

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

Trade Mark No. T9004265I  
Hearing Dates: 9 October 2014 and 9 December 2014

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

**FESTINA LOTUS, S.A.**

**AND**

**APPLICATION FOR REVOCATION BY**

**ROMANSON CO., LTD.**

Hearing Officer: Ms Diyanah Binte Baharudin  
Assistant Registrar of Trade Marks

Ms Denise Loh and Ms Eileen Fong (Ella Cheong LLC) for the Applicants

Ms Teresa O'Connor and Mr Gene Kwek (instructed by Henry Goh (S) Pte Ltd) for the  
Registered Proprietors

*Cur Adv Vult*

**GROUND OF DECISION**

1 These proceedings concern an application for the revocation of the following mark in relation to the following goods:

Singapore Trade Mark Registration No.	Mark	Class	Specification	Cert Issuance Date
T9004265I		14	Watches, clocks and other chronometric instruments	29 February 1992
(the " <b>FESTINA Mark</b> ")				

2 The registered proprietors of the FESTINA Mark are Festina Lotus, S.A. (the "**Registered Proprietors**"). The applicants seeking to revoke the FESTINA Mark are Romanson Co., Ltd. (the "**Applicants**"). The application for revocation was filed on 18 March 2013 and the Counter-Statement, including evidence of use, was filed on 17 July 2013.

3 For national trade mark filings, the date of completion of registration procedure is the "Cert Issuance Date" found on the electronic Register of Trade Marks (also known as "eTrademarks") (see HMD Circular 1 of 2012, dated 21 December 2012). Therefore, the date of completion of registration procedure in this case is 29 February 1992.

4 At the hearing on 9 October 2014, parties were directed to make further submissions on the interpretation of the phrase, "by the proprietor or with his consent" in Section 22(1)(a) of the Act and what is required to prove "consent" or "control," as the case may be. Parties filed written submissions on 10 November 2014 and the case resumed for hearing on 9 December 2014.

### **Grounds for Revocation**

5 The Applicants rely on Section 22(1)(a) and/or Section 22(1)(b) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("**the Act**") in these proceedings. In particular, the Applicants apply for revocation:

- i) under Section 22(1)(a) of the Act on the basis that the FESTINA Mark has not been put to genuine use in the course of trade in Singapore between 1 March 1992 to 28 February 1997, and there are no proper reasons for non-use; and/or
- ii) under Section 22(1)(b) of the Act on the grounds that
  - (a) such use has been suspended for an uninterrupted period of 5 years before the date of the application for revocation (that is, from 19 March 2008 to 18 March 2013) and/or
  - (b) such use has been suspended for an uninterrupted period of 5 years during the period between a date as early as 1 March 1992 and a date as late as the date of this application for revocation, and there are no proper reasons for non-use.

### **Registered Proprietors' Evidence**

6 The Registered Proprietors filed the following evidence in support of their position in the present revocation proceedings:

- i) 1<sup>st</sup> Statutory Declaration of Ines Villanueva dated 5 July 2013 (filed on 17 July 2013) ("**1<sup>st</sup> Ines**"); and
- ii) 2<sup>nd</sup> Statutory Declaration of Ines Villanueva dated 12 March 2014 (filed on 2 April 2014) ("**2<sup>nd</sup> Ines**").

### **Applicants' Evidence**

7 The Applicants filed the 1<sup>st</sup> Statutory Declaration of Sang-won Jeong dated 28 November 2013 (filed on 3 December 2013) ("**1<sup>st</sup> Jeong**").

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

8 The applicable law is the Act and the Registered Proprietors have the burden of showing use to which the FESTINA Mark has been put under Section 105 of the Act.

### **Background**

9 The Registered Proprietors were founded in 1902 in Switzerland. They are in the business of making and retailing watches and other timepieces. They presently sell their goods in more than 80 countries worldwide. Their headquarters is in Spain, whilst Switzerland is their watch production centre. The Registered Proprietors have appointed exclusive distributors in 76 countries including China, Hong Kong, Indonesia and Malaysia. In countries where there is a particularly large market segment for its watches, they have formed subsidiaries or "some kind of affiliated company" to take care of the distribution of their watches. There are 10 such countries, namely Austria, Benelux, Chile, Czech Republic, France, Germany, Italy, Mexico, Spain and Switzerland (as stated in 2<sup>nd</sup> Ines, [4], [6]-[7]).

10 In Singapore, the Registered Proprietors do not currently have an appointed exclusive distributor for their watches. They had wanted to appoint an authorised distributor for their "FESTINA" watches in Singapore, but the distribution of watches in Singapore proved difficult due to the "highly competitive market and the ability of the strongest distributors to take practical steps to 'block' entry into the market by a new brand." At the hearing, they emphasized their intention to use the FESTINA Mark and their communications with a potential distributor in Singapore, M/s F.J. Benjamin (Singapore) Pte Ltd (as stated in 2<sup>nd</sup> Ines, pp 2-3, [4]).

11 Nevertheless, the Registered Proprietors say that apart from the officially appointed distributors, their watches can be found in many other countries where watch dealers have bought stock from their official distributors and imported them into other countries. The Registered Proprietors say that this situation exists because parallel imports are generally legal in most countries. The distributors which they appoint are free to supply online retailers on a national basis. At the hearing, the Registered Proprietors drew my attention to the nature of their goods, saying that these types of consumer goods are generally bought online. Whilst they are aware that their watches are sold online in ways not completely controlled or transparent to them,

they do not object to the "sale" of these goods. I note that there is no evidence that they do not object to the "use" of the FESTINA Mark on these goods.

12 The Applicants, on the other hand, are headquartered in Seoul and were originally established in 1988. The Applicants are in the business of manufacturing and exporting of watches, operating in more than 70 countries around the world (1<sup>st</sup> Jeong, p 2, [5]).

13 The Applicants' solicitors had instructed a private investigation company, Commercial Investigations LLP, to conduct a market investigation into the FESTINA Mark. The Applicants concluded from the results of this investigation that there was no "relevant use" by the Registered Proprietors of the FESTINA Mark in Singapore, and confirm that watch traders in Singapore do not recognize the said mark (1<sup>st</sup> Jeong, p 5, [19]).

## MAIN DECISION

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

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

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

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use;

...

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

### *Evidence of Use*

15 The Registered Proprietors rely on the following evidence to show genuine use in the course of trade in Singapore. The following is a summary of their evidence:

S/No	Item	Exhibit
i)	Website printouts from <a href="http://www.brandsfever.com">www.brandsfever.com</a> showing a "Festina Sports Watch (Black)" for sale	IV-1
ii)	Website printouts from <a href="http://www.bodying.sg">www.bodying.sg</a> showing various watches for sale, called "Festina Watches" showing at least 274 models of FESTINA watches	

	for sale	
iii)	A letter from one Atilla Torgay, Director, Brandsfever Pte Ltd, dated 3 July 2013, stating that Brandsfever Pte Ltd had run two sales campaigns in Singapore featuring FESTINA watches in November 2012 and January 2013 respectively. The letter states that Brandsfever "[has] the intention to continue offering FESTINA watches in future sales campaigns." Attached to this letter is a two-page "sales record" showing that 77 styles of FESTINA watches had been made available in the course of these campaigns. 6 watches were sold to consumers in Singapore through these campaigns with a turnover of S\$589.90.	IV-2
iv)	Website printouts from <a href="http://www.watchshop.com">www.watchshop.com</a> , a website based in the United Kingdom. The Registered Proprietors rely on the evidence from the Applicants' investigation report by Commercial Investigations LLP (1 <sup>st</sup> Jeong, pp 120,123,130) to show that it is possible for consumers in Singapore to purchase their watches from this website.	IV-3
v)	Website printouts from eBay (which do not feature a website address) but that the deponent (1 <sup>st</sup> Ines) states are from "eBay Singapore", where it is possible for consumers in Singapore to purchase FESTINA watches from.	IV-4
vi)	Copies of photographs showing the FESTINA Mark on the back of a FESTINA watch casing, guarantee certificate, box packaging and product tag.	IV-5
vii)	Website printouts from the Registered Proprietors' own website, <a href="http://www.festina.com">www.festina.com</a> , with advertisements on FESTINA watches.	IV-6
viii)	Website printouts from <a href="http://en.wikipedia.org/wiki/Festina">http://en.wikipedia.org/wiki/Festina</a> , <a href="http://www.letour.fr/2012/CDD/LIVE/us/partenaires.html">http://www.letour.fr/2012/CDD/LIVE/us/partenaires.html</a> and <a href="http://www.festina.com/en/blog">http://www.festina.com/en/blog</a> showing media coverage of the FESTINA Mark due to the Registered Proprietors' sponsorship of major sporting events. In particular, the Registered Proprietors highlighted their sponsorship of the <i>Tour de France</i> for more than 20 years.	IV-7

16 In addition to the above, the Registered Proprietors also submitted a one page copy of a print out from <http://www.starhub.com/about-us/newsroom/2008/march/31032008> at the hearing on 9 October 2014 and requested that I take judicial notice of the fact that the *Tour de France* is broadcast in Singapore.

17 A number of the items of evidence that the Registered Proprietors rely on to show that there has been "use" of the FESTINA Mark are offers for sale (or actual sales) of their FESTINA watches made by third parties (see paragraph 15(i), (ii), (iii), (iv) and (v) above). An important issue to address, therefore, is whether use by third parties would satisfy the requirement in Section 22(1) of the Act for "genuine use in the course of trade in Singapore" to have been made "by the proprietor or with his consent".

#### *Applicants' submissions*

18 The Applicants submit that the principle behind Section 22(1)(a) and (b) is that there must be "genuine use" of the trade mark before its function is served and protection by

registration is justified, and a party should not be allowed to "unfairly hijack or usurp a mark and/or monopolise it" to the exclusion of other legitimate users, citing *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 ("*Weir Warman*"). The Applicants submit that, even though there can be genuine use despite an absence of actual sales being made, the evidence adduced must be sufficient to establish such use, citing *ELLE Trade Marks* [1997] FSR 529 and *Floris Trade Mark* [2001] RPC 329. As regards use on the Internet, there is a need for the proprietor to take "active steps" to offer or advertise the claimed services in the form of "direct encouragement or advertisement", citing *Weir Warman, 800-Flowers Trade Mark* [2002] FSR 12 and *Autozone Automotive Enterprise v Autozone Parts, Inc* [2013] SGIPOS 1 ("*Autozone*").

19 At the hearing, the Applicants highlighted that the Registered Proprietors do not have any business presence in Singapore as they do not have an appointed distributor for watches in Singapore. The evidence adduced by the Registered Proprietors does not show that any active steps have been taken, unlike the proprietor in *Weir Warman* which had sent a fax to a Singapore company offering sales of their trademarked goods and held a meeting with a Singapore company to discuss the promotion of these goods in Singapore. The Applicants criticize the evidence of actual sales by Brandsfever Pte Ltd ("**Brandsfever**"), pointing out that there is only a bare statement from their managing director and an Excel sheet showing some details of the sales, but there are no sales invoices or receipts to support this statement. As regards the offer for sale by Brandsfever and other third party websites, the Applicants submit that the printouts tendered are dated after the relevant date of the application for the present revocation. Further, the websites that do not bear a ".sg" suffix are not located in Singapore and are not targeted at consumers in Singapore. There is also a lack of local recognition of the FESTINA Mark, as evidenced by their investigative survey conducted in January 2013.

20 In relation to the Registered Proprietors' online advertisements, the Applicants say that this situation is analogous to a proprietor located outside of Singapore placing an advertisement on its website and hoping that someone from Singapore would come across the advertisement and make an enquiry. As for the sponsorships by the Registered Proprietors of sporting events and football leagues, the Applicants say that such sponsorship of events can hardly be considered to be direct marketing efforts in Singapore, given that these events were held outside Singapore (see [27] of the Applicants' Written Submissions dated 8 September 2014).

21 As regards the issue of consent, the Applicants provided research on the UK position on this issue. They cited the case of *Einstein Trade Mark* [2007] RPC 23 ("*Einstein*"), which was decided in the context of revocation of a registered mark in the UK on the basis of non-use, where it was held that the relevant "consent" was defined as "authorisation sufficient to ensure non-infringement." The Applicants submit that "a licence to use a registered mark may be defined as a permission to use which prevents any allegation of infringement", citing *Cornish & Llewelyn's Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (6<sup>th</sup> Edition, Sweet & Maxwell).

22 The Applicants submit that the relevant consent necessary in the context of Section 22(1) of the Act should be viewed as a reference to a licence from the trade mark proprietor to use the trade mark in question. They submit that the Singapore courts continue to require some element of control or supervision before a licence can be considered valid, citing the case of *Weir*

**Warman.** They submit that, in Singapore, the Court of Appeal has expressed doubts as to the correctness of the UK position that the absence of quality control over a bare exclusive licensee's use of the trade mark does not render it liable for revocation, in *Kickapoo (Malaysia) Sdn Bhd and another v The Monarch Beverage Co (Europe) Ltd* [2010] 1 SLR 1212 ("*Kickapoo*"). They also point out that Article 19(2) of the *Agreement on Trade-Related Aspects of Intellectual Property* ("**TRIPS**") provides that there must be some element of control by the trade mark owner for the purpose of maintaining its registration.

23 The Applicants submit that a mere statement by the Registered Proprietors (at [11] of 1<sup>st</sup> Ines) was not sufficient to establish the required consent. What is required is some "positive evidence" to support such a finding of consent. If the bar to proving consent is too low, then the proprietor would have "an almost unfettered power to decide whether he wants to consent to the use of a trade mark by a third party after acquiescing to such use of the mark." The Applicants submit that this would result in allowing the proprietor an "arbitrary exercise of discretion" to prosecute the use of the trade marks as they deem fit and that this would not be a "fair nor just result" (Applicants' Supplementary Written Submissions at [23]).

