

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

Trade Mark Application No. T0722229A-02
4 March 2015

IN THE MATTER OF A TRADE MARK APPLICATION BY

CAESARSTONE SDOT YAM LTD

AND

OPPOSITION THERETO BY

CERAMICHE CAESAR S.P.A.

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

Mr Prithipal Singh (Patrick Mirandah Co. (S) Pte Ltd) for the Applicants
Mr Melvin Pang (Amica Law LLC) for the Opponents

Cur Adv Vult

GROUND OF DECISION

1 This is an opposition to the registration of the following trade mark T0722229A-02 ("Application Mark"):



in relation to the following goods in Class 19:

Non-metallic tiles, panels for floors, floor coverings, wall cladding, flooring, and ceilings; non-metallic covers for use with floors and parts thereof; non-metallic profiles and floor skirting boards; slabs and tiles formed of composite stone for building panels, counter tops, vanity tops, floors, stairs, and walls.

2 CaesarStone Sdot Yam Ltd (“the Applicants”) applied to protect the mark T0722229A (which was the original application comprising the representation above in relation to Classes 19 as well as 20, 35 and 37) in Singapore on 21 November 2007. The application was accepted and published on 9 May 2008 for opposition purposes.

3 On 4 July 2008, Ceramiche Caesar S.p.A. (“the Opponents”) filed Form TM48 to request for an extension to time to file a Notice of Opposition in relation to the advertised mark for Class 19. The Opponents informed that they had written to the Applicants to withdraw their Class 19 application. At the same time, as parties were then in negotiations over the dispute, they requested for more time to file the Notice of Opposition. On the same day, that is, 4 July 2008, the Applicants made a division application to divide out Class 19 from the original application. Subsequently, on 24 July 2008, trade mark T0722229A-01 which comprises the representation above in relation to Classes 20, 35 and 37 was registered. Thus the mark in relation to Class 19 became trade mark T0722229A-02, which is the Application Mark, above.

4 On 27 August 2008, the Opponents, filed their Notice of Opposition to oppose the registration of the Application Mark. The Applicants filed their Counter-Statement on 29 December 2008. The Opponents filed evidence in support of the opposition on 15 July 2009. The Applicants filed evidence in support of the application on 15 February 2012. The Opponents subsequently filed their evidence in reply on 14 August 2012. At the Pre-Hearing Review (PHR) on 20 September 2012, parties indicated that they were still trying to negotiate. Thus the Registrar directed that the pleadings and evidentiary issues be dealt with only if negotiations break down to save costs.

5 On 16 October 2013, the Registrar directed that the Opponents deal with the issues raised at the PHR as there was no settlement in sight. Following this, the Opponents filed the amended Notice of Opposition on 23 January 2014. The Opponents also filed a supplementary statutory declaration to rectify certain issues in the previous evidence filed at the same time. The Applicants filed their amended Counter-Statement on 20 March 2014. Concurrently, the Applicants also sought leave to file further evidence, which was subsequently filed on 6 June 2014, following which the Opponents also filed further evidence in reply on 6 November 2014. On 6 January 2015, the Opponents filed a supplementary statutory declaration to rectify an exhibit which forms part of their further

evidence in reply filed on 6 November 2014. The matter was set down for hearing on 30 January 2015. However, due to parties' various schedules, the matter was only finally heard on 4 March 2015.

Grounds of Opposition

6 The Opponents originally relied on several grounds, including Sections 7(1)(a), 7(1)(b), 8(2), 8(4), 8(5) and 7(6). However, following the amended Notice of Opposition, the Opponents limited the grounds of opposition to Sections 8(2)(b), 8(4) and 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act").

Opponents' Evidence

- 7 The Opponents' evidence comprises of the following statutory declarations¹:
- (i) Statutory Declaration by Luigi Annovi, Vice President with the Opponents, dated 23 June 2009 ("the Opponents' 1st Evidence");
 - (ii) Statutory Declaration by Adolfo Tancredi, Managing Director with the Opponents, dated 25 July 2012 ("the Opponents' 2nd Evidence");
 - (iii) Statutory Declaration by Adolfo Tancredi dated 22 October 2014 ("the Opponents' 3rd Evidence"); and
 - (iv) Statutory Declaration by Adolfo Tancredi dated 11 December 2014 ("the Opponents' 4th Evidence").

Applicants' Evidence

- 8 The Applicants' evidence comprises of the following statutory declarations:
- (i) Statutory Declaration by Eli Feiglin, Vice President for Marketing with the Applicants, dated 8 February 2012 ("the Applicants' 1st Evidence"); and
 - (ii) Statutory Declaration by Eli Feiglin dated 27 May 2014 ("the Applicants' 2nd Evidence").

Applicable Law and Burden of Proof

9 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.

¹ The Opponents have also filed a supplementary statutory declaration dated 23 December 2013 on 23 January 2014. As this evidence was made to address technical issues in relation to the previous evidence filede, it is not listed in the main list of evidence filed by the Opponents above.

Preliminary Issue

10 The Applicants raised a preliminary issue that the Opponents' 3rd Evidence is not strictly in reply to the Applicants' 2nd Evidence. The Applicants submitted, in support of their contention, that paragraph 4 of the Opponents' 3rd Evidence expressly indicated that the deponent had read both the Applicants' 1st Evidence and the Applicants' 2nd Evidence and that he is making the statutory declaration in reply to the matters stated therein. In other words, he is also replying to the Applicants' 1st Evidence.

11 Despite the above, there is still a need to look into the substance of the Opponents' 3rd Evidence to determine if it is really not strictly in reply to the Applicants' 2nd Evidence.

12 In this regard, I refer to the Opponents' reply submissions that were tendered at the hearing on 4 March 2015 at the last row of paragraph 9.

13 The Opponents submitted that in the Applicants' 2nd Evidence, the Applicants, amongst other things, sought to adduce evidence to support their contention that the relevant consumer would recognise the Application Mark to be separate and distinct from the Opponents' mark (T0609976C – which is the Opponents' earlier mark – see below). The Opponents submitted that the evidence tendered via the Opponents' 3rd Evidence was to negate the said claim. This was done by providing evidence of the reputation of the Opponents since a high reputation would increase the likelihood of confusion and thus negate the Applicants' claim that the relevant consumer would recognise the Application Mark to be separate and distinct from the Opponents' mark.

14 I would only add that the context of the contentions of both parties above is Singapore, that is, the Applicants sought to adduce evidence to support their contention that the relevant consumer would recognise the Application Mark to be separate and distinct from the Opponents' mark *in Singapore* and the Opponents sought to negate the said claim by providing evidence of the reputation of the Opponents *in Singapore* since a high reputation would increase the likelihood of confusion and thus negate the Applicants' claim (see paragraph 15 of the Applicants' 2nd Evidence).

