

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

Trade Mark Application Nos. T1101909H and T1101910A
19 November 2014

IN THE MATTER OF A TRADE MARK APPLICATIONS BY

PHILIP MORRIS PRODUCTS S.A.

AND

OPPOSITION THERETO BY

JAPAN TOBACCO INC



Hearing Officer: Ms Sandy Widjaja
Principal Assistant Registrar of Trade Marks

Ms Anna Toh (Amica Law LLC) for the Applicants
Mr Chua Shang Li (Donaldson & Burkinshaw LLP) for the Opponents

Cur Adv Vult

GROUND OF DECISION

1 This is an opposition to the registration of the following trade marks:

S/N	Trade Marks	Goods
1	 <p data-bbox="349 525 771 667">T1101909H ("<i>L&M Activate Mark</i>")</p>	Tobacco, raw or manufactured; tobacco products, including cigars, cigarettes, cigarillos, tobacco for roll-your-own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, kretek; snus; tobacco substitutes (not for medical purposes); smokers' articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays, pipes, pocket apparatus for rolling cigarettes, lighters; matches.
2	 <p data-bbox="349 787 771 861">T1101910A ("<i>Activate 2-in-1 Mark</i>")</p>	Tobacco, raw or manufactured; tobacco products, including cigars, cigarettes, cigarillos, tobacco for roll-your-own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, kretek; snus; tobacco substitutes (not for medical purposes); smokers' articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays, pipes, pocket apparatus for rolling cigarettes, lighters; matches.

collectively ("*Application Marks*").

2 Philip Morris Products S.A. ("the Applicants") are the Applicants in this instance. The Application Marks are Singapore designations of International Registration Nos. 1064971 and 1064972 respectively. Both claim priority under the Paris Convention of 16 December 2010. The Application Marks were published in the Trade Marks Journal on 1 April 2011. Japan Tobacco Inc, ("the Opponents"), filed their Notices of Opposition to oppose the registration of the Application Marks on 31 May 2011. The Applicants filed their Counter-Statements on 7 December 2011. On 12 March 2012, at a Case Management Conference, the 2 oppositions were consolidated.

3 The Opponents filed the consolidated evidence in support of the oppositions on 10 June 2013. The Applicants filed evidence in support of the applications on 30 December 2013. The Opponents subsequently filed their evidence in reply on 28 May 2014. The Pre-Hearing Review ("PHR") was held on 27 June 2014 after which the oppositions were heard on 20 November 2014.

4 In this instance, it is noted that the Applicants have made a transformation request in relation to T1101910A (International Registration No. 1064972) on 15 August 2013. The Trade Marks Registry issued an acknowledgement letter on 16 August 2013 and the mark has been accorded the Trade Mark number T1313300I (see Exhibit F of the

Applicants' SD). Currently, the said transformation request is pending the decision pursuant to this opposition.

Grounds of Opposition

5 The Opponents initially relied on Sections 8(1), 8(2)(b), 8(7)(a), 7(5) and 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“*the Act*”) in these oppositions. However, at the PHR, the Opponents dropped Sections 8(1) and 7(5). Later, at the point of submission of the written submissions, the Opponents further indicated that they are relying on Section 8(2)(b) only.

Opponents’ Evidence

- 6 The Opponents’ evidence comprises the following:
- (i) A Statutory Declaration by Mr Alan Minto dated 5 June 2013 (“*Opponents' 1st SD*”);
 - (ii) A Statutory Declaration by Mr Alan Minto dated 23 May 2014 (“*Opponents' 2nd SD*”); and
 - (iii) A Statutory Declaration by Mr Alan Minto dated 21 July 2014 (“*Opponents' Further SD*”).

Applicants’ Evidence

- 7 The Applicants’ evidence comprises the following:
- (i) A Statutory Declaration made by Mr Jonathan Day dated 9 December 2013 (“*Applicants' SD*”); and
 - (ii) A Statutory Declaration made by Ms Viorica Zorita Pop dated 16 July 2014 (“*Applicants' Further SD*”);

Applicable Law and Burden of Proof

8 As the applicable law is the Act, there is no overall onus on the Applicants either before the Registrar or in opposition proceedings. The undisputed burden of proof in the present case falls on the Opponents.

Background

9 The Opponents were established in 1985. As of today, the Opponents' tobacco brands are distributed in over 120 countries worldwide. In the tobacco sector, the Opponents' products include cigarettes with three of the world's most popular brands, Camel, Winston and Mild Seven.

10 The Opponents relied on the following earlier mark T1103392I (which claims a priority date of 24 November 2010) :

ACTIVATE

registered for the following goods:

"Tobacco, whether manufactured or unmanufactured; smoking tobacco, pipe tobacco, hand rolling tobacco, chewing tobacco, snus tobacco; cigarettes, cigars, cigarillos; substances for smoking sold separately or blended with tobacco, none being for medicinal or curative purposes; snuff; smokers' articles included in Class 34; cigarette papers, cigarette tubes and matches." ("Opponents' Mark").