#### *Registered Proprietors' submissions*

24 The Registered Proprietors initially submitted that they have used the FESTINA Mark in accordance with Section 27(4)(b), (d) and (e) of the Act, by way of their online advertisements. In particular, they emphasize the words in sub-section (d) which state that the use can be "in any medium", submitting that this includes use in an online context, such as placing advertisements on their corporate website, and the media coverage of the major sporting events that they sponsor, in particular, the *Tour de France* race (see paragraph [15](vii) and (viii) above).

25 In the course of their further written submissions, however, the Registered Proprietors submitted that the individual types of use under Section 27(4) of the Act "do not necessarily amount to a use of the mark for the purpose of Section 22(1)" and that the types of use in Section 27(4) of the Act should be confined to Sections 27, 28, 29 and 31 only, as stated in the provision. They submit that the rationale for this difference is that:

The provisions relating to infringement are specifically designed so that infringement would be committed by persons in the chain of trade who deal with spurious goods, and not just the person who applied the mark to the spurious goods.

26 The Registered Proprietors submit that the meaning of "use" in Section 22(1) of the Act may be analysed from the perspective of Singapore's doctrine of an "international exhaustion" of rights as enshrined in Section 29 of the Act (RP's Further Written Submissions ("**RP's F/Subs**") at p 15, [33]). The Registered Proprietors then refer to a passage in *Ng-Loy Wee Loon, Law of Intellectual Property of Singapore (Revised Edition, 2009)* at p 312, where she interprets the provision to mean that a proprietor is deemed to have given consent to third parties to sell his goods bearing his trade mark once he has put it into the market, even if he has imposed conditions onto his licensees restricting the further movement of his goods. The Registered Proprietors submit that (RP's F/Subs at p 14, [37]):

Reconciling the doctrine of parallel import *use* with the doctrine of revocation for *non-use*, it becomes apparent that it would be a perverse contradiction to recognise and declare parallel import “use” as being non-infringing under Section 29(1) on the basis of the proprietor’s *deemed* consent, yet in the same breath denying the proprietor the benefit of such use under Section 22(1) on the basis that the proprietor has not consented to it.

27 In this context, then, the Registered Proprietors further submit that they have “used” the FESTINA Mark on their goods (RP’s F/Subs, at [16]):

We submit that “use” in Section 22(1) must be interpreted in accordance with the fundamental meaning of the word “use” in the context of the whole registration regime. As stated by V K Rajah in *Warman* at [99], “A trade mark serves to indicate the source of the goods to which it is affixed and registration facilitates and protects this function of the trade mark”. **‘Use’ is therefore primarily the act of the registered proprietor applying the mark onto goods and then releasing them into the market.** It follows that in revocation proceedings, the most obvious way in which a registered proprietor will be able to show “use” is by demonstrating sales of goods that he has manufactured and to which the mark has been applied, and their release into the marketplace. (Emphasis added)

28 Their position is supported by an Australian case, *E. & J. Gallo Winery v Lion Nathan Australia Pty Ltd* [2010] HCA 15 (“*E & J Gallo*”), where the court held that an overseas manufacturer who has a registered a trade mark in Australia and who himself (or an authorized user) places the trade mark on goods which are then sold to a trader overseas can be said to be a “user” of the trade mark when those goods are offered for sale and sold in Australia. The case of *E & J Gallo* was brought under Section 92(4) of the Australian Trade Marks Act 1995 (“**Australian TMA**”). The Registered Proprietors submit that there are “clear parallels” between this statutory provision and our Section 22(1) of the Act in that both provisions require use of the registered trade mark in relation to the relevant goods or services within jurisdiction, although the Australian legislation appeared to take a stricter position, requiring that use must be “by the proprietor” whilst the Singapore legislation allows use by anyone “with his consent”.

29 The Registered Proprietors say that the issue of “consent” or “control” is essentially a “red herring” because they have already “used” the FESTINA Mark by virtue of affixing the said mark to the goods (and its packaging). This allows the said mark to perform its function as an indicator of the origin of the goods, so long as the goods remain in the market in Singapore, i.e. offered for sale and sold to third party traders (RP’s F/Subs at [18]). As such, the Registered Proprietors say it is not necessary for them to establish either “consent” or “control”, since the goods are the Registered Proprietors’ own goods in the first place. At the hearing on 9 December 2014, they submitted that consent is only an issue if there is a dispute as to whether the goods in question were manufactured by the proprietor. They rely on *SAFARI Trade Mark* [2002] R.P.C. 23 (“*Safari*”) as an illustration of such a case, where the proprietor gave the third party manufacturer consent to use its mark on that third party’s goods (“SAFARI” for vehicles). In the

present case, there is no dispute that the goods belonged to the Registered Proprietors, so no "consent" from them is necessary.

*Applicants' reply*

30 In reply, the Applicants distinguished *E & J Gallo* on the law as well as the facts. As regards the law, the Applicants submit that there is a critical difference between the Australian legislation and Singapore legislation on revocation of a registered mark. In Australia, the question of consent does not arise, whilst in Singapore, the question of consent is relevant. The Applicants point out that the Registered Proprietors have acknowledged the differences in their own submissions (RP's F/Subs at [9]).

31 With regard to the submission that "use" in Section 22 of the Act should be the same as "use" in Section 29 of the Act, the Applicants submit that there is a clear difference in wording, namely, that the words "conditional or otherwise" appear in Section 29 of the Act. This provision is a deeming provision that is meant to apply only in the context of exhaustion of rights, and cannot be a general proposition that such consent is established whenever the goods at issue are parallel imports for the purpose of Section 29. Furthermore, not all parallel imports into Singapore are always lawful – for example, there could be a situation where the parallel imports contravene Section 29(2) of the Act. Therefore, the Registered Proprietors could not be taken to have "consented" to the use of the FESTINA Mark merely because the goods in question could possibly be parallel imports.

*Discussion on the requirement of use in Section 22(1) of the Act*

32 A plain reading of Section 22(1) of the Act provides that "use" must satisfy a few conditions: it must be "genuine", "in the course of trade in Singapore" and "by the proprietor or with his consent." The underlying policy objective of Section 22(1) of the Act is stated in *Weir Warman* at [41]-[42]:

41 It is plain that the trade mark register is intended to be a comprehensive and accurate record of trade marks currently in use. As such, it is crucial to maintain the accuracy of the register and to ensure that undeserving and invalid trade marks are removed from the register without undue delay and complication. In addition, the register is meant to assure and endorse the function of registered trade marks as badges of origin (see [43]-[44] below) so as to protect the public against deception. Hence marks that are misleading or likely to cause confusion or no longer serve their purpose should not be accepted or allowed to remain on the register, as the case may be.

42 Finally the register is also meant to notify rival traders dealing in similar products of the rights over particular trade marks possessed by the registered proprietor. As such, it is also important that these registered marks be *in actual use* or be *bona fide intended to be used* by the registered proprietors; any contrary approach would result in unjust monopolies where devious registered proprietors could prevent the use of a mark by others despite not having any intention to use it, simply by reason of prior registration. Indeed, such "squatting" situations are

addressed by most modern trade mark registration statutes, which require that the registrant has at least a *bona fide* intention to use a mark before registering it (see, ie, s 5(2) of the TMA; s 32(3) of the English Trade Marks Act 1994). Kitchin *et al*, Kerly's *Law of Trade Marks and Trade Names* (Sweet & Maxwell, 14<sup>th</sup> Ed, 2005) at p 237 helpfully illustrates this by reference to three instances of hijacking a mark or spoiling a competitor's plans that suggest bad faith:

- (1) The applicant has no bona fide intention to use the trade mark at all, but wishes to prevent a competitor from using the, or a similar, mark;
- (2) The applicant has no present or fixed intention to use the mark, but wishes to stockpile the mark for use at some indeterminate time in the future; and
- (3) The applicant becomes aware that someone else plans to use the mark, and files a pre-emptive application with a view to selling it.

33 I refer to the evidence of use tendered by the Registered Proprietors in the present case, tabulated at paragraph [15] above. The evidence included printouts from various third party websites, namely, <[www.brandsfever.com](http://www.brandsfever.com)>, <[www.bodying.sg](http://www.bodying.sg)>, <[www.watchshop.com](http://www.watchshop.com)> and some printouts from eBay (without a website address). There are printouts from the Registered Proprietors' own website <[www.festina.com](http://www.festina.com)> as well. The common feature of all these websites is that they display the Registered Proprietors' goods bearing the FESTINA Mark on an Internet site. With the exception of <[www.festina.com](http://www.festina.com)>, each of the watches has information on its price beside it, indicating the possibility of a sale transaction being concluded over the Internet. Two of these sites, <[www.bodying.sg](http://www.bodying.sg)> and <[www.brandsfever.com](http://www.brandsfever.com)>, give further details as to how a purchase may be made through the site.

34 In particular, evidence of "actual sales" has been tendered in relation to <[www.brandsfever.com](http://www.brandsfever.com)>, in the form of a letter from Brandsfever dated 3 July 2013 stating that Brandsfever Pte Ltd had run two sales campaigns in Singapore featuring FESTINA watches in November 2012 and January 2013 respectively. The letter states that Brandsfever "[has] the intention to continue offering FESTINA watches in future sales campaigns." An attached 2-page "sales record" shows that 77 styles of FESTINA watches had been made available in the course of previous sales campaigns held in November and December 2012, as well as January and February 2013. According to this record, 6 watches were sold to consumers in Singapore through these campaigns with a turnover of S\$589.90.

35 There is also some other evidence as to the advertisement and promotion of the FESTINA Mark by the Registered Proprietors in foreign countries, such as their sponsorship of the *Tour de France* as an Official Partner and Official Timekeeper. There are also statements in their evidence regarding the possibility of Singaporeans watching the Tour de France on television and therefore being able to note the FESTINA brand or the website at <[www.festina.com](http://www.festina.com)> (2<sup>nd</sup> Ines, [7]). At the hearing, the Registered Proprietors also urged me to take judicial notice of the fact that Starhub subscribers would be able to enjoy a dedicated sports channel called "Eurosports", which covers 60 different sports including cycling and motorsports, on the basis of a printout they tendered from <<http://www.starhub.com/about-us/newsroom/2008/march/31032008>> ("**Starhub website**").

36 The majority of the Registered Proprietors' evidence therefore relates to "use" of the FESTINA Mark by third parties. The Registered Proprietors have submitted that their evidence does not show that there has been "consent" to such "use", because there is essentially no requirement for them to have consented in the first place. I will proceed to deal with this argument first.

**Decision on "consent" in Section 22(1) of the Act**

37 After requesting for further submissions on this issue, parties have not brought any local case authorities to my attention that would directly address the issue of whether use by an unrelated third party is sufficient to satisfy the requirements under Section 22(1) of the Act. As such, they have sought to rely on the positions in the UK and Australia to support their respective positions.

38 The Registered Proprietors sought to make a distinction between cases where the goods in question were manufactured by a third party and cases where the goods were manufactured by the proprietor himself, saying that in the former, the question of consent was relevant, whereas in the latter, the question of consent is not. This position was taken in light of their submission that affixing the relevant mark to the relevant goods was sufficient "use" and therefore, the issue of consent does not arise. I respectfully disagree with these submissions for the reasons that follow.

*Analysis of E & J Gallo*

39 Firstly, I hesitate to follow the position in *E & J Gallo*, primarily because the legislation in Australia relating to revocation on the ground of non-use is very different from that in our Act. Since the provisions in Section 22(1)(a) and (b) of our Act were derived from the UK Trade Marks Act Section 46(1)(a) and (b), it would be more appropriate to refer to the position in the UK rather than Australia. For ease of reference, I set out the provisions in the Australian Trade Marks Act and our Act below:

	Australian Trade Marks Act	Singapore Trade Marks Act
Revocation provision	Section 92(4)	Section 22(1)
	(4) An application under subsection (1) or (3) (non-use application) may be made on either or both of the following grounds, and on no other grounds: (a) ... (b) that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non-use application is filed, and, at no time during that period, <b><i>the person who was then the registered owner:</i></b> (i) <b><i>used the trade mark in Australia;</i></b> or (ii) used the trade mark in good	(1) The registration of a trade mark may be revoked on any of the following grounds— (a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, <b><i>by the proprietor or with his consent</i></b> , in relation to the goods or services for which it is registered, and there are no proper reasons for non-use; (b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for

	faith in Australia; in relation to the goods ... to which the application relates.	non-use.
Definition of "Use"	Section 7 ... (3) An <i>authorised use</i> of a trade mark by a person (see section 8) <i>is taken, for the purposes of this Act, to be a use of the trade mark by the owner of the trade mark.</i> ...	No similar provision. The closest is Section 27(4), which describes "use" for the purposes of infringement and exhaustion of rights.
Definition of "Authorised Use" and "Authorised User"	Section 8 (1) A person is an <i>authorised user</i> of a trade mark if the person uses the trade mark in relation to goods or services under the control of the owner of the trade mark. (2)The use of a trade mark by an authorised user of the trade mark is an <i>authorised use</i> of the trade mark to the extent only that the user uses the trade mark under the control of the owner of the trade mark. (3) <b>If the owner of a trade mark exercises quality control over goods or services:</b> (a) <b>dealt with or provided in the course of trade by another person;</b> and (b)in relation to which the trade mark is used; <b>the other person is taken, for the purposes of subsection (1), to use the trade mark in relation to the goods or services under the control of the owner.</b> ...	No similar provision.