15 I am of the view that the Opponents' 3rd Evidence is made in response to the Applicants' 2nd Evidence and thus will be accepted. However, for the avoidance of doubt, by making this preliminary decision, I am not saying that I am accepting the proposition made by the Opponents (as set out in the preceding paragraph) that they are attempting to support via the Opponents' 3rd Evidence. That will be subject to further analysis below.

Background

16 The Opponents deposed, at paragraph 3 of the Opponents' 1st Evidence, that they are an international manufacturer of porcelain stoneware tiles for indoor and outdoor use,

both for flooring and cladding installations with more than 20 years of corporate history. The Opponents are located in Italy and have branches in France and the United States. The Opponents market their range of porcelain stoneware tiles in many countries including Singapore.

17 The Opponents relied on the following earlier mark (T0609976C) (“the Opponents’ Earlier Mark”):

S/N	Opponents’ Earlier Mark	Class 19
1		<i>Non-metallic building materials, especially tiles for covering, floor coverings, tiles for gutters, cove moldings, corner beads not of metal, protruding wedges, stilted modular floors, special parts for finishing, stair treads.</i>

18 On the other hand, the Applicants are an Israeli company that was founded in 1987. The Applicants are a worldwide manufacturer of engineered quartz and stone surface products for various applications including kitchen and bathroom countertops, back splash surfaces for the kitchen, wall claddings and floor tiles for kitchens, bathrooms etc. The "Caesarstone" slabs are used in a variety of residential and non residential applications (see paragraphs 3 and 5 of the Applicants’ 1st Evidence).

MAIN DECISION

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

19 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; or

(b) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was a well known trade mark,

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

“well known trade mark” means —

(a) any registered trade mark that is well known in Singapore; or

(b) any unregistered trade mark that is well known in Singapore and that belongs to a person who —

(i) is a national of a Convention country; or

(ii) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in Singapore;

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

20 The leading authority in relation to this section is the Court of Appeal's recent decision in *Staywell Hospitality Group v Starwood Hotels & Resorts Worldwide* [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. The Court of Appeal stated 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

21 In relation to similarity of marks, the Court has 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.]

22 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 FWoolworth & Co Ld (1941) 58 RPC 147 (“June Perfect”) at 161–162).

[Emphasis as underlined mine].

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

Application Mark	Opponents' Earlier Mark
	
T0722229A-02	T0609976C

24 Both marks can be considered to be composite marks, in that the Application Mark consists of a device as well as the words "caesarstone" while the Opponents' Earlier Mark consists of the word "Caesar" encased within two dots with the letters "A" and "E" being ligated. I note however, that the two dots and the ligature in relation to the Opponents' Earlier Mark are rather subtle in nature.

25 It is clear that both marks share the common element "Caesar". However, just because there is a shared element between the marks, it does not necessarily mean that the marks are similar.

26 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. In this regard, I note that the Assistant Registrar in *Taylor's Wines Pty Ltd v Taylor, Fladgate & Yeatman Limited* [2014] SGIPOS 11 ("*Taylor's*") at [47] has taken the same approach:

[47] The distinctiveness of a trade mark is a factor integrated into the visual, aural and conceptual analysis as to whether the competing marks are similar, and not a separate step within the marks-similarity inquiry: *Staywell* at [30], affirming *Sarika (CA)* at [20]. However, in *Hai Tong* at [26] the court added that "for the

purpose of elucidating the analytical process, we have highlighted it [the distinctiveness inquiry] here as a separate step".

Distinctiveness

27 The Opponents deposed that the first sale of goods in Singapore under the Opponents' Earlier Mark was 23 January 1989 (paragraph 9 of the Opponents' 1st Evidence). In particular, the Opponents provided the sales figures in Singapore as follows (paragraph 10 of the Opponents' 1st Evidence):

<i>Year</i>	<i>Amount (SGD)</i>
2002	3,390,094
2003	1,874, 266
2004	935,055
2005	1,433,751
2006	203,634
2007 ²	577, 656

28 The Opponents deposed, at paragraph 9 of the Opponents' 1st Evidence, that they were not able to retrieve invoices for sales and shipment to Singapore made in the 1990's. The Opponents tendered, via Exhibit 5 of the Opponents' 1st Evidence, a few invoices for the period 2002 – 2008. The Opponents deposed, at paragraph 11 of the Opponents' 1st Evidence, that the shipments relating to the invoices at Exhibit [5] were made to the following parties:

- (i) Jerevin Industrial Pte Ltd;
- (ii) Contech Trading Pte Ltd;
- (iii) Hup Kiong Pte Ltd;
- (iv) Ong Brothers Tiling and Construction Pte Ltd;
- (v) Kian Wah Hung Pte Ltd;
- (vi) San Ware Pte Ltd;
- (vii) Builders Shop Pte Ltd;
- (viii) Bee Tack and General Constructors;
- (ix) Lane Gabry Enterprise Pte Ltd; and
- (x) Earth Arts Pte Ltd.

The Opponents also tendered, via Exhibit 6 of the the Opponents' 1st Evidence, a list which includes clients in Singapore not reflected in the invoices above (paragraph 11 of the Opponents' 1st Evidence).

29 The Opponents sought to tender promotional figures worldwide at paragraph 14 of the Opponents' 1st Evidence (read with paragraph 13 of the same evidence). However, it is unclear as to the extent to which these figures relate to Singapore. However, as alluded

² It is noted that the relevant date i.e. the date of application of the Application Mark is 21 November 2007. Thus the figures for 2008 are not included in the table.

to above, the Opponents sought to tender a list of clients in Singapore via paragraph 11 of the Opponents' 1st Evidence as well as Exhibit 6 of the Opponents' 1st Evidence. Further, the Opponents deposed, at paragraph 12 of the Opponents' 1st Evidence, that some of their clients in Singapore have themselves been promoting the Opponents' products (see Exhibits 7 and 8 of the Opponents' 1st Evidence).

30 However, the evidence tendered above is plagued with problems. The Applicants argued as follows (at page 19 of their written submissions) in relation to the evidence tendered:

- (i) The invoices tendered (Exhibit 5 of the Opponents' 1st Evidence) do not reflect use of the Application Mark but rather "Ceramiche Caesar" as shown below:



- (ii) Exhibit 6 of the Opponents' 1st Evidence merely provided a bare list of supposed clients in Singapore but no evidence has been evinced to support any sale of goods under the Opponents' Earlier Mark in Singapore;
- (iii) No probative value can be apportioned to the contents of Exhibits 7 and 8 of the Opponents' 1st Evidence as the "source of these documents has not been provided and the contents cannot be verified".