11 The Applicants and their related companies are and have been engaged in the manufacture, sale and distribution of cigarettes throughout the world for many years. The Applicants manufacture and sell cigarettes and tobacco products for the global market under various brands. Some of the Applicants' well known brands include Marlboro and L&M.

MAIN DECISION

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

12 The relevant provisions of the Act are Sections 2 and 8(2)(b), which provide as follows:

2. —(1) In this Act, unless the context otherwise requires —

“earlier trade mark” means —

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

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public.

Decision on Section 8(2)(b)

Step-by-step approach

13 The leading authority in relation to this section is the recent decision of the Court of Appeal in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal* [2014] 1 SLR 911 ("*Staywell*"). In *Staywell*, the Court upheld the 3-step test approach in relation to an objection under section 8(2)(b) and rejected the proposal that the threshold of marks similarity is a low one as follows at [15] to [20]:

[15]...Since this court's decision in Polo (CA), our courts have given effect to this statutory wording by applying what is now known as the "step-by-step" approach, as opposed to the competing "global appreciation approach" applied in Europe after Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199 ("Sabel v Puma"). Under the step-by-step approach, the three requirements of similarity of marks, similarity of goods or services, and likelihood of confusion arising from the two similarities, are assessed systematically. The first two elements are assessed individually before the final element which is assessed in the round...

[16] However we do not agree with the Opponents' approach to the extent that it suggests that any particularly or notably low threshold of marks-similarity applies...

*[17] More fundamentally, the minimal threshold approach is inconsistent with the reality that the similarity of marks is ultimately and inevitably a matter of impression rather than one that can be resolved as a quantitative or mechanistic exercise (see *Polo (CA)* at [35] and *Wagamama Ltd v City Centre Restaurants Plc* [1995] FSR 713 at 732)...The court must ultimately conclude whether the marks, when observed in their totality, are similar rather than dissimilar. The three aspects of similarity are meant to guide the court's inquiry but it is not helpful to convert this into a checkbox exercise in which a tick, however faint it might be, in any one box must compel the court to find that the marks are similar when a sensible appraisal of the marks as a whole would show otherwise.*

*[18] We observed this in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd* [2013] SGCA 26 ("*Hai Tong*") at [40(a)]. Congruously, there is no prescribed requirement that all three aspects of similarity must be made out before the marks can be found to be similar: *MediaCorp News Pte Ltd v Astro All Asia Networks plc* [2009] 4 SLR(R) 496 ("*MediaCorp*") at [32] and *Sarika Connoisseur Café Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 ("*Sarika*") at [16]. In short, the criteria of visual, aural and conceptual similarities do not invite a formulaic consideration; rather, they are signposts towards answering the question of whether the marks are similar. Trade-offs can occur between the three aspects of similarity in the marks-similarity inquiry: *Ozone Community Corp v Advance Magazine Publishers Inc* [2010] 2 SLR 459 ("*Ozone*"), see also *Bently and Sherman, Intellectual Property Law* (Oxford University Press, 3rd Ed, 2009) ("*Bently & Sherman*") at p 864.*

[19]...A productive and appropriate application of the step-by-step approach necessitates that the court reach a meaningful conclusion at each stage of the inquiry...

[20] Finally, on this issue, we reiterate that the assessment of marks similarity is mark-for-mark without consideration of any external matter: see *Mediacorp* at [33], *Sarika* at [17] and *Hai Tong* at [40(b)]. This means that at the marks similarity stage this even extends to not considering the relative weight and importance of each aspect of similarity having regard to the goods. This does not mean that the court ignores the reality that the relative importance of each aspect of similarity might vary from case to case and will in fact depend on all the circumstances including the nature of the goods and the types of marks, as we observed at [40(b)] of *Hai Tong*. Rather, such considerations are properly reserved for the confusion stage of the inquiry, because that is when the court is called upon to assess the effect of objective similarity between the marks, on the perception of consumers. We recognise that this reflects a slight departure from the approach taken by the High Court in *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 at [55]–[56], and by this court in *Sarika* at [38]. We think that this is conceptually clearer because it recognises that the issue of resemblance between the competing marks is distinct from the question of the effect of such resemblance...

[Emphasis as underlined mine.]

Similarity of Marks

14 In relation to similarity of marks, the Court had this to say at [25], [26] and [30]:

[25] *Technical distinctiveness is an integral factor in the marks-similarity inquiry (see Sarika at [20], Ozone Community at [47] and Polo (CA) at [36]); a mark which has greater technical distinctiveness enjoys a high threshold before a competing sign will be considered dissimilar to it (Sarika at [36]). While the components of a mark may be inherently technically distinctive, ultimately the ability of the mark to function as a strong badge of origin must be assessed by looking at the mark as a whole. Conversely, the components of a mark may not be inherently distinctive, but the sum of its parts may have sufficient technical distinctiveness...*

[26] *When speaking of the assessment of a mark as a whole, it may be noted that the cases have consistently stated that the “visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components” (Sabel v Puma at 224, Matratzen Concord GmbH v OHIM, Case T-6/01 [2002] ECR II-4335 (“Matratzen”), Doctor’s Associates Inc v Lim Eng Wah (trading as SUBWAY NICHE) [2012] 3 SLR 193 (“Subway Niche”) at [19] and Bently & Sherman at p 864).*

...
 [30] We reiterate, as was held in *Sarika* (at [20]) and in *Hai Tong* (at [26]), that distinctiveness (in both its technical and non-technical senses) is a factor integrated into the visual, aural and conceptual analysis as to whether the competing marks are similar. It is not a separate step within the marks-similarity inquiry.