40 In *E & J Gallo*, the Australian court considered the question of "use" of a trade mark from the perspective of: (i) whether it was used to distinguish the goods of one person from the goods of others; (ii) whether the user of the trade mark in question was "an authorised user"; (iii) whether there was good faith; and (iv) whether the trade mark was used "in the course of trade". In relation to the first question, the court referred to another Australian decision, *Estex Clothing Manufacturers Pty Ltd v Ellis and Goldstein Ltd* (1967) 116 CLR 254, that considered an older version of the Australian TMA (1955 version). In *Estex*, the trade mark was considered to be used by the proprietor so long as the goods are in the course of trade and it is indicative of their

origin, that is, as his products, and when they are bought for consumption, they cease to be in the course of trade. "Use" in this section (s 23 of the 1955 Australian TMA) was considered as "not limited by any concept of the physical use of a tangible object" (see [46] of *E & J Gallo*). The court in *E & J Gallo* endorsed this position, noting that "it is a commonplace of international trade that prior to consumption goods may be in the course of trade across national boundaries." It concluded that "an overseas manufacturer who has registered a trade mark in Australia and who himself (or through an authorised user) places the trade mark on goods which are then sold to a trader overseas can be said to be a user of the trade mark when those same goods...are offered for sale and sold in Australia" (see [51]-[52] of *E & J Gallo*).

41 As for the concept of "an authorised user", the court referred to another old Australian case, *Pioneer Kabushiki Kaisha v Registrar of Trade Marks (1977) 137 CLR 670*, stating that, if the user (i.e. the importer) was found to be an "authorised user", the facts of the present case would be sufficient to constitute a use of the registered trade mark by the registered owner. The proprietor submitted that as they had control over the goods sold under the trade mark, this would be sufficient to show that the importer was an "authorised user" under Section 8 of the Australian TMA. This evidence was unchallenged, and the court found that the proprietor (Gallo) had established that such use by the importer was considered such "authorised use".

42 The focus of the Australian courts, therefore, is on satisfying the definition in Section 8 of the Australian TMA as to the "authorised user" and "authorised use." I note that in Section 8(3) of the Australian TMA, there is a specific provision which states that, if the proprietor ("owner of a trade mark") exercised quality control over goods or services, the use of these goods by "another person" will be taken as "use of the trade mark in relation to the goods or services under the control of the owner" (see table at paragraph [39] above). The Singapore Trade Marks Act does not have such a provision, and therefore, it is difficult to apply the same reasoning that the Australian court used to determine "use" for the purposes of its revocation provision, when we do not have our own definition of "authorised use." The closest provision is Section 27(4) of the Act, which provides examples of what constitutes "use" in the context of infringement of a registered trade mark. However, I doubt that this provision applies directly to the context of revocation. Firstly, the language of the provision expressly provides that the categories of use therein are "[f]or the purposes of this section [ie. Section 27 of the Act, which is for infringement] and sections 28, 29 and 31 [ie. infringement and exhaustion of rights]". There appears to have been a deliberate omission of Section 22 of the Act for revocation. Secondly, the case of *Bluestar Exchange (Singapore) Pte Ltd v Teoh Keng Long [2003] 4 SLR(R) 92* (at [53]) does not conclusively stand for the proposition that these categories of "use" are also applicable when construing Section 22 of the Act. It was a submission by counsel for the respondents which was not contested by the applicants in that case, and was not further discussed or met with express approval by the court. I also note that in *Nike International Ltd and another v Campomar SL [2005] 4 SLR(R) 76* at [59], the High Court found that the import and export of goods bearing the relevant mark, which represented "true *entrepot* trade", could qualify as "genuine use in the course of trade", referencing Section 27(4) of the Act. However, the High Court qualified the reference to this provision, saying that "**that deeming provision** [ie. Section 27(4)(c) of the Act] **is applicable only for the purposes of the infringement provisions in ss 27-29**" (emphasis added). Thirdly, I note that in *Kerly's Law of Trade Marks and Trade Names (15<sup>th</sup> Edition, 2011) (Kerly's (15<sup>th</sup> Ed))*, the authors commented at [10-065] in relation to genuine use in the relevant territory that

It is axiomatic that the proprietor must prove genuine use in the relevant territory. In cases where the proprietor has difficulty showing genuine use in the ordinary course of trade, reliance is sometimes placed on: (a) internet use, and (b) use in publications which may be found in the territory. Whether these types of use count as genuine use is a question of degree. **The issue is double-edged in this sense: what counts as genuine use in the course of trade in, say, the United Kingdom should also count as use of the sign for the purposes of infringement. The reverse is not necessarily true at all.**

In[*Euromarket Designs Inc v Peters and Crate & Barrel Ltd* [2000] FSR 20 ("*Crate & Barrel*")], the use relied on by the proprietor was basically held to be use in the US and not in the United Kingdom. By contrast, the uses of the defendant which were alleged to infringe the UK registration were: (a) use on a website based in Ireland, and (b) use in an advertisement in a magazine published in the United Kingdom. Jacob J held that in deciding whether there was any use in the course of trade in relation to goods in the United Kingdom, the court should consider whether the defendant had any trade in the United Kingdom or had any customers buying goods or services for consumption in the United Kingdom.

(Emphasis added)

43 In *Crate & Barrel*, Jacob J went on to conclude that at [57] that:

In this connection it should be borne in mind that the Directive does not include an all-bracing definition of “use”, still less of “use in relation to goods”. **There is a list of what may *inter alia* be specified as infringement** (Article 5(3), corresponding to section 10(4)) **and a different list of what may, *inter alia*, constitute use of a trade mark for the purpose of defeating a non-use attack** (Article 10(2), equivalent to section 46(2)). **It may well be that the concept of “use in relation to goods” is different for different purposes.**

44 Section 27(4) of the Act was adopted from Section 10(4) of the UK Trade Marks Act (which is referred to above), and therefore, the *Crate & Barrel* decision is of persuasive value.

45 In comparison (with the Australian provisions above), Section 46(1)(a) and (b) of the UK Trade Marks Act is *in pari materia* with Section 22(1)(a) and (b) of our Act:

Singapore Trade Marks Act	UK Trade Marks Act
Section 22(1) <i>Revocation of Registration</i>	Section 46(1) <i>Revocation of Registration</i>
(1) The registration of a trade mark may be revoked on any of the following grounds— (a) that, within the period of five years following the date of completion of the registration procedure it has not been put	(1) The registration of a trade mark may be revoked on any of the following grounds— (a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in

<p>to genuine use in the United Kingdom, <b>by the proprietor or with his consent</b>, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;</p> <p>(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.</p>	<p>Singapore, <b>by the proprietor or with his consent</b>, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;</p> <p>(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use.</p>
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46 As such, I find that it would be more appropriate to refer to the cases in the UK that have dealt with the issue of consent. First, I consider whether "consent" is a live issue in this case, since this was raised by the Registered Proprietors. Secondly, I consider the meaning of "consent" in Section 22(1) of the Act, and thirdly, what is required to establish the same.

(1) *Whether consent is a live issue in this case*

47 The question of consent appears to have been considered even in cases where the place of manufacture of the goods was not in issue. In *Einstein*, the proprietor was a company called Continental Shelf 128 Ltd ("**CS128**"), which registered the trade mark "EINSTEIN" in relation to articles of clothing included in Class 25. The evidence before the Hearing Officer was a witness statement by a Mr Lalji Khimji who described himself as the sales executive of Hornby Street Ltd ("**HSL**"), which he said was the sister company of the proprietor. Mr Khimji stated that HSL had used the mark during the relevant period and attached some exhibits to this effect. The Hearing Officer decided that although this evidence was sufficient to prove use of the registered trade mark, the proprietor had not proved that this use had been made with the consent of the proprietor and under its control. On appeal to the Appointed Person (Geoffrey Hobbs Q.C.) the proprietor was given leave to adduce further evidence. This evidence was that of a Mr Kashif Ahmed, the managing director of CS128. Mr Ahmed's evidence read as follows:

3. My Company [CS128] has licensed the use of the Trade Mark to Hornby Street Limited (the Authorised User). The Authorised User is connected to My Company in that the same shareholders own 100% shares of both My Company and the Authorised User. Accordingly, My Company controls all use of the Trade Mark by the Authorised User.

4. I refer to the Witness Statement of Mr Lalji Khimji...I can confirm that the evidence was filed with the permission of My Company. The use evidenced by the Witness Statement was with the consent of, was under the control of and to the benefit of My Company.

48 The issue of whether the goods in question were manufactured by CS128 or HSL or any other entity was not discussed in the case. However, Hobbs Q.C. proceeded to analyse the issue of "consent" and went into some detail to consider the legislative history of the European Community and the other provisions dealing with use "by the proprietor or with his consent." As a general matter, whilst cases from the United Kingdom are of persuasive value, we should consider the context in which the cases were decided before determining whether or the extent to

which the same principles should be applied in the Singapore context. He concluded as follows (*Einstein* at [22]):

I do not see how use of a trade mark in relation to goods "put on the market" in the United Kingdom "by the proprietor or with his consent" could be sufficient, in principle, to satisfy the requirements for exhaustion without also being sufficient, in principle, support a claim for protection defined by reference to use or to defeat an application for revocation on the ground of non-use. **I therefore think it is appropriate to adopt and apply the basic concept of use "by the proprietor or with his consent" in all three contexts.** (Emphasis added)

49 He then referred to a case on exhaustion of rights, *IHT International Heiztechnik v Ideal-Standard GmbH* [1994] ECR 1-2789 ("*IHT Int'l*") and concluded at [24] that

It is clear from [the judgment in *IHT Int'l*] that **the proprietor will be taken to have approved of the quality of the relevant goods by allowing the person with whom he is "economically linked" to sell them under his trade mark. There is no requirement for participation (still less any particular degree of participation) in any process of quality control.** (Emphasis added)

50 Similarly, in another case cited by the Applicants, *In the Matter of an Application under No. 10491 by Dialog ABC Limited for Revocation of Trade Mark Number 1429292 in the name of Publicis Limited* ("*Dialog*"), an appeal from the decision of the Hearing Officer heard by an Appointed Person (David Kitchin, Q.C.), the question of "consent" was considered in the context of use of the registered trade mark for services. In *Dialog*, the proprietor, Publicis Limited, established a public relations company as a subsidiary company under the name "Publicis Dialogue". For some years it traded under the "DIALOGUE" name, providing public relations services and advertising services. In 1995, Publicis Dialogue closed and, following a management buy out, a new company called The Dialogue Agency Limited began to trade. There was no doubt that The Dialogue Agency Limited provided the relevant services under the registered trade mark, but there was disagreement as to the form of the use of the mark and to what extent this company provided those services. The Hearing Officer also considered the issue of whether the use of the trade mark by The Dialogue Agency Limited was with the consent of the proprietor. The applicant submitted that "consent" must be the same across Articles 5(1) (identical/similar marks), 7(1) (exhaustion of rights) and 10(3) (revocation) of the EC Directive 89/104, and therefore, there should be an "unequivocal" demonstration of consent (following another case on exhaustion of rights, *Zino Davidoff SA v A & G Imports Ltd* [2002] 2 WLR 321 ("*Davidoff*"). The Hearing Officer had decided, based on the evidence tendered in that case, that use of the mark was made with "knowledge and approval" of the proprietor of the mark. He thus inferred that the proprietor "consented" to the use of the mark. The applicant criticized this aspect of the decision, saying that such an inference should not have been made. On appeal, Kitchin Q.C. agreed with the applicant on this point, but nevertheless, held that there was sufficient "consent", because of the clear evidence given on behalf of the proprietor and the user of the mark. He held that (*Dialog* at [31]):

Nevertheless, I believe that the Hearing Officer did come to the right conclusion in light of the clear evidence given on behalf of the Proprietor on one hand and the

user of the mark on the other. As I have indicated, both Mr. Whitworth [the Proprietor] and Mr Haigh [the Director of The Dialogue Agency Limited] gave direct and unchallenged evidence that use of the mark took place with the consent of the Proprietor. No application was made to cross-examine either deponent. In the light of this evidence, and the facts outlined in the press statement [announcing the transfer of the business and goodwill of Publicis Dialogue to The Dialogue Agency Limited], I believe the Hearing Officer was bound to come to the conclusion that the use did take place with the consent of the Proprietor. I have also taken into account the fact that there was no evidence that the Proprietor demonstrated any control over the use of the mark. As noted by the Hearing Officer, the question of whether the registered proprietor has exercised sufficient control over the use of his trade mark is a matter which may be raised by way of an attack under section 46(1)(d). This is not a matter which could be determinative of the issue of whether or not consent was given under section 46(1)(a) and (b) of the Act, although I accept that it is one of the background facts against which the issue must be determined.

*Conclusion on whether "consent" is a live issue*

51 The cases of *Einstein* and *Dialog*, both of which were decided after *SAFARI*, demonstrate that the courts in the UK would consider the issue of "consent" independently of whether the mark was applied to the goods by the proprietor or by the third party in question. As such, the issue of consent by the proprietor is a relevant consideration whether the mark is applied by the proprietor or by the third party in question.