I would add that for item (iii) the "clients" of the Opponents as reflected in these two exhibits are not reflected anywhere, whether at paragraph 11 of the Opponents' 1st Evidence or at Exhibit 6 of the Opponents' 1st Evidence.

31 In addition, it is noted that the marketing materials tendered by the Opponents, namely at Exhibit 10 of the Opponents' 1st Evidence and Exhibit 20 of the Opponents' 4th Evidence do *not* reflect use of the Opponents' Earlier Mark, but either "Ceramiche Caesar" as depicted above or "Ceramiche Caesar La Cultura Della Materia" as follows:



32 In light of the above, the items alluded to above i.e. the invoices at Exhibit 5 of the Opponents' 1st Evidence as well as the marketing materials at Exhibit 10 of the Opponents' 1st Evidence and Exhibit 20 of the Opponents' 4th Evidence taken in totality do not show use of the Opponents' Earlier Mark *per se*. As a result, the figures above are *not* meaningful as it is unclear if they reflect sales / promotion of products bearing the Opponents' Earlier Mark *per se*. However, I do note, having regard to the two images above, that the dominant component of the two images remain as "Caesar" and in that

regard, I will accord *some* weight to the evidence tendered in relation to *de facto* distinctiveness.

33 In response, the Opponents countered as follows:

- (i) "Ceramiche" means "ceramics" (Exhibit 18 of the Opponents' 3rd Evidence) and that "Ceramiche" is commonly used in the building industry (Exhibit 19 of the Opponents' 3rd Evidence); and
- (ii) That they rely on and emphasize the *inherent distinctiveness* of the Opponents' Earlier Mark.

34 In relation to Exhibit 18 of the Opponents' 3rd Evidence, the Applicants countered, at page 20 of their written submissions, that the source of the websites/dictionaries are not specified and cannot be verified such that no probative value should be accorded to the same. However, I note that, in any event, this particular argument is rendered superfluous in light of the Opponents' submission that they rely on and emphasize the inherent distinctiveness of the Opponents' Earlier Mark.

35 In the recent High Court decision of *Han's (F & B) Pte Ltd v Gusttino World Pte Ltd* [2015] SGHC 39 ("*Hans*"), Judicial Commissioner Wei made the following useful comments in relation to the issue of distinctiveness. Although the comments were made in the context of a declaration of invalidity (Section 23 read with Section 7(1)(b)), they are pertinent nonetheless. The comments are as follows at [61] to [63]:

[61] Returning to the meaning of distinctiveness, the trade mark must necessarily, either inherently or as a result of use, perform the most basic function of distinguishing the goods of the trader from those of his competitors in the marketplace. Some trade marks carry a high level of "inherent distinctiveness" in the sense that these marks will be understood by the public as bearing a trade mark meaning, even if they have not yet been used or promoted to the public. Invented words are classic examples of such trade marks. Take, for example, a manufacturer of sailing boats who decides to market the boats under a new trade mark which he has invented. The mark is "ADOGSTY". It has no meaning at all. Such an invented word mark has a high level of inherent distinctiveness and ability to serve as a trade mark. After all, what else could the word "ADOGSTY" mean when used in relation to the sailing boats?

[62] Another example is a manufacturer who decides to use the mark "*Slow Coach*" for a range of running shoes that he is about to launch. Even though the words and phrase are not newly coined, the meaning has little bearing on the product to which it is to be applied. Nonsensical phrases may also bear a relatively high level of inherent distinctiveness in the sense that, even without extended advertising or marketing, consumers are likely to view the phrase as a trade mark. Even if there is a possibility that some persons may view the nonsensical phrase as part of the product design such as a visual

embellishment or decoration, it may not take much use and marketing to develop the trade mark message. Much of course will depend on how the nonsensical phrase is used on or in relation to the product.

[63] Other marks, on the other hand, while possessing the capability to distinguish goods or services in the course of trade, may have low levels of inherent distinctiveness. Often this will be because the mark includes a word or symbol or device that is at least partially descriptive of the goods or service. Alternatively, it may be that the word chosen has a laudatory meaning or some meaning that captures a mood or image of some relevance to the product or

service in question. The phrase “Twinkling Star”, for example, when used as a trade mark for diamond wedding rings, arguably possesses a low level of inherent distinctiveness, since it captures the idea of the sparkle of the gemstone. In other cases, it may be because a word with some desirable descriptive meaning is deliberately misspelt. Consider, for example

“Jay Ski” for ice-cream. Where a desirable descriptive word or phrase is misspelt, it is still possible, depending on the facts, that an obvious misspelling will not even avoid a conclusion that the sign lacks the basic capability to distinguish.

[Emphasis as underlined mine]

36 In the current case, the main component of the Opponents' Earlier Mark, “Caesar”, is not an invented word. According to the Applicants, they included “Caesar” in the Application Mark (Applicants' 1st Evidence at paragraph 3) to reflect their roots, being physically located near the Roman city of Caesarea. Neither party furnished evidence as to the meaning/derivation of the word “Caesar”. Nevertheless, the Opponents *submitted* that “Caesar” could be perceived as referring to the geographical location of Caesarea or to the historical title given to Roman emperors (paragraph 32 of the Opponents' written submissions). On the other hand, the Applicants *submitted* that the Opponents' Earlier Mark evokes [the idea of] the Roman General and Statesman, Gaius Julius Caesar (paragraph 4.09.03 of the Applicants' written submissions). One possible reason why neither party furnished evidence in relation to this is that “Caesar” is commonly understood to refer to the famous Roman General, Julius Caesar, who was also the subject of a well-known play by William Shakespeare as well as being a title of the Roman Emperors (see Dictionary.com). In future cases, where a mark (or a component thereof) is not an English word, it would, however, be preferable if parties could furnish evidence of the meaning and/or derivation which they are relying on.

37 It is apparent that even though the word “Caesar” is not an invented word it does not have direct reference to the goods. Thus I am of the view that the Opponents' Earlier Mark can be considered to be of “medium” level of *inherent* distinctiveness. At this stage, I also note that the Opponents' Earlier Mark consists of the word “Caesar” in a particular font encased between two dots and that there is a ligature between the letters

“A” and “E”. However, as alluded to above, these are rather subtle in nature relative to the word “Caesar”.

38 The Applicants relied in particular on the case of *Taylor's* to submit that “Caesar” is not particularly distinctive (paragraph 4.07.06 of their written submissions). In this regard, following *Taylor's*, the Applicants have sought to submit that “Caesar” is being used by various live trading entities and in support they relied on an Accounting and Corporate Regulatory Authority (“ACRA”) search report. The Applicants conceded that the search report has not been tendered as evidence. Nevertheless, they contended that such information is in the public domain. In relation to this, as submitted by the Opponents, I am of the view that the case of *Taylor's* can be distinguished on the basis that the marks in *Taylor's* relate to Class 33 goods and that there is a common tendency to use personal names within the wine industry.

