that were to be the correct view, what protection is there left for the trade mark owner in respect of goods which are within the specifications of the registered mark, but in respect of which the owner has yet to embark upon actual production? Having said that, a late entrepreneur is not without a remedy. He could apply to the Registrar of Trade Marks or to the court for revocation of the registration of the mark in respect of goods which the owner has yet to produce after five years of registration pursuant to s 22(1)(a) TMA . Alternatively, he need not adopt a mark which is similar to the registered mark – there would then be nothing to impede his business venture.

[emphasis added]

50 The Subject Mark is registered in respect of "Artificial coffee; beer vinegar; chocolate beverages; cocoa beverages; coffee beverages; tea-based beverages; binding agents for ice cream (edible ices); chicory (coffee substitute); chocolate; chocolate beverages containing milk; cocoa; cocoa beverages with milk; cocoa products; coffee; coffee beverages with milk; coffee flavorings (flavourings); vegetable based coffee substitutes; unroasted coffee; ice cream; edible ices; flavourings, other than essential oils, for beverages; frozen yoghurt (confectionery ices); ice for refreshment; ice, natural or artificial; iced tea; powder for making ice cream; puddings; sorbets (ices); tea" in Class 30. In comparison, the specification of goods claimed under the Applicants' Marks is "Pharmaceutical preparations being health food supplements, dietetic substances adapted for medical use, herbal preparations and substances for human use, vitamins, all included in Class 5".

51 Notably, the specifications of the competing marks fall under different classes. The Subject Mark is registered in Class 30, whilst the Applicants' Marks are registered in Class 5. What inference can be drawn from this?

52 In my earlier decision in *Genzyme Corporation v Novozymes Switzerland AG* [2010] SGIPOS 11, I had to determine whether "Enzymes for use in the brewing industry" in Class 1

were similar to “Injectable pharmaceutical preparation to treat an enzymatic deficiency caused by a genetic effect” in Class 5. The following observations at [40]-[43] of that earlier decision would serve us well here:

- 40 On this particular factor, still, I would like to make an observation on the issue of class numbers, seeing as both parties have mentioned it in their submissions. Class numbers – in this case, class numbers under the Nice Classification (International Classification of Goods and Services) – facilitate the classification of goods and services in respect of which trade marks may be registered. The Applicants point out that the respective goods are proper to different classes – 1 and 5 in this case. The Opponents submit that despite different class numbers, the respective goods are similar, citing the example of the product “milk” above.
- 41 The Nice Classification is a tool and a useful one at that. It provides an internationally recognised system for the classification of goods and services in the context of trade mark applications. Usually, goods and services of the same or similar nature are categorised in the same class when there is a common thread running through them. Sometimes, unrelated goods are also found in the same class e.g. fire-extinguishing apparatus and computer programmes are both found in Class 9. By and large, it provides guidance during examination of trade mark applications as to the appropriate classes to search for prior, conflicting marks.
- 42 However, the Nice Classification is only a starting point and does not purport to be authoritative in determining whether goods are similar. The fact that goods are categorised in the same class may indicate that they are similar in nature, but the actual inquiry has to deal with the specific goods at hand and look beyond the class number. Likewise, the fact that goods are not in the same class does not necessarily mean that they are not similar goods. That is also the point of cross-searching other potentially related classes in examination practice.
- 43 Hence, I cannot stop the line of inquiry at this point and dismiss the Opponents’ case merely because the respective goods are in different classes. The actual goods in issue must be weighed in the balance and it is to this exercise that we return.

53 Since the fact that the respective class numbers are different does not conclusively end the inquiry, I move on to compare the competing specifications of goods. In comparing goods to assess their similarity, the following factors set out by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”), 296, are a good list to consider:

- (i) The respective uses of the respective goods
- (ii) The respective users of the respective goods
- (iii) The physical nature of the goods
- (iv) The respective trade channels through which the goods reach the market;
- (v) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether there are, or likely to be found on the same or different shelves
- (vi) The extent to which the respective goods are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market

research companies, who of course act for industry, put the goods or services in the same or different sectors.