(2) *Meaning of "consent" in Section 22(1) of the Act*

52 I now turn to address the argument that the requirement for "consent" must be looked at from the perspective of Section 29(1) of the Act. For ease of reference, the relevant provisions are set out below:

Singapore Trade Marks Act	
Section 29(1)	Section 22(1)
<i>Exhaustion of Rights</i>	<i>Revocation of Registration</i>
Notwithstanding section 27, a registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market, whether in Singapore or outside Singapore, under that trade mark <b>by the proprietor of the registered trade mark or with his express or implied consent (conditional or otherwise).</b>	(1) The registration of a trade mark may be revoked on any of the following grounds— (a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, <b>by the proprietor or with his consent</b> , in relation to the goods or services for which it is registered, and there are no proper reasons for non-use; (b) that such use has been suspended for an uninterrupted period of 5 years, and

	there are no proper reasons for non-use.
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(Emphasis added)

53 As observed in *Ng-Loy Wee Loon's Law of Intellectual Property of Singapore (2<sup>nd</sup> ed, 2014)* ("*Ng-Loy (2<sup>nd</sup> Ed)*") at p 399:

Section 29(1) sets out what is called the principle of international exhaustion of the rights in a registered trade mark – the registered proprietor’s right in the goods marked with the registered trade mark are ‘exhausted’ once the goods are sold anywhere in the world by the registered proprietor or with his consent.

**The reference to ‘conditional or otherwise’ in relation to the proprietor’s consent provides a ‘deeming’ effect – the proprietor is deemed to have given consent to the sale of the goods even where he has imposed conditions on the further movement of the goods, for example by restricting sale of the goods to a particular territory.** Say, the goods are made in China by a licensee of the proprietor subject to a term in the licence agreement that the goods are not to be sold outside of China, and the licensee sells the goods to a party for export to Singapore. Under s 29, this sale is deemed to have been made with the consent of the proprietor. (Emphasis added)

54 In her article, "*Exhaustion of Rights in Trade Mark Law: the English and Singapore models compared*" (2000) *E.I.P.R.* 22(7), 320-327", Professor Ng-Loy elaborates on the provision further, also comparing it to the English model:

In England, therefore, express restrictions [by the proprietor] are relevant as matters which go towards the finding of **factual consent** to further dealings in the authorised external goods within the [then] EEA.

....

While the term "consent" is used in Section 29(1) of the Singapore Act, **the focus is not on factual consent, but rather on legal or deemed consent; this is the effect of the phrase "with his express or implied consent (conditional or otherwise)."** Thus, when determining whether the proprietor has given consent, an express restriction which imposes some condition on the use of the goods is disregarded: he is deemed to have given his consent in spite of the express restriction.

55 A plain comparison between the two legislative provisions (Section 29(1) and Section 22(1) of the Act) suggests that whilst there is a requirement for proof of consent in Section 22(1), there is no such requirement for Section 29(1) of the Act. As such, the UK position on what constitutes "factual consent" is useful to determine the standard of proof required for our Section 22(1) of the Act. Furthermore, the wording of Section 46(1) of the UK Trade Marks Act is *in pari materia* with ours (see paragraph [45] above).

*Conclusion on meaning of "consent" in Section 22(1) of the Act*

56 In my view, the onus is on the Registered Proprietors to prove that "use" of the trade mark by a third party (who is not related to him in some way) has been authorized by him, whether expressly or impliedly. However, proof of such "use" does not extend to proving that the Registered Proprietors have "control" over the use of the trade mark.

57 The burden of proving consent falls on the Registered Proprietors: *The Sunrider Corp v OHIM* (11 May 2006) (Case C-416/04 P) at [45] and [47]; see also *Tan Tee Jim, Law of Trade Marks and Passing Off in Singapore* (3<sup>rd</sup> Edition, Sweet & Maxwell, 2014) ("*Tan Tee Jim* (3<sup>rd</sup> Ed)", at p 488, [9.073]:

Section 22(1)(a) of the Act provides that the use must be by the proprietor or with his consent. The burden is on the proprietor to prove consent. Evidence of such consent must be properly made out and cannot be left to probabilities or suppositions.

58 However, the burden on the proprietor does not extend to proving that the proprietor has "control" over the use of the trade mark. As stated in *Einstein* at [39]:

In the present case, I hold that it was necessary for the registrar to be satisfied that [HSL] used the trade mark EINSTEIN with the consent of the proprietor in relation to "casual outer clothing for men in Class 25" during the relevant five-year period, but unnecessary...for the registrar to be satisfied that the proprietor effectively controlled [HSL]'s use.

59 As pointed out in *Tan Tee Jim* (3<sup>rd</sup> Ed), at p 488, [9.074]

It has been held that use by a licensee or a related company of the proprietor is deemed to be use by the proprietor himself. Whether the proprietor has exercised sufficient control over the use is irrelevant for the purposes of section 22(1)(a) but can be raised by way of an attack under section 22(1)(d).

60 And in *Safari* at [19]:

...The question of whether the registered proprietor has exercised sufficient control over the use of his trade mark is therefore a matter which may be raised by way of an attack under section 46(1)(d) of the [UK] Act [the equivalent of our section 22(1)(d)], but it is not a matter which is relevant to the question of whether the mark has been used for the purposes of section 46(1)(a) and (b) of the [UK] Act [the equivalent of our section 22(1)(a) and (b)].

61 The doubts expressed by the Court of Appeal in *Kickapoo* as to the UK position in *Scandecor Developments AB v Scandecor Marketing AB* [2002] FSR 7 ("*Scandecor*") were *obiter dicta* (see *Kickapoo* at [53]) and were expressed specifically in relation to revocation under Section 22(1)(d) of the Act and the common law passing off action. In *Scandecor*, Lord Nicholls expressed the view that the use of a mark by a licensee under a bare licence is not objectionable as inherently likely to deceive, under Section 46(1)(d) of the UK Trade Marks Act.

He felt that the "wider interpretation" where the source of the goods may be either the proprietor or an exclusive licensee, "would not be at variance with customers' perceptions" (see *Scandecor*, at [37]-[38]). The Singapore Court of Appeal acknowledged that this approach was "**clearly a commercially sensible one inasmuch as it reflects current business attitudes and practices**", but that the decision would also "raise more questions than answers" (see *Kickapoo* at [45]). These questions were: (a) uncertainty as to what happens to the distinctiveness of the trade mark once the exclusive licence comes to an end; and (b) as Lord Nicholls' views were confined to bare exclusive licences, whether this position would apply to other types of licences such as sole licences or non-exclusive licences (see *Kickapoo* at [46]-[49]). There would also be "wider implications" for the law of passing off: if Lord Nicholls' view was extended to cover passing off, "the manner in which courts assess passing off when trademark licences are involved could, in fact, be redefined" in that courts would have to determine whom the public associates the goods with, ie. whether the public associates it with the licensee or the licensor. The court eventually concluded at [52] that even if Lord Nicholls' approach was adopted, the inquiry is "**at its heart, heavily dependent upon the particular factual matrix concerned, the onus lying on the defendant to demonstrate that the public no longer associates the source of the goods concerned with the trade mark proprietor.**" The court also observed at [53] that there could be a "middle way" between Lord Nicholls' approach and the "traditional view", ie. a rebuttable presumption (of control between the licensee and licensor) that could be displaced by clear evidence. (Emphasis in bold mine)

62 In the UK, the position in *Scandecor* was considered in *Einstein*, which was decided some years later, in 2007. Hobbs Q.C. reviewed the law applicable to the UK, particularly Article 19.2 of TRIPS and Article 5 of a Joint Recommendation Concerning Trademark Licenses adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation in 2000 ("**Joint Recommendation**"). He concluded at [33] that:

It follows, in my view, that nothing in Arts 19(2) or 21 of [TRIPS] can be said to require the Community or the Member States to regard authorisation unaccompanied by quality control as insufficient to result in the authorised use of a trade mark being attributed to the proprietor of that trade mark under the Directive and the CTMR.

63 He also concluded that there appears to be no express or implied prohibition in the [European Community] Directive or the Community Trade Mark Rules against regarding a trade mark as an asset which the proprietor may authorise others to exploit on such terms and conditions (if any) as they legitimately see fit to impose. He then continued at [35]-[36] that:

35 It is an altogether separate question whether his trade mark might be found liable to mislead the public (particularly as to the nature, quality or geographical origin of any goods for which it is registered) as a result of the use that may have been made of it "with his consent"...In the interests of consumer protection, [the relevant EC/CTMR] Articles provide for the rights conferred by registration to be revoked if and in so far as use of the relevant trade mark in relation to goods or services of the kind of which it is registered is productive of actual deceit or a sufficient serious risk that the consumer will be deceived: **Case C-259/04**

*Emmanuel v Continental Shelf 128 Ltd* [2006] ETMR 56, 750 at [46], [47]. They do not require the licensing of trade marks to be subject to the exercise of quality control, nor do they treat failure on part of the proprietor to exercise control over the quality of his licensee's goods or services as automatically deceptive or misleading.

36 All of this indicates that it is not appropriate to think of licensing as a "bane" to which the "antidote" of quality control must be applied in order to make a legitimate exercise of the trade mark proprietor's right under the Directive or the CTMR. **The law can in that respect be said to have caught up with business practice, having previously lagged behind as comprehensively explained by Lord Nicholls of Birkenhead in [12]-[44] of his Opinion in *Scandecor...*** (Emphasis in bold mine)

64 As regards a bare licence situation, Hobbs Q.C. proceeded to analyse this issue on the basis of the Court of Appeal decision in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40 ("*Reed*"), 767, at [116] per Jacob L.J., which he considered to be the "settled opinion in the United Kingdom." In that judgment, the use of a mark by a licensee under a bare exclusive licence was considered *not* to be objectionable for being inherently likely to deceive. Jacob L.J. made reference to a paper entitled *Reform of Trade Marks Law* (Cmnd 1203) issued by the Department of Trade and Industry in September 1990 ("**1990 Paper**"):

**Whatever may have been the position in 1938, the public is now accustomed to goods or services being supplied under licence from the trade mark owner. For example, there has been growth of franchise operations. The potential for deception is therefore less.** Moreover the strongest guarantee that a proprietor will maintain control over the way in which his trade mark is used is that it is in his own interest to do so. A trade mark is a valuable piece of property, in terms both of its power to attract customers and of the royalties which can be demanded from licensees. Its value is however ultimately dependent on its reputation with the public. If the proprietor tolerates uncontrolled use of his trade mark the value of this property will be diminished. In an extreme case the registration of the mark may become liable to be revoked if it has become deceptive or generic through such use. **It is however the responsibility of the proprietor, not the registrar, to prevent the devaluation of his own property.** (Emphasis mine)

65 What can be gathered from the analysis in *Einstein* is that the considerations as regards Section 46(1)(a)/(b) and Section 46(1)(d) of the UK Trade Marks Act (which are substantially similar to our Section 22(1)(a)/(b) and Section 22(1)(d)) are "altogether separate questions", although the UK takes the position that generally, it is for the proprietor to police the use of his trade mark. As regards the issue of "consent" in a revocation for non-use scenario, Hobbs Q.C. stated in *Einstein* at [39] that:

In the present case, I hold that it was necessary for the registrar to be satisfied that Hornby Street Limited [the "third party"] used the [relevant] trade mark...with the consent of the proprietor in relation to [the relevant goods] during the relevant five-

year period, but unnecessary...for the registrar to be satisfied that the proprietor effectively controlled Hornby Street Limited's use...

66 The authorities reviewed above suggest that whilst it makes "business sense" to allow a less stringent standard for determining consent (i.e. without the need to show "control"), whether the requisite consent has been made out is ultimately a factual determination (see dicta in *Kickapoo, Einstein, Reed*, paragraph [62], [64], [65], as highlighted in bold above). However, I do not express any opinion on the issue of whether "control" should be implied as regards Section 22(1)(d) of the Act as it is not before me in the present case and should be considered separately. As stated in *Einstein, Safari* and *Tan Tee Jim* (see paragraphs [59]-[61] above) it is an entirely separate question as to whether the "use" of a mark can be said to be "deceptive". In the context of revocation for non-use under Section 22(1)(a) and (b), the concern is whether there has been "genuine use" of the mark in Singapore in the first place. This comes *before* the question of whether the mark is used in a deceptive manner.

(3) *What is required to establish "consent"*

67 "Consent" can take many different forms and whilst a licence is one of the ways in which consent may be given by a proprietor to the third party, it is not the only form of consent. As stated in *Einstein* at [24]:

There is no requirement for participation (still less any particular degree of participation) in any process of quality control. It should, in my view, follow that the proprietor of a trade mark can claim protection defined by reference to use and also defeat an application for revocation on the ground of non-use by relying upon the fact that goods have been sold under his trade mark by a person (such as a licensee) with whom he is "economically linked" and can do so without showing that he has exercised control over the quality of goods in question.

68 In similar vein, the Hearing Officer in *Safari* held at [19]-[20]:

The question of whether the registered proprietor has exercised sufficient control over the use of his trade mark is therefore a matter which may be raised by way of an attack under Section 46(1)(d) [of the UK Trade Marks Act] but it is not a matter which is relevant to the question of whether the mark has been used for the purposes of section 46(1)(a) and (b) [of the UK Trade Marks Act].

It follows from these conclusions that the applicant's argument about the use of Rover Group Limited [the third party] ("*Rover*") being on their own account, rather than being used on behalf of the registered proprietor, is misconceived. Any use with the registered proprietor's consent is deemed to be use by the proprietor. Thus the proprietor's failure to control the use made of the mark with his consent cannot have any bearing on whether such use is "genuine" because it is deemed to be used by the proprietor itself.

69 There can also be "implied consent", or as put by *Einstein*, "authorisation sufficient to ensure non-infringement" by the third party, as long as there is evidence of the circumstances that give rise to the same: *The Sunrider Corp v OHIM (8 July 2004) (Case T-203/02) ("Sunrider")* (affirmed by *Einstein* at [26]). The Court of First Instance in *Sunrider* held, at [23]-[26]:

23 As is apparent from the invoices submitted by the other party to proceedings before the Board of Appeal, sales of products under the earlier trade mark were made by Industrias Espadafor SA rather than by the proprietor of the trade mark, although the latter's name also features in the name of the company in question.