[Emphasis as underlined mine.]


15 Further, the Court provided the following principles in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal* [2013] SGCA 26 at [40] ("*Hai Tong*"):



[40] (c) Although the focus of this part of the inquiry is on the marks in question, it is necessary to set out the viewpoint the court should assume. This viewpoint is that of the average consumer who would exercise some care and a measure of good sense in making his or her purchases, not that of an unthinking person in a hurry (see *Polo (CA)* ([16] *supra*) at [34]).

(d) Furthermore, it is assumed that the average consumer has “imperfect recollection” (see *MediaCorp* at [33], citing *Nautical Concept Pte Ltd v Jeffery Mark Richard* [2007] 1 SLR(R) 1071 (“*Nautical Concept*”) at [30]). As such, the two contesting marks are not to be compared or assessed side by side and examined in detail for the sake of isolating particular points of difference. Instead, the court will consider the general impression that will likely be left by the essential or dominant features of the marks on the average consumer (see *Saville Perfumery Ld v June Perfect Ld and FWWoolworth & Co Ld* (1941) 58 RPC 147 (“*June Perfect*”) at 161–162).

[Emphasis as underlined mine].

16 For ease of reference, the marks are as follows:

S/N	Trade Marks (" <i>Application Marks</i> ")	Opponents' Mark
1		ACTIVATE

	T1101909H	T1103392I
2		
	T1101910A	T1103392I

17 At the outset, it is clear that the **Applicants' Marks** are each composite marks. The mark T1101909H comprises of "L&M", "Activate 2-in-1", a "Play" device and the slogan "Activate Fresh Flavour" (this slogan, which is not readily perceptible from the above reproduction of the mark, appears in small font below "L&M"). Similarly, the mark T1101910A comprises "Activate", "2-in-1" and a "Play" device. On the other hand, the **Opponents' Mark** is simply a word only mark consisting of the word "Activate".

18 Secondly, it is clear that just because there is a shared element between the marks, it does not necessarily mean that the marks are similar. In this regard, I note that it is obvious that all the marks contain a common element, which is the word "activate".

19 I am mindful of the Court's guidance above that distinctiveness is a factor integrated into the visual, aural and conceptual analysis as to whether the competing marks are similar and it is not a separate step within the marks-similarity inquiry. However, due to the extensive submissions / evidence made in relation to this issue, for ease of analysis, I will summarise my findings first, before applying them within the context of the mark similarity analysis.

20 First and foremost, I agree with the Applicants that "activate" is a common English word. Following *Cambridge Dictionaries Online*, it means "to cause something to start" ..

21 The Applicants submitted at [19] of their written submissions that the word "activate" is descriptive of flavour-switching cigarettes. Such cigarettes contain a capsule which a smoker can crush to release a different flavour such as menthol while he is smoking.

22 I refer to the **Applicants' SD** at [17]. The Applicants deposed that most tobacco traders are currently offering cigarettes with flavoured capsules in their filters, which will allow an adult smoker to switch from one taste to another by providing them with the option of crushing/activating the capsule to release the flavour, usually menthol, inside ("**Capsule Devices**"). The Applicants further deposed that cigarettes which incorporate the **Capsule Devices** are sold by various tobacco companies, including the Applicants and the Opponents.

23 In this regard, the Applicants deposed that the **Application Marks** are used / intended to be used in respect of the Applicants' range of cigarettes containing such flavoured **Capsule Devices**. In fact, it is for this reason that the **Application Marks** incorporate the word "activate" in various forms.

24 In light of the above, the Applicants thus deposed (see the *Applicants' SD* at [18]) that the word "activate" thus bears descriptive reference to tobacco goods and could be perceived as descriptive of their characteristics or purposes, particularly tobacco goods containing such *Capsule Devices*. At this juncture, I refer in particular to Exhibit G of the *Applicants' SD*. The Applicants deposed that this provides examples of such descriptive use.

25 I note that Exhibit G contains instances of descriptive use of the term "activate" by the Opponents, both in relation to the different variants of the *Opponents' Mark* in other countries as well as in the context of other marks owned by the Opponents. My comments in relation to these examples are as follows.

26 In relation to the examples of use of the term "activate" in relation to the different variants of the *Opponents' Mark* in other countries, I am of the view that these are not helpful given that the situation in the local context is different (I note that the examples in Exhibit G are undated; however, it is possible to have an approximate gauge of the date by reference to the *Opponents' 1st SD* at [13] which provides the launch dates of the different variants of the *Opponents' Mark* in the different countries). By that I mean that the restrictions imposed by law in relation to promotion and sale of the tobacco industry vary from country to country. Specifically, in Singapore, virtually all advertising of tobacco products is banned. So for example, at pages 397 – 399 (for The Netherlands) which show advertisement posters that provide step by step instructions as to how to "operate" an *Activate Freshness / Camel Activate* cigarette (see *Opponents' 1st SD* at [12]), as well as the general instructions "*Press the filter to activate freshness*", it has not been shown if such a poster will be allowed in the local context.