39 In the event that I am wrong, I will proceed to analyse the submission of the Applicants that “Caesar” is used commonly among trading entities.

40 First of all, even if I take judicial notice of the ACRA search results tendered by the Applicants over the bench, it is clear that there are only 15 *live* entities. This is in contrast to the Applicants' submission at [4.07.09(a)] that there are “at least 45 different Singapore corporate entities whose names contain the common denominator “Caesar”.” The rest of the businesses are terminated, struck off or cancelled, as the case may be.

41 Importantly, even if I were to accept the proposition (following *Taylor's* at [54]) that “Caesar” is “a personal name *not uncommonly* used in Singapore” such that “there is no reason that it should be granted any additional layer of protection that is usually reserved for marks which are inventive words which are technically distinctive,” I note that the Assistant Registrar in *Taylor's* concluded at the end of [54] that “I would not, however, say that the Opponents' Mark is *so common* that the Applicants are entitled to cross a *lower* level of alteration to show that it is dissimilar to the Opponents' Mark.” In this regard, I disagree with the Applicants' submission at [4.07.09(d)] that “the Opponents' mark tends towards a low level of distinctiveness”.

42 To paraphrase the Court's guidance at *Staywell* above at [25], “a mark which has *greater technical distinctiveness* enjoys a *high threshold* before a competing sign will be considered dissimilar to it” this means that a mark which has a *normal* level of technical distinctiveness will only correspondingly enjoy a *normal* threshold before a competing sign will be considered dissimilar to it.

43 I have already alluded at [36] and [37] above that I am of the view that the Opponents' Earlier Mark, consisting of the main element “Caesar”, being a non-invented word which has no direct reference to the goods, can be considered to be of a *medium* level of *inherent* distinctiveness. I have also concluded above that I will accord *some* weight to the evidence tendered in relation to *de facto* distinctiveness. Thus taking all of the above factors into account, at this juncture, I am of the view that Opponents' Earlier Mark is, at the very least, of a *medium* level of distinctiveness.

Visual Similarity

44 In terms of visual similarity, I am of the view that there is visual similarity in this case.

45 I agree with the Opponents at paragraph 16 of their written submissions that in cases where there is a common denominator, it is important to look at the differences between the marks to decide whether the challenged mark is able to distinguish itself sufficiently. However, this being the principle, I am of the view that the case referred to by the Applicants, namely *Ferrero SpA. v OHIM Case – 522/09 (March 2011)*, does not assist in the instant case as it is clear that the earlier mark in that case is a word mark while the later trade mark is a rather highly figurative composite mark as follows:

earlier trade mark	later trade mark
KINDER	

46 In the current case, it is clear from the table above at [23], that aside from the common element “Caesar”, the Application Mark also includes a device and the word “Stone”. The Applicants submitted that the device has been registered on its own (Applicants' submissions at 4.07.03).

47 I agree with the Applicants that the device is rather fancy and quite possibly can be regarded as distinctive on its own. In this regard, I do not agree with the Opponents’ arguments (at paragraph 18 of their written submissions) that the device is merely a figurative element. I am of the view that the case of *Scandic Distilleries SA v OHIM Case – T460/11* is not helpful in this regard as it is quite clear that in that case, the application mark is a highly figurative mark while the opponents' mark is simply a word mark as follows:

application mark	opponents' mark
	Bürgerbräu

However, there is a need to look at the device in the context of the Application Mark. It is clear that the device, while distinctive, only constitutes a small part of the Application Mark, when the Application Mark is viewed as a whole.

48 In relation to the word “Stone”, the Opponents argued (at paragraph 33 of their written submissions, albeit in relation to the issue of conceptual similarity) that it is an unimaginative reference to the goods in question. In the current case, the relevant class

in question is Class 19 of the Nice Classification. The World Intellectual Property Office ("**WIPO**") Nice Classification website provided the following information in relation to Class 19:

Class 19

Non-metallic building materials comprise most of the items in Class 19. Building materials made of metal are in Class 6. Anything that constitutes a structure and is not made primarily of metal, from bicycle parking installations to entire buildings, is in Class 19. Also, some specialized building materials are in Class 19 when they might otherwise be classified in another class. One such item is bituminous coatings which could be in Class 2 since it is a coating but is classified in Class 19 because it is a specialized building product. Complete homes that are built entirely in a factory and then transported and installed on-site are in Class 19 if they are composed primarily of non-metal components, and in Class 6 if they are primarily made of metal.

...

Class 19 includes materials such as stone, cement and marble. It also includes certain finished goods that are classified according to material composition. In the Nice Classification, finished goods are in principle classified according to function or purpose. Goods that cannot be classified in this way are classified according to other criteria, like the material of which they are made (see General Remark a. for Goods). Sculptures, busts, figurines and other artistic objects made of stone, marble or other Class 19 materials are thus in Class 19 since there is no specific class in the Nice Classification for three-dimensional objects of art.

49 In light of the above, I agree with the Opponents that the word “stone” would appear to be descriptive of the type of goods concerned and thus cannot be considered to be the distinctive component of the Application Mark. In relation to this element of the Application Mark, I am of the view that the case of *El Corte Ingles v OHIM – Gonzalez Calbello and Iberia Lineas Aereas de Espana (MUNDICOR)* (“*El Corte*”) does not assist. In that case, the application mark being “MUNDICOR” and the opponents’ mark being “MUNDICOLOR”, the main difference being the letters “LO” (as underlined) are clearly very different from the current case at hand. In particular, in *El Corte*, the two marks end with an identical letter “r”.

50 Thus, the word “stone” and the device which only constitutes a small part of the Application Mark, taken together, would not be sufficient to render the marks dissimilar. I make this conclusion, even though I take into account the fact that, in this particular instance, the word “stone” is such that it forms part of a word rather than being a separate word on its own.

51 In light of the above observations, I am of the view that the two marks are somewhat visually similar.

Aural Similarity

52 With regard to aural similarity, I note the Court in *Staywell* stated at [31] and [32] that there are two approaches. One approach is to consider the dominant component of the mark and the other is to undertake a quantitative assessment as to whether the competing marks have more syllables in common than not. The High Court in *Hans* has provided further clarification with regard to the application of the above principle in relation to composite marks:

[137] In my view, there is phonetic similarity between the HAN sign and the Han's trade marks. *The main phonetic component of the HAN sign is "HAN". "Cuisine of Naniwa" is subsidiary.* It is doubtful that the average consumer would make constant reference to the seven-syllable "HAN Cuisine of Naniwa" phrase every time he refers to it. "HAN" and "Han's" are both single-syllable words which share similar pronunciations. Adequate allowance must be made for imperfect recollection and careless pronunciation and speech: *Future Enterprises Pte Ltd v McDonald's Corp* [2006] 4 SLR(R) 629 at [12]. The slightest mispronunciation would result in complete identity. There is, therefore, phonetic similarity between the HAN sign and the Han's trade marks.