24 Where an opposing party maintains that the use of an earlier trade mark by a third party constitutes genuine use for the purposes of Article 43(2) and (3) of Regulation No 40/94, he claims, by implication, that he consented to that use.

25 As to the truth of what that implies, it is evident that, if the use of the earlier trade mark, as shown by the invoices produced to OHIM, was without the proprietor's consent and consequently in breach of the proprietor's trade mark right, it would have been in Industrias Espadafor SA's interests, in the normal course of events, not to disclose evidence of such use to the proprietor of the trade mark in question. Consequently, it seems unlikely that the proprietor of a trade mark would be in a position to submit proof that the mark had been used against his wishes.

26 There was all the more reason for OHIM to rely on that presumption given that the applicant did not dispute that the earlier trade mark had been put to use by Industrias Espadafor SA with the opposing party's consent. It is not sufficient that the applicant argued generally in the course of the proceedings before OHIM that the evidence produced by the opposing party was not adequate to establish genuine use by the latter.

70 That being said, it is still necessary for the Registered Proprietors to prove that they have given consent to the third party to use the relevant trade mark in question. In all the cases considered above, there was clear evidence of the proprietor's consent, except for the case of *Sunrider*, where such consent was implied from the circumstances (and there was no denial that such consent was given). In *Sunrider*, the court accepted evidence from the registered proprietor (a man named Juan Espadafor Caba) consisting of proof of use of the trade mark in 14 invoices and orders (10 of which pre-dated the relevant date) even though these invoices were in the name of a company called Industrias Espadafor SA. In both *Einstein* and *Dialog*, the proprietor tendered evidence in the form of witness statements from both the proprietor and the third party, showing that one gave consent to the other to use the registered trade mark in question, as sufficient to prove "consent". In *Einstein*, the Appointed Person noted that both parties had preferred for the matter to be decided on paper without submissions or cross-examination, hence the only evidence was in the form of witness statements. In *Dialog*, the Appointed Person noted that the evidence from the proprietor and the user were "direct and unchallenged evidence" and

"no application was made to cross examine either deponent" (*Dialog* at [31]). In *Safari*, the proprietor tendered a declaration that showed that he had given consent to Rover to use the relevant trade mark in the UK, subject to the terms of an undertaking. There was a letter that authorised use of the mark by Rover and a copy of Rover's letter which confirmed the conclusion of this agreement. The agreement was entered into in 1988, prior to the dispute, which was filed on 26 February 1999. Rover accepted that the consent given by the registered proprietor was analogous with a bare licence. (See generally *Safari* at [2], [9], [13], [17])

*Conclusion on what is required to establish "consent"*

71 Having considered the cases of *Sunrider*, *Einstein*, *Dialog* and *Safari*, I am of the view that there should be an "unequivocal demonstration" of consent in order for it to be found on the facts. However, "consent" may be implied (as in *Sunrider*) as long as there is sufficient evidence that amounts to an unequivocal demonstration of consent. For example, a proprietor who has actual or constructive knowledge of an unrelated third party that is selling goods which bear his trade mark, and acquiesces to the use of the trade mark **and** the sales of these goods (eg. if the products are genuine products), may be able to show that there is "implied" consent. At the end of the day, it is a fact-sensitive enquiry. It is also important to remember that the crux of the enquiry under Section 22(1) of the Act is whether there has been "genuine use" in the course of trade in Singapore, and that the question of whether there has been "consent" is but a part of the enquiry.

*"Consent" and Parallel Imports*

72 Following from the cases of *Sunrider* and *Einstein* (discussed at paragraphs [67]-[70] above), it is likely that consent can be implied from the circumstances in a "classic" parallel import situation (for a definition of "parallel imports", see *Ng-Loy (2<sup>nd</sup> ed)* at [18.5.1]), as long as there is sufficient evidence of the circumstances that demonstrates an unequivocal demonstration of "consent" to the use of the mark by the proprietor. However, due to the obvious differences in the wording of the legislation in Sections 29(1) and Section 22(1) of the Act (see discussion at paragraphs [52]-[55] above), I would not go as far as to say that consent is *automatically* "deemed" by virtue of the fact that the goods are genuine goods manufactured by the proprietor himself. The proprietor still bears the burden of proving factual consent.

*Application to the facts of the present case*

73 The Registered Proprietors describe their manufacture and method of distribution in some detail in their evidence in 2<sup>nd</sup> Ines. In particular, paragraph [5] of 2<sup>nd</sup> Ines states:

All "FESTINA" watches are designed by the [Registered Proprietors'] in-house designers and manufactured by [their] own facilities. **The [FESTINA Mark] is not licensed for use by other parties.** (Emphasis added)

74 However, the Registered Proprietors do not object to the sales of the goods bearing the FESTINA Mark by third parties, as explained at paragraphs [8]-[9], [11] of 2<sup>nd</sup> Ines:

8 Apart from the officially appointed distributors as referred to above, the [Registered Proprietors'] watches can also be found in other countries where watch

dealers have brought in their stocks by directly importing them from other distributors in the supply chain in other countries. Some of these might be what is termed "parallel imports". Furthermore, there are many distributors for our watches who supply the watches to dealers in another country. These trading circumstances exist not only because parallel imports are generally legal in most countries and also due to the great fluidity that occurs in trading conditions across borders with the advent of the Internet and online sales activities.

9 There can be seen many internet online businesses these days which feature the sale of personal accessories and in particular, watches. **The distributors which the [Registered Proprietors have] appointed are free to supply online retailers on a national basis.** Certain large-scale online retailers currently figure among some of the biggest and most profitable resellers of "FESTINA" watches, as they can take on a wider range of watches than a traditional retailer does due to there being no window space restriction.

...

11 The [Registered Proprietors are] well aware and cognisant of the fact that its watches can reach the consumer through ways which are not completely controlled or transparent to it, due to the manner in which its goods have been distributed. **The [Registered Proprietors do] not have any objection[s] to the online sales of its watches through these online sites as ultimately, it benefits all parties concerned...** (Emphasis added)

75 In oral submissions, the Registered Proprietors drew the distinction between consent to the "use" of the trade mark and consent to the "sales" of the goods bearing the trade mark, clarifying that they consent to the "sales" but not the "use" of the trade mark. This position was taken in light of their submission that a trade mark was "used" as long as it was applied to the goods by the proprietor himself (see paragraphs [27]-[30] above).

76 As mentioned at paragraph [72] above, parallel imports are likely to meet the requirement of consent if there is sufficient evidence of the same. However, in this case of parallel imported goods, the Registered Proprietors have specifically denied that they consented to the use of the FESTINA Mark by other parties (and in particular, Brandsfever). Therefore, I find that, in relation to the use of the FESTINA Mark on the websites [www.brandsfever.com](http://www.brandsfever.com), [www.bodying.sg](http://www.bodying.sg), [www.watchshop.com](http://www.watchshop.com), and the eBay websites (as described at paragraphs 15(i), (ii), (iv) and (v) above), there is no "consent" by the proprietor to the use of the FESTINA Mark, and therefore, these instances of use cannot be counted towards "use" of the trade mark "by the proprietor or with his consent" for the purposes of defending a revocation action under Section 22(1) of the Act. There is no evidence that these instances of "use" was consented to by the Registered Proprietors, and they in fact say the opposite in their evidence (see [5] of 2<sup>nd</sup> Ines cited at paragraph [73] above) and in their submissions.

77 As for the sales of watches bearing the FESTINA Mark through Brandsfever Pte Ltd, what needs to be shown through evidence is an unequivocal demonstration of consent by the Registered Proprietors to the "use" of the FESTINA Mark by Brandsfever Pte Ltd, whether by

implication or by demonstrating that the Registered Proprietors gave "authorisation that ensures non-infringement" or evidence showing that the two are "economically linked". In 1<sup>st</sup> Ines at [7], the Registered Proprietors tendered some evidence as regards Brandsfever Pte Ltd:

The [Registered Proprietors have] managed so far to contact the management of Brandsfever Pte Ltd to ascertain from them brief information regarding the sales of FESTINA watches made by them over the past few years. Brandsfever is a "members" private shopping club in Singapore. Members are offered selected international brands of merchandise in "campaigns" with time-limited sales events. There is now attached hereto marked as Exhibit "IV-2", a printout of an excel data file which was supplied to our trade mark agents in Singapore by Mr. Atilla Torgay, the Managing Director of Brandsfever Pte Ltd, together with a copy of a letter dated 3<sup>rd</sup> July 2013 supplied by the said Brandsfever Pte Ltd. The said printout shows that within the past few months, at least two "campaigns" featuring "FESTINA" watches have been held. Through these campaigns, a total number of six (6) "FESTINA" watches have been sold to consumers in Singapore.

78 Exhibit, IV-2, as described above, reads as follows:

Brandsfever is a "members" private online shopping club, operated through the website address [www.brandsfever.com](http://www.brandsfever.com). The Brandsfever site targets consumers specifically in Singapore, as well as Malaysia, Thailand, Indonesia, and the Philippines.

Our members are offered selected international brands of merchandise in "campaigns" with time-limited sales events. Over the past few months, there were at least two "campaigns" featuring "FESTINA" watches. Through these campaigns, a total number of at least six (6) FESTINA watches have been sold to consumers in Singapore. A copy of the sales record is attached herewith.

We do have the intention to continue offering "FESTINA" watches in future sales campaigns.

79 The "sales record" referred to above is a two-page document (one of which is a copy of the other) with the Brandsfever corporate logo at the top, displaying a table with information on the "Campaign Name", "Campaign Start Date", "Number of Styles Offered", "Number of Styles Sold", and so forth, concluding at the end with "Median Sales Price Sold" and "Total Turnover". There are no sales invoices or receipts accompanying the information displayed in this table.

80 There is no documentary evidence or declaration that the Registered Proprietors consented to the use of the FESTINA Mark by Brandsfever. The question, then, is whether it may be *inferred* (as it was in *Sunrider*) that the Registered Proprietors had given consent to Brandsfever to use the FESTINA Mark in Singapore. In the present case, it is difficult for me to do so in light of the evidence that the Registered Proprietors did *not* consent to any "use" of the FESTINA Mark but only the "sale" of the goods bearing this mark. When I asked them which distributor had appointed them as an online retailer (in relation to the statement at 2<sup>nd</sup> Ines at [9] (extracted at paragraph [74] above)), the Registered Proprietors disclaimed any economic link

with Brandsfever, considering them to be a separate third party. In any event, **even if such consent was sufficiently proved**, the evidence of sales here is thin and insufficient to support a finding of use, which will be discussed below.

### **Decision on "use" in Section 22(1) of the Act**

#### *Internet Use*

81 A striking feature of this case is that most of the evidence of use of the FESTINA Mark is either use that occurs overseas (see paragraph 15(viii) above) or use on the Internet. The position in Singapore as regards use of a registered trade mark on the Internet is fairly settled in *Weir Warman* at [106]-[107]:

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

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

He added further on the same page:

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

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

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

(Emphasis in italics in original; emphasis in bold added)

82 This was applied in the IPOS decision of *Autozone Automotive Enterprise v Autozone Parts, Inc* [2013] SGIPOS 1 ("*Autozone*"). In *Autozone*, the Principal Assistant Registrar ("PAR") considered whether the registered proprietors had taken an "active step" to offer their retail services to consumers in Singapore. The PAR decided that the following was **not** sufficient to fulfil the requirement of an "active step":

- i) Use of the relevant registered marks on the registered proprietors' website, [www.autozone.com](http://www.autozone.com);
- ii) 282 unique users in Singapore who have clicked on the website over a period of about 23 months;
- iii) An e-mail enquiry received from [green\\_corp@techemail.com](mailto:green_corp@techemail.com), who claims to be from Singapore, pursuant to information on [www.autozone.com](http://www.autozone.com).

83 The PAR in *Autozone* held (at [52]) that the evidence at paragraph ii) above was insufficient, without more, to show that there was any active step to "lead, encourage or induce Singapore consumers to the website". The web surfers may have simply "happened" upon the website. In addition, the applicants' evidence showed that it was not possible for consumers in Singapore to order products off the website, which stated that it only shipped to the United States, US Territories and overseas US military addresses only.

84 In making this finding, the PAR considered the dicta in *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 ("*Amanresorts*"), where the Court of Appeal considered whether there was goodwill in the "Aman" names in Singapore because of the 20 domain names registered for the respondents' "Aman" websites, at [52] to [54]:

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

Mr Hobbs [counsel for the applicant] submitted that any use of a trade mark on any website, wherever the owner of the site was, was potentially a trade mark infringement anywhere in the world because website use is in an omnipresent cyberspace: that placing a trade mark on a website was 'putting a tentacle' into the computer user's premises. I questioned this with an example: a fishmonger in Bootle who puts his wares and prices

on his own website, for instance, for local delivery can hardly be said to [be] trying to sell the fish to the whole world or even the whole country. And if any web surfer in some other country happens upon that website he will simply say 'this is not for me' and move on. For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd. **So I think that the mere fact that websites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law should regard them as being used everywhere in the world.**

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

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

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

**Such "active step[s]" (*ibid*), the learned judge suggested, could take the form of "direct encouragement or advertisement by the [trade mark] owner" (*ibid*) which led consumers to the website featuring the trade mark in question.**

(Emphasis in bold added)

85 Although the dicta above is in relation to goodwill, the principles are applicable *vis-à-vis* revocation, especially since the Court of Appeal has stated that the requirement for use in a jurisdiction (i.e. for revocation) is pegged at a higher standard than that for determining goodwill (*Amanresorts* at [53]). As such, the existence of the domain names that feature the FESTINA Mark *per se* are not sufficient in and of themselves to prove goodwill, much less could they

prove use within the jurisdiction. In the present case, no evidence has been provided as to the number of hits that each of these websites have received, much less whether these hits originated from Singapore. As for some of the websites, it is uncertain as to whether the goods are even targeted at Singaporean consumers.