27 Similarly pages 390 – 392 of Exhibit G (for Austria) show pictures of a vending machine with a poster on the vending machine as to how to "operate" an *Activate Freshness / Camel Activate* cigarette. Again it has not been shown if such a poster will be allowed in the local context. The same argument applies to pages 401 – 402 (for Switzerland). They show, respectively, an advertisement poster, with the words "*Your Choice Press to Activate*" ie instructions as to how to "operate" an *Activate Freshness / Camel Activate* cigarette as well. Again, it is unclear if such an advertisement will be allowed in the local context.

28 However, what *can* be culled from the above evidence which is of relevance to the local context is that the word "activate" seems to be used in the *instructions* as to how the cigarette will be operated / enjoyed. I refer to the Opponents' 2nd SD at [8]:

"...The Opponent avers that it is clear from the pictures in Paragraph 19 of the Applicants' Statutory Declaration that there are two clearly distinct uses of the word. The trade mark use of ACTIVATE may be found in the pack and on the right top side of the second picture "CAMEL ACTIVATE with beast device" and the normal simple usage of the verb in the instructions which is not a trade mark use and as such is irrelevant in the current instance..."

29 While I agree that there are 2 distinct uses of the word “activate”, the ease with which the word fits into the instruction does shed light as to the level of distinctiveness of the word when it is used as a trade mark for that *particular type of cigarettes* ie cigarettes which contain **Capsule Devices**.

30 The Opponents deposed that in some countries, the word "activate" is used in the native language eg "activar" as a verb but the trademark remains as "Activate" (**Opponents 2nd SD** at [6]). However, it is not useful to look at other countries where English is not the common language. For the purposes of this Opposition, it must be taken into account that English is the main language used in the local context.

31 In relation to the relevant goods, while the specification of the goods (above) is rather general, it is noted that the Opponents *themselves deposed* that the **Opponents' Mark** is *intended* to be used for that particular type of cigarettes. I refer to the **Opponents' 1st SD** at [10]:

“The Opponents’ mark is used for a cigarette product of its Camel brand, which contains a menthol capsule in the filter...If the smoker presses the filter, this crushes the menthol capsule and releases the menthol.

[Emphasis as underlined mine]

32 In relation to the use of the term "activate" in the context of the other marks of the Opponents, I refer to 2 articles at pages 394 and 395 respectively of the **Applicants' Evidence** (Exhibit G). The article at page 394 is an article titled "*Camel Shift: A Freshness Ball for Twin Camel Tastes*". I quote (from the translated page at 407) as follows:

"Following Camel Essential for rolling tobacco, the brand is further expanding its offering with Camel Shift, its new "premium" product in the sector of freshness-capsule cigarettes. The Camel Shift filter contains a crush capsule that, once activated by pressure, gives the cigarette a fresh taste. The adult consumer can choose at any time whether or not to activate the capsule."

[Emphasis as underlined mine]

33 The other article is titled "*Camel Shift A Highly Anticipated Launch*" (at page 395 and I quote from the translated page at 410):

"What does the new Camel Shift offering consist of?

Juliette Cuvelier [Brand Manager, in France with Japan Tobacco International]: Camel is expanding its range with Camel Shift, the premium product in the new sector of cigarettes with a "freshness capsule" in the filter. This new Camel cigarette is composed of a filter that contains a capsule that, once activated through pressure on the filter, gives the cigarette a fresh taste.

The adult smoker can thus choose, at any time, whether or not to activate the freshness capsule. Until the capsule is activated, the taste and the quality are those of a classic Camel cigarette....

[Emphasis as underlined mine]

34 It is noted that these 2 articles are describing the product "Camel Shift" which is also sold by the Opponents. Again, I note with interest the ease with which the term "activate" is used to describe cigarettes containing **Capsule Devices**. I am mindful that these articles (as well as the examples of use in the different countries above) post date the relevant date of 24 November 2010. However, I am of the view that they are useful in showing the *intended* state of affairs.

35 The significance of this is that it would seem to be that the **Opponents' Mark** seems to describe some of the types of goods for which it is registered. This argument can potentially also apply to the "smokers' articles" included in the specification in that the **Opponents' Mark** describes the fact that such smokers' articles are meant to be used for / with the particular range of tobacco products described above, over and above the general tobacco products.

36 Last but not least, it is noted that the Opponents have clarified that they are only claiming that the **Opponents' Mark** is inherently distinctive and that they are not contending that the **Opponents' Mark** have acquired distinctiveness at all.

37 Before I leave this point, I note that, contrary to the Applicants' submissions, the Applicants have not tendered any substantive evidence to show that third parties (aside from the Applicants and the Opponents) use the term "activate" to describe flavour-switching cigarettes (except for one example at the **Applicants' SD** at [18]).