[Emphasis mine]

53 In the current case, the Opponents' Earlier Mark consists of two syllables ie "Cae-sar" while the Application Mark consists of three syllables ie "Cae-sar-stone". I agree with the Opponents that the attention of the consumers will be directed at the *first* two syllables of the marks ie "Cae-sar" since this is also the dominant component of the marks.

54 In light of the above, I am of the view that there is some aural similarity between the marks.

Conceptual Similarity

55 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]

56 It is clear that the Opponents' Earlier Mark, comprising of the sole word "Caesar" being commonly understood to refer to the Roman General, "Gaius Julius Caesar", may convey the idea of supremacy, power and authority.

57 On the other hand, the Application Mark consists of the device, the word "Caesar" as well as the word "Stone". The device does not convey any particular idea. As discussed above, the word "Caesar" being commonly understood to refer to the Roman General, "Gaius Julius Caesar" may convey the idea of supremacy, power and authority. However, the addition of the word "stone" would colour the Application Mark to the effect of referring to the style of masonry during the reign of Gaius Julius Caesar.

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

Conclusion on the similarity of marks

59 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...

60 In light of the analysis above, I am of the view that the marks are somewhat similar visually and aurally but only conceptually similar to a low extent. Therefore, on the whole, I am of the view that the marks are more similar than dissimilar in totality.

Similarity of Goods

61 The Applicants sought to argue, at paragraph 4.11 of their written submissions, that the goods are different. However, at the oral hearing, the Applicants conceded that there is similarity between the goods, at least in relation to tiles.

62 For the avoidance of doubt, I am of the view that this element has been made out for the reasons set out below.

63 In relation to this limb, the Court in *Staywell* provided the following principles at [43]:

[43]...the real question is whether Staywell's services that were sought to be registered under Class 35 are similar to the Opponents' services under Class 43, having regard to all relevant factors relating to the services themselves. Some of the factors set out in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 ("British Sugar") at 296 would be relevant at the goods-similarity stage of the inquiry, in particular the consideration of the uses and the end-users of the

services. The question is how the services are regarded, as a practical matter, for the purposes of trade...

[Emphasis as underlined mine]

64 The factors set out in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”), as submitted by the Applicants, are as follows:

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, whether in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) the extent to which the respective goods or services are competitive.

65 For ease of reference, the goods for the marks are as follows:

Opponents’ Earlier Mark	Application Mark
Class 19	Class 19
<i>Non-metallic building materials, especially tiles for covering, floor coverings, tiles for gutters, cove moldings, corner beads not of metal, protruding wedges, stilted modular floors, special parts for finishing, stair treads.</i>	<i>Non-metallic tiles, panels for floors, floor coverings, wall cladding, flooring, and ceilings; non-metallic covers for use with floors and parts thereof; non-metallic profiles and floor skirting boards; slabs and tiles formed of composite stone for building panels, counter tops, vanity tops, floors, stairs, and walls.</i>

66 It is quite clear from the above that there is an overlap between the goods of the respective marks. Therefore there is similarity with respect to the goods. It is clear that there is an overlap in the uses, users and physical nature of the goods. They are also competitive.

Likelihood of confusion

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

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

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

[Emphasis as underlined mine]

(i) Notional Fair Use

68 Further, the Court of Appeal in *Staywell* clarified the approach to determining likelihood of confusion at [60]:

[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...

[Emphasis as underlined mine]

(i) Extraneous Factors

69 In *Staywell*, the Court of Appeal also affirmed the relevance (or otherwise) of extraneous factors as follows:

[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. This however, is subject to some important qualifications which we will now elaborate upon.

[84] ...in opposition proceedings, it will generally not be relevant to consider extraneous factors that relate to the actual and particular circumstances and ways in which the mark was used on the goods in question. While it will be necessary to consider the notional or fair uses to which each of the marks could be put, for instance in terms of what types of goods or services are within the contemplated uses for which the mark has been registered, it will not be relevant to have regard to the particular way in which the goods or services have been affixed with the mark and are then being marketed.

...

[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].

70 In terms of the factors relating to the impact of marks-similarity on consumer perception, I have already concluded above that the marks are visually and aurally similar but only conceptually similar to a low extent. In relation to this, as will come to light later, I am of the view that it is the visual aspect of the marks that is more important.

71 In relation to the reputation of the marks, I have already alluded to above that for the Opponents’ Earlier Mark, the evidence tendered in relation to sales and promotion in the local context is problematic and thus not much weight can be accorded to the same. In fact, as discussed above, the Opponents resorted to relying on the inherent distinctiveness of the Opponents’ Earlier Mark.

72 In relation to the reputation of the Application Mark, it is noted as follows.

73 In terms of sales figures in Singapore, the figures are as follows at paragraph 14 of the Applicants’ 1st Evidence and paragraph 13 of the Applicants’ 2nd Evidence:

Year	Sales Figures
2007 ³	362,000 (SGD)
2008	Above 600,000 (USD) / 2,000,000 (SGD)
2009	Above 600,000 (USD) / 2,300,000 (SGD)
2010	Above 1,000,000 (USD) / 3,700, 000 (SGD)
2011	4,900,000 (SGD)
2012 (till August)	1,600,000 (SGD)

74 In terms of the promotional figures in Singapore, the figures are as follows at paragraph 16 of the Applicants’ 1st Evidence and paragraph 9 of the Applicants’ 2nd Evidence:

³ The relevant date ie the date of application of the Application Mark is 21 November 2007.

Year	Promotional Figures
2009	Above 20,000 (USD) / 79, 300 (SGD)
2010	Above 55,000 (USD) / above 69,000 (SGD)
2011	197,920 (SGD)
2012	398,300 (SGD)
2013	544, 050 (SGD)

75 First and foremost, critically, it is clear that *all* the above figures, *both* for sales and promotion, are *after* the relevant date of 21 November 2007 (except for the sales figures for 2007). Under the legislation, as at the point of application for the registration of a trade mark, it is acceptable to have an intention to use the mark. It is not a pre-requisite for an applicant to have already been using the trade mark before embarking on the registration process. However, the point is that if the mark is used only after the relevant date in the local context, then there is no reputation in this regard when considering the likelihood of confusion since the relevant date for the purposes of analysis is 21 November 2007.