86 With regard to [www.watchshop.com](http://www.watchshop.com), the evidence shows a variety of watches displayed on the website, with the prices of each watch listed underneath it, in British pounds. A strapline above this display reads, "Free delivery on all UK/EU orders", "30 day hassle free returns on all orders" and "UK's No. 1 watch website – As seen on TV". There is no indication as to whether international orders are taken, much less whether it is possible to ship the goods ordered from this website into Singapore. This is similar to the situation in *Autozone*, where the goods were only shipped to the United States, US Territories and overseas US military addresses. Similarly, this website should not be considered use within the jurisdiction for the purposes of Section 22(1) of the Act.

87 With regard to [www.festina.com](http://www.festina.com), the Registered Proprietors say that their marks are "heavily advertised and promoted" through this website. The exhibits are essentially advertorials containing pictures of watch models against various backgrounds including backgrounds of flower petals and swans, city and forest landscapes. As stated in *Amanresorts* at [54], the existence per se of the domain names is not itself sufficient, and as stated in *Weir Warman* at [106], there must be some "direct advertisement or encouragement by the proprietor of the mark" to show that an "active step" has been taken. However, there is no such direct advertisement or encouragement by the proprietor in this case.

88 With regard to the "eBay Singapore" print outs, the Registered Proprietors simply state in 1<sup>st</sup> Ines (at [9]) that "It is fair to assume that some sales may have been made to consumers in Singapore." A few comments may be made as regards this evidence. Firstly, there is no indication of the actual website that the print outs are taken from. Secondly, whilst the print outs refer to various models of "Festina" watches, the "item location" of each of these goods are all outside of Singapore, and the date that the website appeared last accessed is beyond the relevant date range of 18 March 2008 to 18 March 2013:

- i) "Festina Tour de France" watch located in "Plainview, New York, United States" (1<sup>st</sup> Ines, p 95) – bidding period on or around 6 July 2013 (with 0 bids);
- ii) "Festina 3701 Quartz Watch" located in "Vendas Novas, Evora, Portugal" (1<sup>st</sup> Ines, p 97) – bidding period on or around 4 July 2013 (with 0 bids);
- iii) "Festina Dallas Mens Silver/Orange Stainless Steel Bracelet Quartz Watch16189/3" located in Phoenix, Arizona, United States (1<sup>st</sup> Ines, p 99) – bidding period on or around 4 July 2013 (with 0 bids);
- iv) "Festina Tour De France F 16599/5 Chrono Bike Men's Watch" located in Chatillon, France (1<sup>st</sup> Ines p 105) – no bidding period stated but "Last updated on April 11, 2013";
- v) "Festina F16542-3 Men's Chrono Bike Tour De France Black Dial Steel Date Watch" located in "United States" (1<sup>st</sup> Ines p 108) – no bidding period stated but "Last updated on Jul 1, 2013" (and interestingly, with a notice below a picture of the watch which states "Free Shipping (USA)" and "Duty Free to Australia, Canada and UK", although "International Shipping Available").

- vi) "Festina Special Edition 2004 Le Tour De France" located in Athens, Marousi, Greece (1<sup>st</sup> Ines, p 111) – bidding period on or around 2 July 2013.

89 The evidence above suggests that the eBay website that these print outs are taken from is not likely to be a "local" website – none of the listings are based in Singapore. Even if the sellers are willing to sell to the Singapore market, simply putting the watches on a website and hoping for customers from Singapore to chance upon the listing, without any "active step" by the Registered Proprietors or with their consent, is simply insufficient to prove that there has been "use" in the course of trade in Singapore.

90 With regard to [www.bodying.sg](http://www.bodying.sg), the evidence shows a variety of watches displayed on the website, with the prices of each watch in Singapore dollars beneath it. According to a description on the website:

With operation and distribution center (sic) located in Asia due to lower operation as well as shipping cost, we are able to pass on the savings to our worldwide customers which gives you GREAT SAVINGS with the chance to own a fine branded watch at unbelievable prices! (Emphasis in original)

91 It is not clear if this "operation and distribution center" is in Singapore. Whilst it seems that their products are shipped "worldwide", there is no information from the evidence as to how a person in Singapore would go about ordering a watch from the website, or if any such orders have been received or fulfilled. In any event, there is no evidence of any hits the website received, or whether they are from Singapore, or any other "active step" taken by the proprietor in the form of advertisement or encouragement in relation to the Singapore market.

92 I now turn to the last website, [www.brandsfever.com](http://www.brandsfever.com), and the evidence of "actual sales" that the Registered Proprietors have put forward. I have discussed this evidence in relation to whether it satisfies the requirement of being use with the consent of the Registered Proprietors, and I concluded that it did not (see paragraphs [73]-[80] above). Even if I am wrong on this point, I find that the evidence of "actual sales" in this case is not sufficient to meet the requisite threshold of "genuine use" as set out in case law.

93 The evidence in this case therefore falls short of the what is required to prove that the Registered Proprietors (or another third party with their consent) had taken an "active step" beyond placing the FESTINA Marks on the these websites.

*Evidence required to establish use*

94 The Court of Appeal in *Nike International Ltd v Campomar SL* [2006] 1 SLR(R) 919 ("*Nike CA*") held that "one single use of the mark during the relevant five-year period" was sufficient to show a genuine use of the mark. However, such use is subject to "convincing proof, if not conclusive proof", citing the UK case of *NODOZ Trade Mark* [1962] RPC 1 ("*Nodoz*"), where Wilberforce J (as he then was) held that

**It seems to me that the fewer the acts relied on the more solidly ought they to be established**, and it does not seem to be that the evidence which I have heard, which is that an order was received many thousands of miles away in San Francisco or Missouri, and that steps were taken within the company to have the order executed, is sufficient evidence to satisfy the onus which is required. (Emphasis mine)

95 *Nodoz* was a case involving mainly internal correspondence regarding an isolated importation of tablets from America to England, where there was no evidence that the product was actually delivered to any post office or that it arrived in England. In *Nike CA*, the evidence of use (see, generally, *Nike CA* at [5] and [11]) filed by the proprietor consisted of:

- i) A statutory declaration filed by the principal manager of the proprietor, Mr Corrales, exhibiting sales invoices issued during the relevant period, to demonstrate use of the mark;
- ii) A second statutory declaration in which he explained the use of certain abbreviations used in the first statutory declaration
- iii) A third statutory declaration exhibiting a bill of lading showing that products bearing the registered mark had been shipped by a De Ruy Perfumes SA to a Singapore company called Bhojwani's. There was also a letter from one Silvia Martos of Geodis Teisa, a freight forwarder of De Ruy Perfumes SA
- iv) An affidavit (tendered for the purpose of the High Court proceedings) showing a price list, where Corrales explained how the invoices corresponded to the items in that price list.

96 When the case was heard by the High Court, the judge was persuaded that De Ruy Perfumes SA and Campomar (the proprietor) were "associated companies and that the use of the mark by one entity was equivalent to use by the other." The judge also accepted Campomar's explanation that it did not get Bhojwani's to testify because they were a former distributor and "did not wish to be involved in the proceedings" (see [12] of *Nike (CA)*). The Court of Appeal, however, took a different view, at [18]-[19] of *Nike (CA)*):

18 It seemed to us that the judge appeared to have given insufficient consideration to the fact that none of the documents produced by Campomar to prove use in Singapore related to the goods being received in Singapore...The invoice and bill of lading were no more than prima facie evidence of the goods being shipped. However, there was no proof that the goods had in fact arrived in Singapore. While the facts in this case may appear a little stronger than [*Nodoz*] in the sense that here a bill of lading was produced, we did not think it satisfied the requirement of overwhelmingly convincing proof. Campomar should have produced evidence relating to the goods arrival in Singapore. **Other than a bland statement made by counsel of Campomar to the judge below that he had approached the importer, Bhojwani's, to give evidence and the importer had declined, no further explanation or details as to the efforts made were offered by Campomar. What did Campomar do to persuade or compel Bhojwani's to testify?...**

19 There must be some document trail in relation to the goods' arrival in Singapore. However, such documents were not adduced as evidence in court. There was also no evidence as to the receipt of payment for the goods. We were unable to see how the evidence adduced by Campomar could be described as "overwhelmingly convincing" when not a single piece of evidence from Singapore was produced. It must be borne in mind that what was required to be established was the goods' arrival in Singapore. **Even if Mr Bhojwani did not want to be involved, he could have been compelled. The court was not told why that was not done or what difficulties there were to that course being taken.** (Emphasis added)

97 The evidence in this case is even thinner than what was tendered in *Nike (CA)*. There were no invoices or bills of lading or any other documents that would prove that actual sales were made to Singapore. The only evidence that we have is the word of Mr Atilla Torgay, the Director of Brandsfever. However, despite being able to contact Brandsfever to get this information from them, the Registered Proprietors have not filed any statutory declaration by Torgay or any relevant Brandsfever employee. In oral submissions, the Registered Proprietors referred to concerns that Brandsfever had about the privacy of their information. The Applicants replied that these concerns could have been addressed by filing redacted sales invoices, for example. I agree with the Applicants in this regard. In fact, in light of *Nike (CA)* (as highlighted at paragraph [96] above), such important evidence should have been the subject of a separate statutory declaration, deposed to by Torgay himself. Furthermore, since Brandsfever claims to target consumers in Singapore and has a Singapore business address (as seen from the top left hand corner of their letter), it would not have been unreasonable (from a costs perspective) to get Torgay or a relevant Brandsfever employee to come forward and put their evidence in a statutory declaration.

98 In any event, I note that the printouts from the various websites are either undated ([www.watchshop.com](http://www.watchshop.com), [www.festina.com](http://www.festina.com)) or dated after the relevant dates of either 1 March 1992 to 28 February 1997 or during the 5 year period of 18 March 2008 to 18 March 2013. The website extracts from [www.bodying.sg](http://www.bodying.sg) and [www.brandsfever.com](http://www.brandsfever.com) appear to be dated "5/9/13", which could either mean that it was accessed on 5 September 2013 or 9 May 2013. In either case, both dates are beyond the relevant dates. As for the eBay website extracts, they all appear to have been accessed beyond the relevant dates, as detailed above in paragraph [88].

99 Finally, I address the evidence of advertisement and promotion overseas, which are evidenced by website printouts at <http://en.wikipedia.org/wiki/Festina>, <http://www.letour.fr/2012/CDD/LIVE/us/partenaires.html> and <http://www.festina.com/en/blog> showing media coverage of the FESTINA Mark due to the Registered Proprietors' sponsorship of major sporting events (also at paragraph 15(viii) above). The first print out shows an extract from Wikipedia about "Festina", describing it as the official timekeeper for "The Tour de France", "The Tour de Suisse" and "The Tour de Romandie", none of which were held in Singapore. The subsequent print outs are from what appears to be the Tour de France website, displaying the FESTINA Mark under the banner "Official Partners" and also under another banner "Festina, Official Timekeeper". There are also print outs from the Registered Proprietors' own website, with a brief report on the "2013 Tour de France route

presented in Paris." However, these are merely websites with information on the Registered Proprietors' sponsorships, and do not contribute to use within the Singapore jurisdiction.

100 As for the Starhub website (see description at paragraph [35] above), I do not consider that I am able to take "judicial notice" of the facts therein, as suggested by the Registered Proprietors. As stated in **Pinsler, Jeffrey, *Evidence, Advocacy and the Litigation Process* (4<sup>th</sup> edition) (Lexis Nexis: 2013) ("Pinsler")** at p 399-401:

[11.002] A fact may be so well established that the court may assume its existence without proof. In such circumstances, proof is unnecessary because the fact has an objective existence which constitutes proof beyond and unaffected by, the specific circumstances of the case. Section 59 of the Evidence Act lists 14 categories of facts which must be judicially noticed. These include matters as: the laws and rules which have the force of law (including statutes) in Singapore; Commonwealth statutes; articles of war; the course of proceedings of parliaments and legislatures in the commonwealth; the election of the President and related appointments; seals; the appointment of public officers; the existence of foreign states recognised by the government; the ordinary course of nature, natural and artificial divisions of time, the geographical divisions of the world, the meaning of English words, and public festivals, fasts and holidays notified in the Gazette; territories in the Commonwealth; members of the legal profession including court officers; and "the rule of the road" on land or at sea. Apart from the above-mentioned facts, which the court must take judicial notice of, it may exercise its own initiative in taking judicial notice of a fact after making the necessary enquiry into the circumstances. For example, judicial notice has been taken of the state of the economy (and, more specifically, the existence of a recession and economic recovery), currency appreciation and exchange rate over a period of time, Singapore's status as a free port and busy trading centre for more than a century, the trading activities of oil companies and a state of competition, customs, the polygamous nature of Chinese marriages, the area of navigation in a port and the nature of a sport.

[11.003] Whether the court takes judicial notice of a fact not within the scope of s 59 depends on the extent to which it is accepted as clearly established. If there is no question about its existence, it does not need to be proved. The courts are aware that the liberal exercise of the doctrine of judicial notice could unjustifiably dispense with the proof of facts...