38 It is not within the purview of this Opposition to comment as to the distinctiveness of the **Opponents' Mark per se** in the context of the registrability criteria. But the significance of the discussion above is simply to point to the fact that, given the circumstances, it would appear that the **Opponents' Mark** does not seem to be highly distinctiveness in the context of the mark similarity analysis in relation to a *particular type* of tobacco goods, specifically, tobacco goods which incorporate the **Capsule Devices** as well as smokers' articles which are meant to be used for / with the tobacco goods incorporate which the **Capsule Devices**. For the avoidance of doubt, I am of the view that the word "Activate" is distinctive for the rest of the tobacco goods and smokers' articles included in the specification above at [10]. I am mindful of the Court's guidance in **Staywell** at [20] (reproduced above) that "the assessment of marks similarity is mark-for-mark without consideration of any external matter". However, in the current case, specifically in assessing whether a mark can be considered to be descriptive (and thus non distinctive), it is difficult not to have regard to the type of goods involved.

39 Returning to the main issue of the mark similarity analysis, I agree with the Applicants' submissions at [12] that in assessing each aspect of similarity, the Registrar

must consider if the similarities between the marks relate to the distinctive elements of the mark. If the similarity lies in the non-distinctive elements of a mark, then fewer alterations or differences may be enough to render the later mark sufficiently distinguishable.

40 In addition, when assessing competing marks with a common denominator, the Registrar must consider whether the common element in the marks is “so dominant as to render the different elements ineffective to obscure the similarity between the marks.” (Applicants’ submissions at [13]).

Visual Similarity



T1101909H



41 For T1101909H, I am of the view that there is no visual similarity for the following reasons.

42 T1101909H is a composite mark which consists of several elements, including, "L&M", "Activate", "2 in 1" and "Activate Fresh Flavour". It is obvious that "L&M" is the dominant component of the mark. I agree with the Applicants that it is inherently distinctive as it is meaningless in relation to the goods or for those in the know, it is an abbreviation of "Liggett & Myers". The Applicants have also tendered evidence to show that "L&M" has acquired distinctiveness through extensive use, both abroad and critically, in the local context.

43 I refer to the *Applicants' SD* at [4]. "L&M" is the world's third most popular brand. I refer further to the Maxwell Report which is at Exhibit A of the *Applicants' SD*. This shows that "L&M" is one of the top three brands for tobacco products for the period 1996 – 2005, worldwide.

44 In particular, I note that the Applicants have been in the local scene for quite a long period of time. I refer to the *Applicants' SD* at [6]. The following shows *an excerpt* of the list of the "L&M" marks which has been registered in Singapore (taking into account the relevant date of 24 November 2010):

S/N	Trade Mark	Specification	Date of registration
1		Class 34	15 April 1965
	T6536883Z		
2		Class 34	17 Feb 2000
	T0002370F		

3		Class 34	8 Jun 2006
	T0617097B		
4	L & M	Class 34	26 April 2010
	T1005114A		
5		Class 34	26 April 2010
	T1005117F		

45 Importantly, the estimated sales volume in the local context, taking into account the relevant date of 24 November 2010, is as follows:

S/N	Year	Volume (in MILLION sticks)
1	2004	60
2	2005	35
3	2006	29
4	2007	27
5	2008	22
6	2009	20

46 I also refer to Exhibit D of the *Applicants' SD*, which shows examples of how the Applicants' marks are used in Singapore.

47 It is clear that "L&M" is distinctive, inherently and through use in Singapore.

48 I now proceed to analyse the marks. It is clear that the words "L&M" stand out in the mark as they are positioned conspicuously in the centre of the mark and are in large and bold font. The words "Activate 2-in-1" are in a smaller font and are positioned at the top right hand corner of the mark. Last but not least, the words "Activate Fresh Flavour" are in an even much smaller font (than the word "Activate" in "Activate 2-in-1") and are positioned below "L&M".

49 On the other hand, the *Opponents' Mark* is simply a word mark "Activate". I agree with the Opponents that the fact that the mark is registered in capital letters means that the *Opponents' Mark* is registered in all fonts. However, even if this is so, I do not think that the marks are visually similar.

50 In light of all of the above, I am of the view that the marks are visually dissimilar.

T1101910A

51 In relation to this mark, I am of the view that despite the my conclusion above that the word "Activate" is not highly distinctive for tobacco goods which incorporate the

Capsule Devices as well as smokers' articles which are meant to be used for / with the tobacco goods incorporate which the **Capsule Devices**, it is clear that it is still the main dominant component of the mark and that the other components of the mark ie the “Play device” and the words “2-in-1” are insufficient to render the marks dissimilar. For the avoidance of doubt, I reiterate that I am of the view that the word "Activate" is distinctive for the rest of the tobacco goods and smokers' articles included in the specification above at [1].