54 In terms of uses, the Proprietor's specification of goods relates to general food and beverage items in the main, as well as some ingredients such as binding agents and flavourings. The Applicants' specification of goods relates to pharmaceutical preparations including health food supplements, herbal preparations and vitamins. The latter category has a rather different use in that the purpose is to optimise the quality of life or to address health issues, beyond "bread and butter" sustenance.

55 The respective users of the competing specifications of goods may overlap, in the sense that a general member of the public who consumes food and beverages is also health-conscious and therefore stocks up on pharmaceutical preparations such as health supplements. However, it is fair to say that the target audience differs. The goods in respect of which the Subject Mark is registered are targeted at the general public, especially those members of the public who have a penchant for discretionary consumables such as coffee, tea, chocolate beverages, ice-cream, yoghurt and sorbet. The Applicants' target audience, on the other hand, appears to be the health-conscious segment of the public who are willing to expend more for the sake of health.

56 The third factor, the physical nature of the goods, is not particularly helpful in the instant case as the goods covered by the respective specifications are too varied and come in different physical forms.

57 The trade channels of the competing specifications of goods, however, appear to overlap. The goods claimed can potentially be sold through the same trade channels such as supermarkets, hypermarkets, standalone outlets or franchise stores. They could also possibly be sold in business-to-business channels, for example from an import company to a retail company.

58 Most of the goods claimed in the competing specifications appear to be self-serve consumer items. However, even they could be sold through the same trade channels e.g. at a hypermarket, due to their different uses, I am persuaded that the goods claimed under the Subject Mark and those claimed under the Applicants' Marks would be found on different shelves and possibly different sections of the store.

59 As for the extent to which the competing specifications of goods are competitive, I am more inclined to find that the respective goods are generally not substitutes and therefore not in direct competition with each other.

60 One final point before leaving this part of the enquiry. The Applicants have focused quite a bit on the fact that they sell green tea, which is a subset of "tea" claimed in the specification of the Subject Mark. However, "green tea" is properly classified under Class 30 of the Nice Classification of Goods and Services, and not under Class 5. The Applicants' Marks are not in fact registered in respect of "green tea", though they are registered in respect of "Pharmaceutical preparations being health food supplements, dietetic substances adapted for medical use, herbal preparations and substances for human use, vitamins, all included in Class 5". I will return to this point when the ground of passing off under Section 8(7)(a) is considered later on.

61 Taking into account all the relevant factors, I find that the respective specifications of goods are not similar and hence, the second element under Section 8(2)(b) has not been satisfied.

Likelihood of Confusion

62 At the first stage of the three-step test under Section 8(2)(b), I have found the Subject Mark only similar to the Applicants' T9408130F, and not so in relation to T9600740E and T9600741C. At the second stage of the three-step test, I have found that the goods in respect of which the Subject Mark is registered are not similar to those of the Applicants' Marks.

63 As the third stage of the three-step test, to ascertain whether there is a likelihood of confusion, is predicated on a finding of mark-similarity and goods-similarity, and as this condition precedent is not fulfilled, there would be no relevant likelihood of confusion arising from the present situation.

Conclusion on Section 8(2)(b)

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

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

65 Section 8(4)(b)(i) of the Act reads:

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

...(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —

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

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

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

- a. The whole or essential part of the Subject Mark is identical with or similar to the Applicants' Marks
- b. The Applicants' Marks are well known in Singapore
- c. Use of the Subject Mark in relation to the goods claimed would indicate a connection with the Applicants
- d. Use of the Subject Mark is likely to damage the Applicants' interests

Similarity of Marks

67 Earlier on in the inquiry under Section 8(2)(b) of the Act, I have found the Subject Mark only similar to the Applicants' T9408130F, and not so in relation to T9600740E and T9600741C. Even considering that, under Section 8(4)(b)(i), it is sufficient for an “*essential*

part” of the Subject Mark to be similar to the Applicants’ T9600740E and T9600741C, I nevertheless cannot conclude that such similarity exists. I therefore continue the inquiry under Section 8(2)(b) on the basis that the Subject Mark is only similar to the Applicants’ T9408130F.