101 In the present case, the fact that Singapore consumers (i.e. Starhub subscribers) would be able to watch events sponsored by the Registered Proprietors on dedicated sports channels, is not within the scope of Section 59 of the Evidence Act. I must then consider whether it is "accepted as clearly established" and there is "no question about its existence". I am not convinced that it is something which is so clearly established or unquestionable that it need not be subject to proof. It is telling that the Registered Proprietors even tendered the print out of the Starhub website in the first place. This suggests that it is a fact which could have been proved by way of statutory declaration, as is the normal mode of proof of facts in IPOS proceedings (see Rule 69 of the

Trade Marks Rules 2008). As such, I decline to take judicial notice of this fact, or any of the facts in the Starhub website printout.

### **Decision on "genuine use" in Section 22(1) of the Act**

102 I turn to address the facts of this case from the perspective of whether, taken in totality, the Registered Proprietors can be said to have "genuine use" of the FESTINA Mark. This is an important aspect of the inquiry because of its nexus with the justification for protection on the Trade Marks Register. As summed up by Rajah JA (as he then was) in *Weir Warman* at [99]-[100]:

99 ...It must be noted at the outset that this requirement of "genuine use" is closely intertwined with the function of a trade mark and the purpose of registration...A trade mark serves to indicate the source of the goods to which it is affixed and registration facilitates and protects this function of the trade mark. There must be genuine use of the trade mark before its function is served and protection by registration is justified. Further, as the register also serves as a notice to rival traders of trade marks that were already in use, to allow a mark that is not *bona fide* in use to remain on the register would be deceptive and could permit the registered proprietor to unfairly hijack or usurp a mark and/or monopolise it to the exclusion of other legitimate users. These considerations underpinning the need for "genuine use" of a registered trade mark must be borne in mind when assessing an application for revocation.

100 The European Court of Justice in *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 717, determined that use does not have to be quantitatively significant to be genuine, provided it is sufficient to create or maintain market share in the goods or services concerned. This is to be distinguished from token use which is intended merely to preserve the validity of a trade mark or use which is internal to the proprietor...Similarly, the English Court of Appeal held in *Laboratories Goemar SA v La Mer Technology Inc* [2005] EWCA Civ 978 ("*Laboratoire de la Mer*") that "genuine use" did not have to be substantial or significant, although the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubts are raised as to whether the use is genuine as opposed to token...

103 The Registered Proprietors described their method of distribution and sales worldwide in their evidence in 2<sup>nd</sup> Ines. In paragraph [4], they admit that they do not have an appointed exclusive distributor in Singapore, due to commercial reasons:

[The Registered Proprietors'] watches are presently sold in over 80 countries. **However, due to mainly commercial reasons, we do not currently have an appointed exclusive distributor in Singapore.** [The Registered Proprietors have] all along been interested to appoint an authorised distributor for its "FESTINA" watches in Singapore. This is because [the Registered Proprietors have] already achieved strong distribution of its watches in Vietnam, Indonesia, Japan and China. In fact, [they have] a distributor in Malaysia called Marco Corporation Sdn Bhd

who at one time had tried to penetrate the watch market in Singapore. **However, distribution of the watches in Singapore proved difficult due to the highly competitive market and the ability of the strongest distributors to take practical steps to "block" entry into the market by a new brand. Nevertheless, the Respondent continues to have a dialogue with potential distributors for its watches in Singapore including constant contact with M/s F. J. Benjamin (Singapore) Pte Ltd, which is a very well known brand manager and developer of retail networks for international luxury and lifestyle brands.** (Emphasis added)

104 If the Registered Proprietors are relying on this correspondence with M/s F. J. Benjamin (Singapore) Pte Ltd, it is curious that there is no further evidence showing the use of the FESTINA Mark in the course of such correspondence. The present case can thus be distinguished from *Weir Warman*, where sufficient evidence was tendered of the "three sales transactions, three e-mail enquiries from Singapore companies to the defendant regarding "Warman" pump parts, as well as a fax sent by the defendant to a potential customer for pump parts" (see *Weir Warman* at [101], [25]-[27]).

105 In paragraph [6], they describe how they have appointed "an exclusive distributor" for their watches in some 76 countries, such as Albania, Belarussia, Canada, Egypt, Finland, Gabon, Hong Kong, Iceland, to name just a few. In paragraph [7], they go on to explain that in countries where there is "a particularly large market segment" for their watches, a subsidiary or some kind of affiliated company has been formed to take care of distribution of their watches. There are 10 such countries, namely, "Austria, Benelux, Chile, Czech Republic, France, Germany, Italy, Mexico, Spain [their headquarters] and Switzerland [their watch production centre]." In paragraph [8], under a heading called "Sales Through Third Party Channels," the Registered Proprietors describe that

Apart from the officially appointed distributors as referred to above, [their] watches can also be found in many other countries where watch dealers have brought in their stocks by directly importing them from other distributors in the supply chain in other countries. Some of these might be what is termed "parallel imports". Furthermore, there are many distributors for our watches who supply the watches to dealers in another country. These trading circumstances exist not only because parallel imports are generally legal in most countries and also due to the great fluidity that occurs in trading conditions across borders with the advent of the Internet and online sales activities.

106 In principle, there is nothing objectionable about conducting sales through the Internet. As the Principal Assistant Registrar in *Autozone* noted at [39]-[40] of her decision, the proprietors in that case could have made their case for online use if the specification covered by the registered mark was for "goods" instead of "services":

In their submissions and evidence, the Registered Proprietors have focused on the *goods* available from their website rather than on "Retail *services*, including retail of automotive parts". The inference that the Registered Proprietors would have us make is that the

actual supply of goods, listed on their website, to a Singapore delivery address necessarily means that retail services have been provided in Singapore.

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

107 However, to show that there has been genuine use by the proprietor or with his consent, he must show that he has taken an "active step" beyond simply putting the relevant mark on the Internet (see paragraphs [81]-[93] above). This contributes to the "genuine" nature of the "use" of the relevant trade mark.

#### *Internet Use for Consumer Goods?*

108 In 2<sup>nd</sup> Ines, the deponent states that "[t]he Internet has dramatically grown in importance affecting the way consumers purchase goods such as watches" and that "[w]atches, being highly portable goods and purchased as much for their functional as their aesthetic and fashion statements, are particularly suited to being sold and distributed through online means" (paragraphs [1] and [11] of 2<sup>nd</sup> Ines). The Registered Proprietors submitted that the private investigation report by Commercial Investigations LLP (Exhibits RC-2 and RC-3 in 1<sup>st</sup> Jeong) was misdirected because the focus of the enquiry was simply whether there was an official dealer or distributor physically present in Singapore, whilst sales were conducted online.

109 In *La Mer Technology Inc v Laboratories Goemar SA [2004] FSR 38* ("*La Mer (2004)*"), it was held at [19]-[23] that

21 ...minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22 The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which is for the national court to carry out. The characteristics of those products or services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.

23 Similarly, as emerges from paras.[35]-[39] of Ansul...**the characteristics of the market concerned, which directly affect the marketing strategy of the proprietor of the mark, may also be taken into account in assessing genuine use of the mark.** (Emphasis added)

110 In *Laboratories Goemar SA v La Mer Technology Inc* [2006] FSR 5 ("*La Mer* (2006)") at [41]-[42], the Court of Appeal held that this did not impose an additional requirement of substantial, or even significant use (in addition to the use not being token or internal). In overturning the decision below, the Court of Appeal effectively held that there was genuine use where a foreign manufacturer (in France) sold goods to a sole importer (in Scotland) that it had appointed as its agent in the UK although there was no evidence that the goods were actually sold to the end users in the UK because the sole importer ceased business and was struck off the register of companies. The authors in *Kerly's (15<sup>th</sup> Ed)* criticize this decision at [10-057]-[10-058] in that it does not focus on the "market for the end user of the goods or services in question" and would necessarily allow any use of a mark which is a non-sham and external to the proprietor to be genuine use.

111 For the present purposes, however, I am concerned with the question of whether advertisement, promotion and sales on the Internet alone (ie. as in paragraphs 15(i)-(v) above) is justified for goods such as watches, as the Registered Proprietors claim.

112 As stated in *La Mer* (2004), the question is whether such use can be considered to be "use [that] is sufficient to preserve or create market share for those products or services", and the Court of Appeal in *La Mer* (2006) at [32] clarified that the relevant "market" need not refer only to the "retail or end user market."

113 Sales over the Internet, especially for fast-moving consumer goods, including items such as watches, clothes, bags and shoes, are indeed becoming more ubiquitous. This was noted in relation to "internationally established marks" in *Future Enterprises Pte Ltd v McDonald's Corp* [2007] 2 SLR 845 ("*McDonald's Corp*") at [12]-[14], which was also noted by way of further observations in *Autozone* at [56]:

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

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

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

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

114 In consideration of the above, I would agree that reliance can be placed on use of a trade mark through sales and advertisements through the Internet, for fast-moving consumer goods including items such as watches, clothes, bags and shoes. However, the proprietor still needs to show that he has taken an “active step” in addition to merely placing his goods or advertising them on the Internet, as established in *Weir Warman*. In 2<sup>nd</sup> Ines, at [10] and [11], the Registered Proprietors explain that “[i]t is not strictly necessary especially in smaller markets such as Singapore, to have a physical store to keep up with the image of [the FESTINA watches]” and that watches are “particularly suited to being sold and distributed online.” There is nothing objectionable about this. However, the “active step” of holding “campaigns with time-limited sales events” and “sales” of the FESTINA watches have been taken by Brandsfever Pte Ltd in this case, a third party, whose use of the FESTINA Mark is *without* the consent of the Registered Proprietors (although the Registered Proprietors have no objection to the sale of these goods). In the other instances of offers for sale on the Internet, such as those by

[www.bodying.sg](http://www.bodying.sg), [www.watchshop.com](http://www.watchshop.com), and the eBay websites, there is no "active step" to speak of (beyond placing the FESTINA Mark on the Internet), and in any event, these are also done by a third party without consent of the Registered Proprietors. *Even if there was consent* by the Registered Proprietors, this evidence was not sufficient to prove that there had been "genuine use". As for the Registered Proprietors' own websites, these appear to be mere advertisements showing pictures of several watches bearing the FESTINA Mark, but without any indication of prices, which market they are intended for, or any other "active step" to show that the use is directed at the Singapore market.

#### *Conclusion on "genuine use"*

115 The following factors (in totality) contribute towards the impression that the use of the FESTINA Mark was "token" rather than "genuine":

- i) Large network of exclusive distributors (76 countries) and subsidiary or affiliated companies (10 countries) around the world, yet no appointed exclusive distributor in Singapore;
- ii) Lack of evidence as regards dialogue with potential distributors (F. J. Benjamin) in Singapore;
- iii) Use of the relevant mark by third parties on the Internet, and where such use is without any "active step" in the form of "direct encouragement or advertisement" targeted at the Singapore market by the Registered Proprietors or with their consent;
- iv) Where such "active steps" are taken in the form of "campaigns" or "sales events" by a third party i.e. Brandsfever Pte Ltd, such "use" was not with the consent of the Registered Proprietors, and in any event, is not sufficiently proved by the evidence tendered;
- v) Where there are sales of the Registered Proprietors' goods, these were done via a third party i.e. Brandsfever Pte Ltd, and is not sufficiently proved by the evidence tendered, being limited to just one sheet of paper with an excel data table on it (at pp 75-76 of 1<sup>st</sup> Ines, which are copies of each other) without any other invoices or documents proving the same;
- vi) The evidence of sales in (v) above is tendered by way of a third party's letter that is exhibited to the main deponent's statutory declaration, where the third party has a business address in Singapore, and no reason was offered as to why the third party could not have deposed a statutory declaration, except that it was for confidentiality reasons (which could have been circumvented);
- vii) Evidence of advertisement and sponsorships are all in relation to overseas sporting events, without evidence as to how it is relevant to the Singapore market; and
- viii) Evidence of third party websites selling goods using the FESTINA Mark appears to be merely fortuitous, as they were all dated after the relevant date, see paragraph [98] above.

116 As stated in *Weir Warman* at [99], the considerations underpinning the need for "genuine use" of a registered trade mark are to weed out uses that are "not *bona fide*" or "deceptive" and "could permit the registered proprietor to unfairly hijack or usurp a mark and/or monopolise it to

the exclusion of other legitimate users." Based on the facts and circumstances of this case, there has been no genuine use by the Registered Proprietors or with their consent. Allowing the FESTINA Mark to remain on the Register would unnecessarily prolong the monopoly that the Registered Proprietors have enjoyed, when the evidence suggests that they have not taken active steps within the relevant time period to maintain their Singapore registration.

117 As stated in a footnote to paragraph [10-060] in *Kerly's (15<sup>th</sup> ed)*, "[i]ntermittent or temporary use is usually an indicator of non-genuine use, even though wealthy traders may be able to afford temporary use on a reasonably substantial scale. By contrast, steady use or use backed by an intention to establish a market indicates substantial use." In the present case, the Registered Proprietors seem to have given up hope of penetrating the Singapore market after being discouraged by the "commercial reasons" in appointing an "exclusive distributor" in Singapore (as detailed in paragraphs [103]-[104] above). Although there is a bare assertion that there is "constant contact" with M/s F. J. Benjamin (Singapore) Pte Ltd and "potential distributors for [their] watches in Singapore", there is no evidence of any such correspondence before me.