52 It is noted that the “Play” device has been registered in Singapore on its own ((T1219467E) see the **Applicants’ Further SD** at Exhibit A). I also agree with the Applicants’ submission that the “Play” device is at most allusive and does not merely underscore the meaning of the word “activate”. Be that as it may, given that the “Play device” only occupies about a third of the mark (as submitted by the Applicants in their submissions at [35]), this (together with the words "2-in-1") is not sufficient to render the marks dissimilar. Further, there is also no evidence tendered to show that the “Play” device is exclusive to the Applicants as submitted by the Applicants' at [35.2].

53 It is clear that the words “2-in-1” are much less prominent given that it is in much smaller font and is positioned at the bottom right hand corner of the mark. Further, I also note that there is no evidence tendered to the effect that “2-in-1” is exclusive to the Applicants as submitted at [35.4].

54 In light of all of the above, I am of the view that the marks are visually similar.

Aural Similarity

T1101909H

55 I am of the view that there is no aural similarity between T1101909H and the **Opponents’ Mark** for the following reasons.

56 The preliminary question in the current case is how would the principles as expounded in *Staywell* be applied to the **Opponents’ Mark**, which is a composite mark (in this case, a mark which includes a device, words as well as a slogan)?

57 I refer to the recent case of *Fox Racing, Inc. v Fox Street Wear Pte Ltd [2014] SGIPOS 13* (“*Fox Case*”) where the Registrar had to decide on the application of the principles propounded in *Staywell* to the mark T0503947C as follows:



58 The issue which arose in the *Fox Case* is as follows at [67]:

An interesting issue arises as to how the marks in the present case should be compared from the perspective of aural similarity. Should both marks be regarded simply as “FOX” for the purposes of this comparison? Or would the Opponents’ marks be pronounced “F...X” instead? And, for the Application Mark, must we take into account the presence of the name “Fox Street Wear” and the slogan “What’s stopping you?” as well?

[Emphasis as underlined mine]

59 After referring to the Court in *Staywell* at [31] and [32], the Registrar concluded as such at [70]:

It could be that the proper approach to take would depend on the facts of each individual case. In the current situation, I am of the view that both marks would be pronounced by the average consumer as “FOX”...

[Emphasis as underlined mine]

60 I agree. I am of the view that in the normal circumstances, T1101909H is likely to be pronounced as "L&M Activate" or "L&M Activate 2-in-1". In either situation, "L&M" will be pronounced first as it is the distinctive and dominant component of the mark which catches the immediate attention of the eye.

61 On the other hand, the *Opponents' Mark* will simply be pronounced as "Activate".

62 In this regard, I disagree with the Opponents that there is aural similarity at [13] of their submissions:

"...the main element "Activate" will be pronounced identically, followed by the additional element "L&M, as the word "Activate" is at the top of the mark, it may be considered to be the first word of the mark and it is more likely for consumers to place more emphasis on the first word of the mark, with consumers only articulating the first word of the mark, namely "Activate"..."

63 While it is true that the identical component "Activate" will be pronounced in an identical manner, and that it is also true that in terms of order "Activate" appears first in the mark, as discussed above, I am of the view that given the distinctiveness and the dominance of "L&M" in T1101909H, in all likelihood, "L&M" will be pronounced first.

64 In light of the above, I am of the view that the marks are aurally dissimilar.

T1101910A

65 In relation to this mark, it can also be considered as a composite mark as it consists of the word “activate”, the “Play” device and the words “2-in-1”. Applying the test

above in the *Fox Case*, I am of the view that in normal circumstances, it is likely to be pronounced as either “Activate” *per se* or “Activate 2-in-1”. Either way, since “Activate” will be pronounced first, I am of the view that the marks are similar. In this regard, I am of the view it is not appropriate to draw an analogy with *Taylor, Fladgate & Yeatman Limited v Taylors Wines Pty Ltd [2014] SGIPOS 11* as well as *Ozone Community Corp v Advance Magazine Publishers Inc [2010] 2 SLR 459*. The reason is that in those cases, the marks are simply word marks and all the words are of the same size and prominence. However, in this case, it is clear that the words “2-in-1” are in much smaller font and are placed at the bottom right hand corner of the mark and thus are clearly not given the same level of importance as the word “Activate”.

66 Last but not least, while I am mindful of the fact that the mark includes a “Play” device, however, I am of the view that it is unlikely that the consumer will ask for the product with the “Play” button as submitted by the Applicants at [40] of their submissions. In coming to this conclusion, I stress that it is not an application of the proposition that words “talk” as submitted by the Opponents at [15] of their submissions but rather as a result of the observation and thus the conclusion made above that the word “Activate” is the dominant and distinctive (even though not highly distinctive in relation to the specific range of goods as discussed above) component of the mark while the “Play” device only takes up about a third of the mark.

67 In light of the above, I am of the view that the marks are aurally similar.

Conceptual Similarity

68 The Court in *Staywell* expounded at [35] as follows:

Unlike the aural analysis, which involves the utterance of the syllables without exploring the composite meaning embodied by the words, the conceptual analysis seeks to uncover the ideas that lie behind and inform the understanding of the mark as a whole (Bently & Sherman at p 866). Greater care is therefore needed in considering what the conceptually dominant component of a composite mark is, because the idea connoted by each component might be very different from the sum of its parts.