Well Known in Singapore: Principles

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

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

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

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

70 Section 2(7)(a) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore due to Section 2(8) of the Act which states that "[w]here it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore", see [139] of *Amanusa*.

71 Consequently, the Applicants’ T9408130F need only be well known to any relevant sector of the public in Singapore for it to be deemed to be well known in Singapore.

Relevant Sector of the Public

72 Section 2(9) defines the “relevant sector of the public in Singapore” in Section 2(7) and 2(8) as including any of the following:

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

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

Well Known in Singapore: Analysis

74 The Applicants claim that their customers come from all walks of life, and are not limited to the health-conscious individuals. This seems to me a curious proposition, in light of the Applicants' samples of advertising and promotion adduced in evidence. I consider the following, for instance:

- (i) A post by the Applicants on their Facebook page quotes celebrity Chen Zhicai as saying "A car needs regular maintenance to be in tip-top condition. Similarly, one's body needs to be well-looked after for it to be in perfect condition, always. When it comes to good health, my key to success ... is ..."
- (ii) Transcripts of radio promotions over 93.8 FM by Daniel Martin entitled "Symbols of Health" include lines such as "Hairs are like the leaves on a tree, it needs sufficient supply of nutrition and proper care in order to grow densely and healthily", "As men get older, health requirements are likely to change, but you can take significant steps through lifestyle, exercise and diet changes including ensuring you get the essential minerals and nutrients" and "Placenta extract ... has been shown to fight anti-oxidants, regulate your endocrine system, and improve blood circulation, all the while helping in the production of collagen – which keeps the skin supple".
- (iii) What appears to be an advertorial in local health magazine "Singapore ezyhealth & beauty" lists the benefits of green tea as (a) combat heart disease; (b) fight viruses; (c) deliver skin-deep beauty; and (d) anti-ageing benefits. The feature article ends with the line "So, next time you reach for a drink, improve your health as well – make it a cup of green tea!"
- (iv) Product pamphlets contain lines such as "RED SUN JAPAN GREEN TEA is well known for its beneficial effects on our health", "Red Sun S.O.D. Anti Acid Tea is a Natural and Non-Caffeine health drink" and "RED SUN Ling Zhi (Ganoderma) is a health tonic you can trust on".

75 All the above samples of advertising and promotion conducted by the Applicants have a common, consistent theme – health. The Applicants are clearly appealing to the prospective customer on the ground of health (as opposed to other attractions, for example, taste or price) and the relevant sector of the public which would respond to such marketing should be the health-conscious group. Such may include healthy individuals who desire to

maintain good health; unhealthy individuals looking to improve their health; as well as health-conscious individuals who wish to purchase the Applicants' health supplements for their family and friends.

76 The question then is whether the Applicants' T9408130F was well known to this relevant sector of the public as at 11 May 2010, the application date of the Subject Mark. The relevant sales and advertisement-cum-promotion efforts would be those up to 11 May 2010.

77 The Applicants' revenue, advertising and promotional figures have been set out at [9] above, with the relevant years and figures replicated here:

Year	Sales Revenue (in SGD)	Advertising and Promotional Expenses (SGD)
2007	3,899,552.00	697,460.00
2008	4,087,626.00	778,491.00
2009	4,549,249.00	776,454.00
2010	4,571,058.00	644,207.00

78 In relation to the above, it is borne in mind that only about 90 to 95% of the annual sales revenue pertains to "RED SUN" health products, supplements, and tea.

79 In addition, the following advertising and promotion efforts are relevant:

Facebook

- (i) 21 June 2009 post: 12 photos of "RED SUN" health supplements including "Isoflavone Essence", "GinGold" and "JoinTonic".