76 The Applicants also sought to support the above figures with samples of Packing Lists, Invoices and Bills of Lading at paragraph 27 and Exhibit H of the Applicants' 1st Evidence as well as random invoices for sale in Singapore at paragraph 14 and Exhibit N of the Applicants' 2nd Evidence. In addition to the issue of the relevant date, these documents do not demonstrate sales of goods bearing the Application Mark (paragraph 48 of the Opponents' written submissions with regard to Exhibit N).

77 The Applicants additionally sought to tender random receipts for promotional expenditure, at paragraph 10 and via Exhibit K of the Applicants' 2nd Evidence, to bolster the figures above. Similarly, in addition to the issue of the relevant date, the receipts do not show the advertising services acquired were for the Application Mark (paragraph 49 of the Opponents' written submissions).

78 The Applicants also tendered evidence in relation to marketing materials in the local context via Exhibits L and M of the Applicants' 2nd Evidence (see paragraphs 11 and 12 of the Applicants' 2nd Evidence). Apart from the issue of the relevant date, I note that it would appear that the marketing materials mainly relates to Class 20 goods. For Exhibit M, pages 94 – 97 all relate to kitchen work tops. Others include pages 106, 107 and 111 of Exhibit M. For Exhibit L, see for example pages 70, 86, 87 and 89.

79 There are also “examples of global advertising and marketing efforts” (see Exhibit D of the Applicants' 1st Evidence). In relation to this, firstly, it clearly does not relate to Singapore. Secondly, it would appear that the marketing materials do not show use of the Application Mark *per se* but rather, they show use of variants of the Application Mark (paragraph 50 of the Opponents' written submissions). For example, at pages 152, 161 and 255, the mark which is portrayed shows a device of a Roman Column with the words "Caesarstone" (rather than the device which is incorporated into the Application Mark).

This same version is again seen at page 286. In fact, at pages 38 – 47, there are instructions as to how the mark is to be replicated and the mark consists of the word "Caesarstone" and the device of the Roman Column, rather than the device which is incorporated into the Application Mark. At page 162, the Roman column is displayed above the words "CaesarStone".

80 Last but not least, there is also evidence of trade shows at paragraph 19 and Exhibit E of the Applicants' 1st Evidence. However, it is noted that none of these exhibitions were conducted in Singapore and it is unclear if the exhibits relate to Class 19 goods.

81 In short, I am of the view that the Applicants have not shown that there is reputation for the Application Mark.

82 In relation to the impression of the marks and the possibility of imperfect recollection, the Opponents have tendered evidence via paragraph 6 and Exhibit 12 of the Opponents' 2nd Evidence to show that the word "Caesar" is only used by the Opponents and the Applicants while "stone" is commonly used for goods in Class 19.

83 For the trade mark search on the key word "Caesar", out of the first 25 results, there are only three hits which contain the word "Caesar", two of which belong to the Applicants, one which belongs to the Opponents. The Applicants countered that there are another two hits which are rather similar and which should be included for consideration as they both contain the word "Cesar" ie "Caesar" without the "e". Even if this is taken into account, it will still amount to five hits out of 25 results, and these five hits belong to a total of three entities. In contrast, Exhibit 12 shows that out of the first 25 hits using the key word "stone" for Class 19, all the first 25 results contain the word "stone". For the next 25 results, there are about 12 hits which contain the word "stone".

84 The significance of the above evidence is this: for marks registered in Class 19, the word "stone" is commonly used while the word "Caesar" (in this exact spelling) is only used by the Opponents and the Applicants. I note that the word "stone" is common whether it is reflected as a separate word (for example see T0314795C for "CraftStone") or as part of a word (see for example T9909619J for "ALLIEDSTONE"). The reason for this common usage is that Class 19 relates to building materials in general, including building materials made of stone as alluded to above. As a result of this, it would not be unreasonable to project that consumers, being accustomed to seeing the word "stone" for marks on Class 19 goods, would naturally turn to other more distinctive elements of the marks. In the current case, it is the word "Caesar". The fact that there are only at most five hits, and even then two of which are merely variants of the word "Caesar" (ie "Cesar" or "Caesar" without the "e") buttress the Opponents' argument that "Caesar" would be seen as the dominant and distinctive component of the Application Mark. In this regard, I am mindful that there is also the device within the Application Mark. But as alluded to above, while the device can be considered to be distinctive, it only constitutes a small portion of the Application Mark.

85 In light of the above, the effect of the similarity on the would-be consumer would be that they would focus on the “Caesar” component of the Application Mark. Their impression of the marks, both of the Opponents’ Earlier Mark and the Application Mark would be that they are both “Caesar” marks. This is all the more so taking into account the imperfect recollection of the marks.

86 In this regard, the Applicants sought to tender evidence, via paragraphs 5 – 7 and Exhibits I and J of the Applicants’ 2nd Evidence, to show recognition of “Caesarstone” as a brand name for surfaces. My comments in relation to the two exhibits are as follows:

- (i) Both Exhibits, which essentially consists of forums relating to renovation, are subject to the objection of the hearsay rule. Even if it can be said that the Exhibits can be used to show that the fact that certain statements were made rather than the truth of the statements made, they are subject to the issues as follows.
- (ii) For Exhibit I, it consists of various forums across different websites, for example, "ths.gardenweb.com" (pages 8 – 13 of the said evidence) and "houzz.com" (pages 14 - 23 of the said evidence) and "ehow.com" (pages 31 – 34). Firstly, following paragraph 5 of the Applicants’ 2nd Evidence, it is noted that these are print outs from websites and forums worldwide which feature comments from the general public worldwide. Thus it is unclear as to the extent to which the responses of the local target audience are captured in the said evidence. Importantly, it is noted that these websites are either dated *after* the relevant date of 21 November 2007, or are *undated*. For example, the webpages at pages 8 – 13 of the said evidence, which relate to the website "ths.gardenweb.com" are dated September 2012. The webpages at pages 14 – 23, which relate to the website "houzz.com" are undated. Finally for the pages at 31 – 34, which relate to the website "ehow.com" the only dates which could be identified are at page 33 which reflect the year 2012.
- (iii) For Exhibit J, the Applicants deposed that it consists of printouts from local internet forums targeted at local architects / interior designers / homeowners. However, it is noted they are also dated *after* the relevant date of 21 November 2007: see for example pages 37 to 45 of the said evidence, which is a string of conversations. This string is dated for the period 2008 – 2012. For the other string of conversations at pages 46 – 56 of the said evidence, they are all dated in the year 2012.

In short, it would appear that even if the Applicants have any reputation in the local context, in the sense that there is recognition of “Caesarstone” as a brand name, firstly, it only occurred *after* the relevant date of 21 November 2007, and secondly it mainly relates to Class 20 goods.