[Emphasis as underlined mine]

T1101909H

69 In terms of conceptual similarity, “L&M”, which is the dominant and distinctive component of the mark, would be conceptually meaningless. As mentioned above, the word “activate” means “to cause something to start”. The “Play” device while it does not totally underscore the meaning of “activate”, yet it does allude to the idea of “setting something into motion” as submitted by the Opponents. In this regard, I am of the view that this scenario is unlike the situation where the “Play” device appears on its own (see trade mark registration T1219467E – the *Applicants’ Further SD*). In that particular

situation, it is possible, as submitted by the Applicants at [44], that the image of the “Play” device could possibly simply evoke the concept of a media player instead. Finally, in relation to the words “2-in-1”, I agree with the Applicants’ submissions at [43] that the phrase suggests that there are 2 ingredients in the product to which the mark is to be applied and it shifts the focus of the mark from an active to a passive idea, which is the content of the product.

70 On the other hand, it is clear that the *Opponents’ Mark* simply consists of the word “Activate” and thus it simply connotes the idea of “causing something to start”.

71 In light of all of the above, I am of the view that the marks are at most, marginally conceptually similar.

T1101910A

72 In relation to this mark, applying the analysis above, the word "activate", which is the dominant and distinctive component of the mark (even if not highly so in relation to the specific range of goods) means "to cause something to start". The “Play” device, while it does not totally underscore the meaning of “activate”, yet it does allude to the idea of “setting something into motion”. Finally in relation to the words “2-in-1”, I agree with the Applicants’ submissions at [43] that the phrase suggests that there are 2 ingredients in the product to which the mark is to be applied and it shifts the focus of the mark from an active to a passive idea, which is the content of the product.

73 In light of all of the above, I am of the view that the marks are conceptually similar to a low extent.

Conclusion on the similarity of marks

74 It is to be recalled following *Staywell* above:

[17] ... The court must ultimately conclude whether the marks, when observed in their totality, are similar rather than dissimilar...

[18] ... the criteria of visual, aural and conceptual similarities do not invite a formulaic consideration; rather, they are signposts towards answering the question of whether the marks are similar. Trade-offs can occur between the three aspects of similarity in the marks-similarity inquiry...

75 Further, the average consumer has an “imperfect recollection” and there is a need to consider the general impression that will likely be left by the essential or dominant features of the marks. However, it is also important to remember that the average consumer is one who would exercise some care and a measure of good sense in making his or her purchases, and not an unthinking person in a hurry. Specifically, in this instant case, it is relevant to take into consideration the fact that due to legislative restrictions

imposed by the law on the tobacco industry in the local context, the consumers will only be adults above the age of 18.

T1101909H

76 In light of the analysis above, I am of the view that the marks are dissimilar visually and aurally and are only marginally similar conceptually. Overall, I find that the marks are not similar.

77 As I have found that the marks are not similar, there is no need for me to delve into the other elements of Section 8(2)(b).

78 However, in the event that I am wrong, I will still proceed with the analysis of the likelihood of confusion requirement below. (I note that the Applicants do not dispute that the goods are similar).

T1101910A

79 In light of the analysis above, I am of the view that the marks are visually and aurally similar and conceptually similar to a low extent.

80 I will proceed with the analysis of the likelihood of confusion requirement. (I note that the Applicants do not dispute that the goods are similar).

Likelihood of Confusion

81 The relevant principles for the likelihood of confusion are expounded by the Court in *Staywell* at [60] (actual and notional uses), [83] and [96]:

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

[83] On the effect of the foregoing on the relevant segment of the public – extraneous factors may be considered to the extent that they inform the court as to how the similarity of marks and goods will likely affect the consumer's perception as to the source of the goods...

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

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

(b) Factors relating to the impact of goods-similarity on consumer perception: it would be legitimate to take into account factors concerning the very nature of the goods without implicating any steps that are taken by the trader to differentiate the goods. This includes the normal way in or the circumstances under which consumers would purchase goods of that type (see [20] above, *Mystery Drinks* at [48], *Lloyd Schuhfabric Meyer v Klijsen Handel BV, Case C-342/97* [1999] 2 CMLR 1343 at 1352; and *Philips-Van Heusen Corp v OHIM* [2004] ETMR 60 at [55]). This factor is not directly dependent on the marketing choices that the trader makes. As alluded to at [94] above, it would also be relevant to have regard to whether the products are expensive or inexpensive items, the nature of the goods and whether they would tend to command a greater or lesser degree of fastidiousness and attention on the part of prospective purchasers (see generally *Hai Tong* at [85(c)(i)]), and the likely characteristics of the relevant consumers and whether they would or would not tend to apply care or have specialist knowledge in making the purchase. We refer here to *In the matter of an Application by the Pianotist Company for the Registration of a Trade Mark* (1906) 23 RPC 774 (“*Pianotist*”) where it was observed that, having regard to the nature of the article in question (musical instruments), the (high) price at which it was likely to be sold, and the nature of the consumers who are likely to purchase such products (“generally persons of some education”), a man of ordinary intelligence was unlikely to be confused (at 778). The price of the type of product being sold is distinct from the issue of price disparity between the parties’ products. The former consideration directly impinges on the degree of care the consumer is likely to pay to his purchase and therefore his ability to detect subtle differences. As observed in *Reed Executive Plc v Reed Business Information Ltd* [2003] RPC 12 at [103], “a 50 pence purchase in the station kiosk will involve different considerations from a once-in-a-lifetime expenditure of 50,000 pounds”. On the other hand, superficial price disparity between the competing goods, which speak more about the trader’s marketing choices rather than differences in the nature of the goods themselves, is not a factor we find relevant to the inquiry.