Print Media

- (i) March 2004: The Applicants' green tea is promoted in local health magazine "Singapore ezyhealth & beauty" in what appears to be a full-page advertorial – "In Singapore, the popular Red Sun Green Tea is available locally, produced from specially selected tea leaves in the best plantation located in Uji Kyoto, Japan."
- (ii) 12 May 2008: The Applicants' brown rice green tea is advertised in a 5x10cm column near the bottom right corner of a page of the Straits Times – "Enjoy the benefits of brown rice and Japanese green tea in a single cup. Made in Japan, Red Sun Brown Rice Green Tea is a unique blend of green tea and brown rice resulting in a rich pleasant aroma and a smooth aftertaste. A pack of 20 teabags costs \$4.70 and is available at NTUC supermarkets."
- (iii) 2 February 2010: The Applicants' GinGold and Cholesser health supplements are advertised in what appears to be a bottom half page of the Straits Times – extracts include "RED SUN GinGold Stay Alert! Stay Healthy!", "RED SUN Cholesser ●The Choice of Health Supplement for people with high Cholesterol level. ●"

Radio

- (ii) Since 2009: Radio promotions over 93.8 FM by Daniel Martin entitled "Symbols of Health". Each segment typically promotes a particular product from the Applicants' range, for example RedSun 3-in-1 Ling Zhi spores, RedSun Lamb Placenta, RedSun Hairiser and RedSun Isoflavone Essence.

80 The above certainly indicates that the Applicants are a *bona fide* player in the field of health supplements. They take steps to promote and market their goods; and their revenue figures are reasonable. However, most of their evidence pertains to a time after the relevant date of 11 May 2010. Based on the evidence up till 11 May 2010, I am not able to conclude



that the Applicants' T9408130F RED SUN is well known to the relevant, health-conscious sector of the public as on 11 May 2010. The relevant evidence described in the preceding paragraphs does not go beyond basic advertising, promotion and sale of the Applicants' health supplements. If this level of evidence were sufficient for a finding that the relevant trade mark is well known in Singapore, we could end up with an outcome where most earlier marks are well known marks as long as there is some reasonable sale and promotion of the goods in relation to the marks. It is doubtful that this was the legislative intent behind the enactment of the well known mark provisions in the Act. For some context, if the relevant date were 24 April 2014 (when Lim Han Tee's statutory declaration was filed in support of the Applicants), it would have been permissible to consider the Applicants' evidence post-11 May 2010 in determining whether T9408130F was well known to the relevant sector of the public; and a finding in the affirmative would be more forthcoming.

81 In the overall analysis I find that the Applicants' Marks are not proven to be well known to the relevant sector of the public in Singapore. As such, the inquiry under Section 8(4)(b)(i) ends here. There is no necessity to consider the remaining elements of confusing connection and damage to the Applicants' interests.

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

82 The ground of invalidation under Section 8(4)(b)(i) fails.

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

83 Section 8(4)(b)(ii) of the Act reads:

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

...

(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —

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

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

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

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

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

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

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

86 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".

87 Having decided that the Applicant's T9408130F is not well known to the relevant sector of the public in Singapore, *a fortiori* the same mark cannot be said to be well known to the public at large in Singapore, under Section 8(4)(b)(ii) of the Act. The Applicants' evidence certainly did not disclose that T9408130F was recognised by "*most sectors of the public*" in Singapore. It is therefore unnecessary to further consider the elements of dilution or unfair advantage.

88 The ground of invalidation under Section 8(4)(b)(ii) accordingly fails.

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

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

A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —
(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade

Decision on Section 8(7)(a)

90 The test for passing off is mostly uncontroversial and the High Court in *Ferrero* sets out the elements to be established at [193] as follows:

To succeed in an action for passing off, the Plaintiff must establish the following elements of the "classical trinity" (*Amanresorts* at [36]-[37], citing *CDL Hotels*

International Ltd v Pontiac Marina Pte Ltd [1998] 1 SLR(R) 975 (“*CDL Hotels*”) at [86]:

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

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

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

91 I will examine these requisite elements in turn.

Goodwill

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

Like that other great force of attraction which we call "love", "goodwill" is ephemeral and hard to define. To date, Lord Macnaghten's speech in *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217 ("*IRC v Muller & Co*") at 223-224 remains, in our view, the clearest exposition of what goodwill is:

What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has a power of attraction sufficient to bring customers home to the source from which it emanates.