87 For the factors relating to the impact of goods-similarity on consumer perception, the Applicants have argued, at paragraph 4.12.06(b) of the Applicants' written

submissions, that the primary target audience would be professionals such as architects and designers. The Applicants argued that even if the target audience are ordinary members of the public it is likely that much time, thought and care would be incurred such that it is unlikely that they will be confused. The Applicants also deposed, at paragraph 7 of the Applicants' 1st Evidence, that the goods in question are costly construction / renovation materials and that the purchasing process is a deliberate and consultative one. They are not off the shelf purchases.

88 The Applicants also commented on several considerations with regard to the issue of confusion at paragraph 4.12.06(c) of their written submissions, some of which have been dealt with above (for example, the fact that the invoices submitted via Exhibit 5 of the Opponents' 1st Evidence do not reflect use of the Application Mark *per se*). In addition to those issues, the Applicants contended in particular, that:

- (i) Parties have co-existed in the United States and there has been no actual instance of confusion;
- (ii) There is no survey evidence tendered and this suggests that the Opponents are aware that the results of a market survey would have indicated that there is no likelihood of confusion;
- (iii) Exhibit 13 of the Opponents' 2nd Evidence, which includes websites showing laypersons referring to the Application Mark as "Caesar Stone" ie, as two separate words, tendered by the Opponents to show confusion, is inadmissible due to the hearsay rule.

89 My comments in relation to the above are as follows:

- (i) The co-existence in the United States (in Class 19) is of little weight as there may be circumstances which do not apply in the local context. In any case, such circumstances have not been elaborated in this instance.
- (ii) There is no need for actual confusion to be shown before this limb can be shown to have been made out. In this regard, I agree with the Opponents' reply submissions at paragraph 9 that the relevant case on point is *Hai Tong* at [100] where the Court provided:

[100]...For these reasons, while evidence of actual confusion can be very helpful, its absence should not be accorded undue significance (see the observations of this court in *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 ("*Amanresorts*") at [80]).

[Emphasis as underlined mine]

- (iii) The fact that there is no survey evidence does not indicate in any way as to the likelihood of confusion in this case. I agree with the Opponents that the

value of a survey evidence is unclear and the relevant case is *Ferrero S.p.A v Sarika Connoisseur Café Pte Ltd* [2011] SGHC 176 at [103] that there are "notorious difficulties with the probative value of market surveys". Further at [129], the High Court provided as such:

[129] I re-emphasise that whether or not there is a likelihood of confusion is ultimately for the court to decide (see [101] above). Survey results are not conclusive of the issue.

[Emphasis as underlined mine]

I note that the Court of Appeal in the same case (*Sarika Connoisseur Café Pte Ltd v Ferrero S.p.A* [2012] SGCA 56) agreed with the above approach at [64].

- (iv) In relation to Exhibit 13, I agree with the Applicants that the evidence is subject to the hearsay rule. Thus the evidence can only be accepted to show that such statements have been made but must be disregarded in relation to the truth of the statements.

90 First and foremost, I am of the view that the target audience will include a mix of professionals and laypersons. In terms of the purchasing process, it will normally be a purchase via the website or an in-person purchase at a shop front. At the shop front, the home owner could either go with a designer etc or go to the shop front himself. It is common that sellers of tiles will carry multiple brands and will display the tiles together either on their website or at their shop fronts. Thus, it is clear that it is the visual aspect of the marks that is the most important aspect.

91 At this point, I agree with the Opponents that when a consumer views both marks together, having regard to the above factors in relation to mark similarity, they are likely to believe that the marks either come from the same source or are economically linked (paragraph 9 of the Opponents' reply submissions). It is to be recalled that I have concluded above in relation to mark-similarity that having regard to the evidence tendered, the effect of the similarity on the would-be consumer would be that they would focus on the "Caesar" component of the Application Mark. Their impression of the marks, both of the Opponents' Earlier Mark and the Application Mark, would be that they are both "Caesar" marks. This is all the more so taking into account of the imperfect recollection of the marks.

92 While I agree that there will be cases where a home-owner consults a designer at the point of purchase, I agree with the Opponents' submissions (paragraph 75 of their written submissions) that the consumer may not be aware that the two marks emanate from two very distinct entities. The consumer might, after consultation with the designer, decide to purchase the Applicants' products having regard to the specific qualities of, for example, quartz surfaces, but thinking that the Applicants' products are merely an extension of the Opponents' business.

93 In terms of the price of the goods, tiles *per se* are sold on the basis of a price per square foot in the local context. Ultimately, the total price that will be payable will depend very much on the area which needs to be tiled. This can range from a small area within the kitchen to larger areas such as the whole living, bathroom and kitchen area. There is no specific evidence tendered by either party as to the price per tile nor the range of the total prices for their goods. The Applicants merely made a bare statement in their evidence that the "Applicants' products are sold at high prices (starting at hundreds or thousands of EUROS, depending on the surface model)" (see paragraph 7 of the Applicants' 1st Evidence).

94 In light of the broad range in terms of absolute price, practically, it is difficult to analyse the effect of the price on a would-be consumer, except to say that, clearly it would not be as cheap as "a 50 pence purchase in the station kiosk".

95 I am mindful that the "initial interest confusion" doctrine does not apply in Singapore such that the material time at which this confusion must exist in the mind of the relevant public is at the time of purchase (see *Staywell* at [116] and *Law of Intellectual Property of Singapore (Sweet & Maxwell, 2014 Rev Ed)* by Ng-Loy Wee Loon at [21.5.26]). In this case, given the extent to which, in particular, the marks (and goods) are similar, there is nothing much to alert a consumer to do any additional checks before paying for the goods. That is to say, upon looking at the Application Mark, since the Application Mark consists of "Caesarstone" and a small device, having regard to the fact that "stone" is commonly used in relation to Class 19 goods, the consumers would focus more on the word "Caesar" instead, and think that the Application Mark is merely an extension of the Opponents' Earlier Mark into the area of quartz surfaces. In light of the above, there would be nothing much to alert the consumer to do any additional checks to see if the Application Mark is *other* than the Opponents' Earlier Mark before paying for the goods.

96 Thus in light of all of the above, on balance, taking into account the permissible extraneous factors, I find that there is a reasonable likelihood of confusion. The ground of opposition under Section 8(2)(b) therefore succeeds.

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

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

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

(a) the earlier trade mark is well known in Singapore; and

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

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

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

Similarity of marks

98 In relation to this ground, it is clear that the first element that must be satisfied is that "the whole or an essential part of the trade mark" must be identical or similar to an earlier mark.

99 In relation to this element, my view is primarily the same in relation to the similar element under Section 8(2)(b).

Well-known in Singapore

100 The critical question is whether the Opponents' Earlier Mark is well known in Singapore as at the relevant date of 21 November 2007, which is the date of application of the Application Mark.