[Emphasis as underlined mine].

T1101909H

82 In terms of the factors relating to the impact of marks-similarity on consumer perception, if the marks are similar, they can at most be considered to be *marginally* similar. The impression given by the marks differs. The mark applied for gives an overall impression that it is one of the family of marks under "L&M". Importantly, in relation to the reputation of the Applicants, following the Court in *Staywell* at [96a], I am of the view that the Applicants' reputation in the current case is likely to have an effect *contrary* to a likelihood of confusion, as the Applicants' "L & M" brand would be sufficiently entrenched in the mind of consumers as to dispel any real possibility of confusion with the *Opponents' Mark*.

83 In terms of the factors relating to the impact of goods-similarity on consumer perception, it is important to note that, first and foremost, the sale of tobacco products is regulated by law in Singapore. As a result, the relevant consumers in this case, due to statutory restrictions on the sale of tobacco in Singapore, are adults who are above 18 years of age ie, the relevant consumers are all adults. Importantly, I agree with the Applicants that it is a common characteristic of smokers that they recognise and purchase their preferred product by brand and they tend to stick to their preferred brand. Further, the sale of tobacco products are regulated such that tobacco products are displayed in retail outlets in a way that consumers will require the assistance of an employee of the retailer to obtain the items, usually from a display case behind the counter. Thus, the consumer would have to approach a staff to request for a particular brand of cigarettes or point to the brand which he wishes to purchase. In this regard, the visual and aural aspects of the marks are more important.

84 Before I leave this element, I am of the view that the above will apply, as appropriate, to smokers' articles. By that, I mean that I am of the view that the brand loyalty will extend to smokers' articles, such as, for example, cigarette filters and even ashtrays. In relation to the mode of retail, whether such products are placed in display window casings at specialist stores or whether they are self service items placed at the general stores, I am of the view that it is still the visual and aural aspects of the marks which are more pertinent.

85 In light of all of the above, I am of the view that there is no likelihood of confusion and thus the ground of opposition under Section 8(2)(b) therefore fails for this mark.

T1101910A

86 In terms of the factors relating to the impact of marks-similarity on consumer perception, I have already concluded that they are more similar than dissimilar in totality. The impression given by the marks is also similar, given the dominance and distinctiveness (even though not highly so for the specific range of goods discussed above) of the word "activate" in both marks. Similarly, given the imperfect recollection of the consumer, the consumers are also likely to remember both marks as the "activate" marks, again, as a result of the dominance and distinctiveness (even though not highly so for the specific range of goods discussed above) of the word "activate" in both marks. In terms of reputation, there is no reputation to speak of in this instance.

87 In terms of the factors relating to the impact of goods-similarity on consumer perception, again it is important to note that the sale of tobacco products is regulated by law in Singapore such that tobacco products are displayed in retail outlets in a way that consumers will require the assistance of an employee of the retailer to obtain the products, usually from a display case behind the counter. Thus, the consumer would have to approach a staff to request for a particular brand of cigarettes or point to the brand which he wishes to purchase. In this regard, the visual and aural aspects of the marks are more important. It is to be recalled that I have concluded above that the marks are visually and aurally similar. And I make this conclusion while being mindful of the fact that smokers tend to recognise and purchase their preferred product by brand and they tend to stick to their preferred brand. In this regard, I am of the view that there is no evidence tendered to the effect that “media navigation button devices” are exclusive to the Applicants as submitted by the Applicants at [35.2]. Further, even if they are exclusive to the Applicants, as discussed above, the way in which the “Play” device has been portrayed in the current mark is insufficient to distinguish it from the *Opponents' Mark*.

88 Finally, I am of the view that the above will apply similarly to smokers' articles. By this I mean that in relation to the mode of retail, whether such products are placed in window display casings at specialist stores or whether they are self service items placed at the general stores, I am of the view that it is still the visual and aural aspects of the marks which are pertinent and it is to be recalled that I have concluded above that the marks are visually and aurally similar.

89 The ground of opposition under Section 8(2)(b) therefore succeeds for this mark T1101910A.

Conclusion

90 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the opposition fails in relation to T1101909H but succeeds in relation to T1101910A. Accordingly, the Application Mark T1101909H shall proceed to registration, while the Application Mark T1101910A shall be refused. The Opponents are to have 50% of their costs. These are to be taxed, if not agreed.

Dated this 11th day of February 2015

Sandy Widjaja

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Group

Intellectual Property Office of Singapore