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

93 Under this element, I am not confined to a consideration only of earlier trade marks owned by the Applicants that are on the register of trade marks. In the Applicants’ High Court action for passing off (Case No. S 237/2013), they have claimed goodwill in the “RED SUN” trade mark and company name. Likewise, in their statement of grounds in these invalidation proceedings, the Applicants have claimed that “... the Subject Mark when used, is likely to lead to the Respondent’s goods being mistaken for our goods and/or mislead the

public into thinking that the Respondent is associated with us when it is not so associated. As such the Subject Mark is designed to facilitate passing off, and continued registration of the Subject Mark would be contrary to Section 8(7) of the Act.”

94 The Applicants’ use and promotion of their trade mark “RED SUN” in Singapore have been described at [80] to [82] above. I am satisfied that the Applicants enjoy goodwill in Singapore as on the application date of the Subject Mark on 11 May 2010.

Misrepresentation

95 As for the second element of misrepresentation, the use of the Subject Mark in relation to the specification of goods claimed would have to lead or be likely to lead the public to believe that goods offered by the Proprietor are those of the Applicants.

96 There is clearly a high degree of visual, aural and conceptual similarity between the words in the Applicants’ trade mark “RED SUN” and the dominant and distinctive component of the Subject Mark, namely the phrase “RED SUN”. The Proprietor’s website www.redsuntea.com refers to the phrase “Red Sun” with high frequency, suggesting that the dominance of the phrase “RED SUN” in the Subject Mark is in fact intended.

97 In the present case, the Applicants have placed great emphasis on their tea products, such as green tea. In the inquiry under Section 8(2)(b) of the Act at [60] above, I have noted that “green tea” falls under Class 30 and not Class 5. It could not therefore aid the Applicants in a finding of goods-similarity as the Applicants’ Marks were not registered in respect of green tea. However, in an inquiry under passing off, this is no longer an obstacle to the Applicants. Based on the evidence, I accept that the Applicants’ goodwill in their trade mark “RED SUN” extends to their health supplements as well as tea products. As such, it is apposite to further consider the Applicants’ evidence in relation to the sale of tea in prepared and unprepared forms.

98 The Applicants’ evidence purports to show that it has become a common practice in Singapore for food and beverage businesses, cafés and restaurants to also sell their food and drinks in an unprepared form at their premises, under the same name and mark. The Applicants cite the examples of Starbucks, Coffee Bean and Tea Leaf, The Connoisseur Concerto (TCC), Ya Kun, Cedele, Dr café coffee, Toast Box and Killiney Kopitiam. It is noted from the evidence that tea bags, tea leaves, coffee beans, kaya and ready-to-cook food paste, e.g. mee siam paste, are part of the merchandise of the foregoing food and beverage outlets.

99 Further, with specific reference to bubble tea outlets (the Proprietor’s local distributor operated a bubble tea shop in Toa Payoh using the name “RED SUN” and a device of a sun similar to that in the Subject Mark), the Applicants’ evidence disclosed two examples of bubble tea businesses selling tea in unprepared forms as well on the same premises. In particular, “Each A Cup” bubble tea outlet sold tea bags of honey red oolong tea; and “a gantea” bubble tea outlet sold various premium packed tea from Taiwan.

100 In addition, the Applicants claim that the converse is also true. Namely, it is also a common practice in Singapore for businesses selling beverages in an unprepared form to expand into the food and beverage space through cafés and restaurants. Such businesses sell their food and drinks for immediate consumption at their premises, under the same name and

mark. Examples cited are Old Town White Coffee, Owl, TWG, Jones the Grocer, Dean & DeLuca and The House of Robert Timms. Hence, for instance, 3-in-1 Old Town White Coffee is not only sold at supermarkets, provision stores and convenience stores, they can also be enjoyed at Old Town White Coffee café outlets in Singapore and Malaysia.