#### **Discussion on discretion under Section 22(1) of the Act**

118 The Registered Proprietors submit that the Registrar has the discretion to decide whether or not to maintain the FESTINA Mark on the Trade Marks Register (the "Register") if there is any doubt about the sufficient and clear evidence of genuine use of the FESTINA Mark in Singapore. They submit that the current position at law is represented by the case of *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2008] SGHC 51 ("*Rooster HC*"), where Kan Ting Chiu J held that such a discretion existed. Whilst they were aware of *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] 2 SLR(R) 814 ("*Rooster CA*"), where the Court of Appeal expressed the opinion that there was no such discretion, the Registered Proprietors highlighted a further comment to this opinion where the Court of Appeal stated that, if their opinion was incorrect, they would take the approach of the High Court judge. They also rely on a passage in *Intellectual Property Law of Singapore* by **Susanna H S Leong (Academy Publishing, 2013)** ("**Susanna Leong**") which states that "it is clear that the proposition that the power under Section 22 is discretionary has not been overruled by the Court of Appeal" and further submit that "[i]t is therefore not wrong in law for the Registrar to consider the interests of the parties involved in determining whether the [FESTINA] Mark ought to be revoked" (see [50] of the Registered Proprietors' written submissions).

119 Since I have found that the conditions for the FESTINA Mark to be revoked under Section 22(1)(a) and (b) of the Act have been satisfied, the issue of whether I should nevertheless exercise a "discretion" to allow the mark to remain on the Register thus arises. This was unlike the situation in *Rooster (CA)*, where the Court of Appeal was of the view that, given that they were of the view that the invalidation did not succeed, it was "quite unnecessary" for them to consider the issue of whether the court had this residual discretion to refuse relief if the grounds for revocation and/or the grounds for invalidation under Sections 22 or 23 of the Act were established. (See *Rooster (CA)* at [137]). However, the Court of Appeal nevertheless examined the issue in some detail, at [137] – [158] (some 21 paragraphs), before concluding that, in their

opinion, there was no such discretion (at [157]). In coming to this decision, the Court of Appeal considered Parliament's intention in the relevant provisions of the Act, examining the legislative background of their enactment, including the applicability of the English parliamentary debates and the European Trade Marks Directive ("ETMD"). It concluded that the ETMD was applicable to Singapore law because of the absence of any contradictory material in the records of our local parliamentary debates. After examining the provisions of the ETMD the Court of Appeal concluded at [145] that:

it may be inferred that Parliament's intention is that there is to be *no residual discretion* for the Registrar of Trade Marks and the court not to grant relief where the grounds for revocation or the grounds for invalidation have been established. (Emphasis added)

120 The Court of Appeal also examined the case law in this regard. It noted that whilst there has been "no authoritative ruling" on the question of whether there is a residual discretion not to revoke or invalidate the registration of a trade mark under the English Trade Marks Act or the ETMD, there are several decisions in the lower courts which support a finding that there is no such residual discretion: *ZIPPO Trade Mark* [1999] RPC 173, *Cabanas Habana (Device) Trade Mark* [2000] RPC 26 and *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 ("*Premier Brands*"). *Premier Brands* had been applied in the Singapore High Court in *Reemtsma Cigarettenfabriken GmbH v Hugo Boss AG* [2003] SLR(R) 155 ("*Hugo Boss*"), *Nation Fittings (M) Sdn Bhd v Oystertec Plc* [2006] 1 SLR(R) 712 ("*Nation Fittings*") and *Weir Warman*. The Court of Appeal commented that although *Nation Fittings* and *Weir Warman* were decided in the revocation context, there was no reason why this should not be applied to the invalidation context: at [152].

121 The Court of Appeal also considered academic works on this issue and concluded at [154] that:

[s]tandard academic works on intellectual property law likewise support the view that there is no residual discretion in the court and the Registrar of Trade Marks not to revoke or invalidate the registration of a trade mark where grounds for the same have been established.

#### *Conclusion on discretion in Section 22(1) of the Act*

122 From the above, it may be seen that whilst the Court of Appeal had only expressed an opinion on the issue of whether the court or Registrar of Trade Marks had the discretion under Section 22 and/or 23 of the Act to maintain a mark on the Register despite one or more of the specified grounds for revocation/invalidation being fulfilled, this opinion was not expressed lightly and had already taken into account a discussion of the Parliamentary intent, case law and academic texts on this issue. In any event, if this position is not correct, it is not appropriate for me to deal with it here.

123 For the present, it is sufficient to note that, contrary to what the Registered Proprietors say, the position at law with regard to this issue appears to have been largely settled. Whilst the Court

of Appeal in *Rooster (CA)* did not overrule the decision of High Court in *Rooster (HC)* with regard to whether the Registrar had such discretion under Section 22 and/or 23 of the Act, there are several other High Court cases (decided specifically in the context of revocation) which have decided otherwise: *Nation Fittings* (see, [180] –[181]) and *Weir Warman* (see [97]-[98] (both which cited another High Court case, *Hugo Boss*, at [30])). The passage in *Weir Warman* at [98] sums up this position nicely:

98 I agree with Ang J that the statutory directive to rescind a trade mark if and when the requirements stipulated by s 22(1) are satisfied is not discretionary. **Indeed, as the purpose of trade mark registration is to ensure an accurate record of trade marks to serve, *inter alia*, as notice to rival traders that the registered mark is in use, any lack of bona fide use or intention to use evidenced by non-use during the relevant period must necessarily result in the removal of that trade mark from the register.** Since non-use has been established in the present case with respect to Class 37 and Class 42, there is no discretion to allow the "Warman" mark registered by the defendant to remain on the register for these categories. Accordingly, I revoke the defendant's registration of the "Warman" mark under Class 37 and Class 42. The true dispute in relation to the revocation of the Trade Marks is therefore really a very narrow one, pertaining only to the trade mark registered in Class 7. (Emphasis added)

124 The Registered Proprietors' reliance on the passage in Susanna Leong only confirms that the High Court in *Rooster (HC)* has not been overruled, but this is not the same as saying that it is the current position at law, since there are equivalent authorities that have taken a different view on this issue. The passage relied upon by the Registered Proprietors in *Susanna Leong* at [31.106] is extracted as follows:

The ramifications of the High Court's decision in [Rooster (HC)] are far reaching if this is indeed the law. (Technically, the High Court has not been overruled on this issue).

Effectively, the High Court was allowing trade marks which were invalidated on grounds that they could not function as trade marks to remain on [the Register] if the court felt that there were good reasons for not deregistering them.

**In the author's view, such a conclusion runs counter to the objective of trade mark law and the purpose of setting up a register, and this cannot be right. A positive outcome is that the Court of Appeal's obiter dicta in [Rooster (CA)] will certainly shape the arguments which may be canvassed by counsel before the courts in future cases.** (Emphasis added)

125 In urging the Registrar to exercise his "discretion", the Registered Proprietors have made reference to previous opposition matters between them and the Applicants. In particular the Registered Proprietors refer to the High Court decision of *Festina Lotus SA v Romanson Co Ltd*

[2010] SGHC 200, where they successfully opposed the Applicants' <sup>ESTINA</sup>J. mark on appeal, succeeding, *inter alia*, on the bad faith ground in Section 7(6) of the Act. There was also

reference to an opposition by the present Registered Proprietors to the Applicants' **J.ESTINA** mark that was eventually withdrawn. Then, the Registered Proprietors say that it is "telling" that the Applicants filed the present revocation application 3 months after filing its application for the **J.ESTINA** mark. In sum, their position (at [55] of their written submissions) is that:

It appears to us that the revocation application was filed by the Applicant[s] for the sole purpose of making it more difficult for the [Registered Proprietors] to prevent their use and adoption of the confusingly similar "J.ESTINA" mark in Singapore.

126 The Registered Proprietors make this submission on the basis that in *Rooster (HC)*, the High Court was of the opinion that "the conduct and motivation of the applicant for revocation was especially relevant" (see [48] of their written submissions). However, this factor must be read in context. Firstly, the court in *Rooster (HC)* laid out a set of factors to consider when deciding if the power to invalidate a mark should be exercised, rather than giving prominence to any one factor. These factors were: (a) the triggering factor (ie. what triggered the invalidation action); (b) the conditions at the time of the application; and (c) the balance of interests involved. Secondly, the conduct of the applicant was relevant only where the applicant had an interest in the removal of the mark (*Rooster (HC)* at [80]):

When a party seeks the Registrar or the court to use its discretion to remove a registered mark, its conduct and motivation should be considered. **I am however constrained** by Chitty J's ruling in *In Re Hill's Trade Mark* (1983) 10 RPC 113 that in such proceedings, the question is not between the applicant and the respondent, but between the State and the respondent, and therefore the merits or demerits of the applicant are irrelevant, which the [Singapore] Court of Appeal endorsed in *Super Coffeemix* ([74] supra). **However, while the principal consideration is the interest of the State, the reality is that the State rarely applies to remove a registration, and it is the applicant who wants the mark removed, not for the interests of the State, but for its own reasons. Against this background, the conduct of the applicant could be a relevant factor where there is a discretion whether to revoke or invalidate a registration.** (Emphasis added)

127 As regards the factors to be considered, if there was such discretion, the Court of Appeal in *Rooster (CA)* stated at [158]:

158 We would add that if our opinion is incorrect (*ie*, if there is indeed a residual discretion not to grant relief where the grounds set out in s 22 or s 23 have been made out), the Judge took the correct approach in deciding how his discretion should be exercised, although (as we stated earlier at [101] above) he erred in finding that the ground for invalidation set out in s 7(1)(a) of the current TMA had been satisfied. **In coming to his conclusion that the registration of the Opposed Mark should not be invalidated, the Judge took all the relevant facts and circumstances into account.** He stated (at [85]–[86] of the Judgment):

85 At the present, the 'Rooster' mark [*ie*, the Rooster Sign] is being used only by the [First Defendant and the Second Defendant] as the other users had ceased using the mark after it was registered in Singapore [as the Opposed Mark], so there is no confusion or deception arising from the [First Defendant's and the Second Defendant's] use of the mark. There is the allegation that the [Opposed Mark] is being used by unauthorised parties. The remedy to such improper use is enforcement proceedings such as [those which] the [First Defendant and the Second Defendant] have commenced, and not the removal of the mark itself. In this respect, the [First Defendant and the Second Defendant] in taking action to promote the [Opposed Mark] and protect it from infringement are exercising their existing legal rights. The [P]laintiff, on the other hand, has no interest in the mark. It does not claim ownership of the mark. Its case was that because the mark should not have been registered, the registration should be set aside now, and conditions [should] be allowed to revert to the pre-registration state when the same mark [*ie*, the Rooster Sign] was used for all Chinese cordyceps.

86 I find, on reviewing the facts and balancing the different interests, that the status quo should be maintained, and the registration of the [Opposed Mark] should be continued.

Incidentally, the above approach (*ie*, considering all the relevant facts and circumstances of the case concerned) appears to be the approach adopted by Neuberger J in *Premier Brands*, who set out his views (at 812–813) on how he would have exercised his discretion under s 46 of the English Trade Marks Act if that provision did indeed give the court a discretion not to revoke the registration of a trade mark even though the specified grounds for revocation had been made out. (Emphasis added)

128 The Court of Appeal commented that, if they were incorrect, the correct approach to apply would be to consider all the relevant facts and circumstances of the case concerned. In *Rooster (HC)*, the relevant "facts and circumstances" were that the mark which was sought to be revoked and invalidated could have been the subject of enforcement proceedings instead, since the plaintiffs (applicants for revocation and invalidation) had no interest in the mark anyway.

129 Even if the Registrar has the discretion to allow marks to remain on the Register, I do not think that the discretion should be exercised in this case. Unlike the plaintiffs in *Rooster (HC)*, the Applicants do have an interest in having the FESTINA Mark revoked, given the history of events between the Applicants and the Registered Proprietors. The Registered Proprietors appear to be concerned that if the FESTINA Mark is revoked, this would open the door for the Applicants to register their own, "confusing" mark (e.g. the **J.ESTINA** mark that they had earlier withdrawn). If the Applicants do proceed with this course of action, it is still open for the Registered Proprietors to oppose or invalidate the relevant mark in the future. A trade mark registration should not be maintained on the Register just because the Applicants are "making it difficult" for the Registered Proprietors to prevent the use and adoption of the Applicants' marks.

The onus is on the Registered Proprietors to maintain the use of their registered marks so as not to fall afoul of the revocation provisions in Section 22(1) of the Act, and they have recourse to other types of action against the Applicants for opposition, invalidation or infringement to prevent the "use and adoption" of the Applicants' marks. If the Registrar exercises discretion to allow *existing marks (which would otherwise be revoked)* to remain on the Register just because the party seeking to revoke the mark(s) is a business competitor, the nature of the Register would change from being a neutral "accurate record of trade marks" (*c.f. Weir Warman* at [98]) to a protective shield in favour of the proprietor – even where the proprietor does not satisfy the requirement of genuine use in Section 22(1) of the Act. This would be problematic in that it gives too much protection to the trade mark proprietor, over and above that which the Trade Marks Act allows.

### **Overall Conclusion**

130 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the FESTINA Mark has not been shown to be used in Singapore in the 5 years before the application for revocation was made on 18 March 2013 (i.e. from 19 March 2008 to 18 March 2013). Neither has it been shown to be used in Singapore within the period of 5 years following the date of completion of the registration procedure (i.e. 29 February 1992), nor within any other uninterrupted period of 5 years. There were also no proper reasons given for non-use, since the Registered Proprietors' position is that they have used the FESTINA Mark.

131 The grounds of revocation under Section 22(1)(a) and (b) therefore succeed and the FESTINA Mark (T9004265I) is revoked with effect from 1 March 1997. The Applicants are also entitled to costs to be taxed, if not agreed.

Dated this 2<sup>nd</sup> day of February 2015.

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Hearings and Mediation Group  
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