101 In light of the foregoing, the Applicants' argument that there is a connection between the retail of a food or drink item in an unprepared form, and the service of providing that food or drink in a prepared form for immediate consumption, under the same name and mark, is persuasive. Such a connection is especially strong in respect of coffee and tea products and offerings.

102 Hence, although the Applicants have not sold their green tea in prepared forms in Singapore, unlike the Proprietor through his local distributor at the Toa Payoh bubble tea outlet, this is not fatal to a finding of misrepresentation. First, it is clear that both parties are in the tea business, regardless of the form of the tea (whether prepared or unprepared). Second, the Applicants have shown in their evidence that there is a practice in the food and beverage industry in Singapore for businesses to sell both prepared and unprepared forms of their goods under the same name and trade mark, especially in the case of tea products and offerings.

103 Further, the Applicants have procured the statutory declarations of four persons (described above at [5]) in support of their claim that there is misrepresentation.

- (i) In Lim Han Chuah's statutory declaration, he described his surprise to see the "RED SUN" bubble tea outlet located at Block 190, Lorong 6 Toa Payoh, #01-580, Singapore 310190. He declared that his immediate impression was that the outlet belonged to the Applicants although he knew that this could not be the case, as the Applicants' Managing Director, Lim Han Tee, would have told him if it were so.
- (ii) The next deponent, Chu Yim Ling, upon seeing the "RED SUN" bubble tea outlet in Toa Payoh, described how she turned to Lim Han Tee and asked him if the bubble tea outlet was one belonging to his company (i.e. the Applicants). To her surprise, Lim Han Tee told her that it did not, and that it was not in any way related to, associated with or licensed by the Applicants.
- (iii) Lee Siang King described, in his statutory declaration, how he came to notice the "RED SUN" outlet, which had then not yet opened, during his walk around Toa Payoh Central. He saw that the name "RED SUN" was the same as the name of the Applicants. He thought that the outlet belonged to the Applicants. Later on, he asked Lim Han Tee when he decided to start a retail outlet at Toa Payoh. To his surprise, he was told that the outlet did not belong to the Applicants and was not related in any way.
- (iv) Tan Swee Teck described how the Proprietor's distributor's bubble tea outlet in Toa Payoh caught his eye because of the name "Red Sun". He knew that Lim Han Tee was the Managing Director of the Applicants and that his company supplied tea under the "RED SUN" name. As the same name, "RED SUN", appeared at the bubble tea outlet, he thought that it belonged to the Applicants. After this incident, he met Lim Han Tee and congratulated him on the opening of his tea shop in Toa Payoh, commenting that it was a good business idea for him to expand his business

from the sale of tea to the retail of tea drinks. Tan Swee Teck was surprised and embarrassed to learn from Lim Han Tee that the bubble tea outlet did not belong to the Applicants and was not related in any way, as he had wrongly congratulated him.

104 Taking into account just the strong commonality of the words “RED SUN” in the Applicants’ get-up and in the Subject Mark; the goods in common, namely tea; and the common commercial practice in Singapore for businesses to sell both prepared and unprepared tea under the same name and trade mark, I would already find that the element of misrepresentation has been made out. This exemplifies the courts’ consistent stand that evidence of actual confusion is not necessary for a finding of misrepresentation. The above statutory declarations, three of which record instances of confusion first hand are relevant for consideration, however, and support a finding of misrepresentation. Nevertheless, the point needs belabouring, that not every finding of misrepresentation is supported by evidence of actual confusion; and not every instance of actual confusion necessitates a finding of misrepresentation as the issue is one of both fact and law.

Damage

105 Given that the Applicants have established goodwill and misrepresentation, what is the damage that they are likely to suffer? The Court of Appeal in *Sarika* recognised the restriction of expansion into another field of commercial activity which naturally extends from the original activity as a head of damage under passing off, at [108] set out below:

The restriction of expansion into another field of commercial activity which naturally extends from the original activity has been recognised by this Court as a head of damage under passing off in *Amanresorts* (at [117]). It was emphasised in *Amanresorts* (at [118]) that there needs to be a close connection between the established activity and the extended activity (*i.e.*, commercial activity which is a natural expansion of the first activity in which the claimant already has established goodwill in). We agree with the Judge’s finding that both parties’ fields of business are closely connected. The Respondent’s field of business in the present case is the sale of chocolate cream spread, while the Appellant’s field of business is food and beverage retail. Both parties are thus engaged in the business of providing consumption foodstuff and that the respective products in question include significant chocolate content.

106 Having regard to the matters considered and analysed at [101] to [105] above, I accept that there is a close connection between the Applicants’ established activity of selling tea in an unprepared form and the extended activity of selling prepared tea that is ready for consumption there and then. Both the Proprietor’s and the Applicants’ fields of business are closely connected.

107 As such, the element of damage is made out in relation to the Applicants’ claim for passing off.

Conclusion on Section 8(7)(a)

108 The ground of invalidation under Section 8(7)(a) therefore succeeds.

Ground of Invalidation under Section 7(6)

109 Section 7(6) of the Act reads:

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

Decision on Section 7(6)

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

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

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

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

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

This principle of law was alluded to and accepted by a leading local text on Intellectual Property (Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell Asia, Rev Ed, 2009) at para 21.4.1):

An allegation of bad faith is a serious one, and it must be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will ***rarely be possible by a process of inference.*** (Emphasis original)

112 The Applicants have used their name and trade mark “RED SUN” in Singapore since 1995, for almost twenty years. In this time, they claim to have invested huge amounts of time and money to develop and promote their name and trade mark “RED SUN”. Through this, the Applicants claim to have painstakingly built up goodwill and reputation in relation to “RED

SUN". By the time registration was sought for the Subject Mark in 2010, the Applicants have used "RED SUN" in Singapore for fifteen years. They allege that the Proprietor is seeking to or taking advantage of the Applicants' fame, reputation and goodwill in their name and trade mark "RED SUN". The Proprietor's website discloses that he founded the "Red Sun" business in Taiwan in 1999. As this is four years after the Applicants commenced use of their name and trade mark "RED SUN" in Singapore, the Proprietor is alleged to have ample opportunity to know of and deliberately copy the Applicants' name and trade mark "RED SUN".

113 I am mindful that an allegation of bad faith is a serious one and needs to be distinctly proven. Although the Applicants were first in time in adopting the name and trade mark "RED SUN", it is quite plausible that the Proprietor established his business independently in Taiwan without knowledge of the Applicants' business in Singapore, nor intent to ride on the Applicants' goodwill and reputation in Singapore. After all, the parties started their respective business in different countries and only four years apart. It is hardly unlikely that two independent businesses in two different countries may adopt the same or similar name and trade mark, without any bad faith. The Proprietor's claim in his counter-statement that, having established a business reputation in his own right in Taiwan, he sought to expand his business to other countries, including Singapore, is also reasonable and not inherently incredible.

114 Overall, beyond the Applicants' bare assertion, there is insufficient evidence to show how the Proprietor had fallen short of some acceptable standard of commercial behaviour by reasonable and experienced men in the particular area of trade, bearing in mind the high threshold for bad faith.

115 The ground of invalidation under Section 7(6) therefore fails.

Conclusion

116 Having considered all the pleadings and evidence filed, I find that the application for a declaration of invalidity succeeds under Section 8(7)(a) but fails on all other grounds.

117 The registration of Trade Mark No. T1005905C is hereby declared invalid. In accordance with Section 23(10) of the Act, the registration is deemed never to have been made, but this shall not affect transactions past and closed. The Applicants are entitled to costs to be taxed, if not agreed.

Dated this 2nd day of January 2015

See Tho Sok Yee

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Group

Intellectual Property Office of Singapore