101 The starting point for this limb is Sections 2(7), (8) and (9) of the Act.

Section 2(7) of the Act states:

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

(a) the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore;

(b) the duration, extent and geographical area of –

(i) any use of the trade mark; or

(ii) any promotion of the trade mark, including any advertising of, any publicity given to, or any presentation at any fair or exhibition of, the goods or services to which the trade mark is applied;

(c) any registration or application for the registration of the trade mark in any country or territory in which the trade mark is used or recognised, and the duration of such registration or application;

(d) any successful enforcement of any right in the trade mark in any country or territory, and the extent to which the trade mark was

recognised as well known by the competent authorities of that country or territory;
(e) any value associated with the trade mark.

Section 2(8) of the Act reads:

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

Section 2(9):

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

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

102 In relation to the provisions above, case law, specifically *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 (“*Amanusa*”) has provided much guidance:

[137]...It appears that the court is ordinarily free to disregard any or all of the factors listed in s 2(7) as the case requires (subject to [Section 2(7)(a) of the Act]), and to take additional factors into consideration....

...

[139] Despite what has been said earlier, it can be persuasively said that s 2(7)(a) is arguably the most crucial factor when determining whether a trade mark is well known in Singapore. This is because, by virtue of s 2(8) of the current TMA:

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

...

[229] Finally, it will be recalled that it is not too difficult for a trade mark to be regarded as “well known in Singapore” – essentially, the trade mark in question need only be recognised or known by “any relevant sector of the public in Singapore” [emphasis added] (see s 2(7)(a) of the current TMA), which sector could in certain cases be miniscule...

[Emphasis as underlined mine].

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

104 In light of the above, I am prepared to hold that the Opponents' Earlier Mark is well known in Singapore.

Confusing connection

105 In this regard, the Court at *Staywell* provided as such at [120]:

...As for the third element, the detailed analysis in Amanresorts has put it beyond doubt that the connection requirement of s 8(4)(b)(i) and s 55(3)(a) of the Act will be satisfied where there is a likelihood of confusion (see Amanresorts at [226] and [233])....

106 Having taken the above into consideration, I am of the view that there is a confusing connection here for largely the same reasons that I have provided for my conclusion in relation to the likelihood of confusion under Section 8(2)(b).

Damage

107 In relation to this element, as submitted by the Opponents at [97] of their written submissions, the Court in *Amanusa* has indicated that the test for damage under this provision is similar as that for damage under the law for passing off.

108 The Opponents submitted at [98] of their written submissions that there is damage in this instant case in the form of "blurring". This has been explained as follows by the Court in *Amanusa* at [97]:

[97] Blurring occurs when the plaintiff's get-up, instead of being indicative of only the plaintiff's goods, services or business, also becomes indicative of the defendant's goods, services or business. While customers may still be drawn by the attractive force of the plaintiff's get-up, they may be drawn to the business, goods or services of the defendant instead of those of the plaintiff. In other words, the goodwill attached to the plaintiff's business, goods or services becomes spread out over business, goods or services which are not the plaintiff's. This phenomenon occurs only when the business, goods or services of the plaintiff and those of the defendant are in competition with or are at least substitutes for each

other. The damage manifests itself in sales being diverted from the plaintiff to the defendant.

[Emphasis as underlined mine]

109 Applying the above to the current case, consumers, thinking that the Application Mark is economically linked to the Opponents, would buy the Applicants' products, thinking that they are buying the Opponents' products, thereby diverting sales away from the Opponents.

110 Thus, this element of damage has been made out.

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

111 The objection under this ground succeeds.

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

112 The relevant provisions of the Act read:

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

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

- (ii) if the earlier trade mark is well known to the public at large in Singapore;*
 - (A) would cause dilution in an unfair manner of the distinctive character of the earlier trade mark; or*
 - (B) would take unfair advantage of the distinctive character of the earlier trade mark.*

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

Similarity of marks

113 In relation to this ground, it is clear that the first element that must be satisfied is that "the whole or an essential part of the trade mark" must be identical or similar to an earlier mark".

114 I have already concluded that the Application Mark and the Opponents' Earlier Mark are similar under the ground of objection under Section 8(2)(b). I will not repeat my analysis here.

Well-known to the public at large

115 The critical question is whether the Opponents' Earlier Mark is well known to the public at large (in Singapore) as at the relevant date of 21 November 2007, which is the date of application of the Application Mark.

116 In relation to the element, it is clear that the relevant provisions and case law which relate to the limb “well known in Singapore” (as referred to above) applies. Further, the Court in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier [2009] SGCA 53* held:

In the context of s 55(3)(b)(i) of the Act, the test “well known to the public at large in Singapore” had to mean more than just “well known in Singapore”. To come within the former test, the mark had to necessarily enjoy a much higher degree of recognition. It had to be recognised by most sectors of the public though the court would not go so far as to say all sectors of the public.

[Emphasis as underlined mine]

117 In addition, the Court in *Amanusa* provided at [233]:

...A second, much more extensive level of protection is granted to trade marks which have attained the coveted status of being “well known to the public at large in Singapore”. These trade marks, which form a rare and exclusive class, are entitled to protection from use of the defendant’s trade mark on dissimilar goods or services even in the absence of a likelihood of confusion; that is, such trade marks are entitled to protection against the unfair dilution and the taking of unfair advantage of their distinctive character...

[Emphasis as underlined mine]

118 In relation to this element, the Opponents submitted at [90] of their submissions, as follows:

- (i) The Opponents' Earlier Mark has been in use in Singapore since 1989. The Opponents' goods have been sold in Singapore by various distributors to end consumers and are a source of substantial revenue;
- (ii) The Opponents have also continually promoted and advertised their goods using the Opponents' Earlier Mark in several mediums such as magazines, press interviews and their website;
- (iii) The Opponents have applied for and / or obtained several registrations or applications for the Opponents' Earlier Mark in other jurisdictions besides Singapore;

- (iv) The Opponents have enforced their rights in the Opponents' Earlier Mark against the Applicants in Australia resulting in the Applicants voluntarily withdrawing their Australian application for CAESAR MOSIAC.

119 The Opponents submitted, at [91], that as such the Opponents have discharged their burden of proving that the Opponents' Earlier Mark is well known in Singapore.

120 The Opponents further submitted, at [92] of their written submissions, that it also follows from the above analysis that the Opponents' Earlier Mark is well known to the public at large in Singapore. To be considered "well known to the public at large" a trade mark must be well known to all sectors of the public, not just the relevant sector of the public. The Opponents submitted that, as the nature of the goods protected under the Opponents' Earlier Mark are generally available to the public at large, it follows that the relevant sector would be close to or equal to the public at large.

121 In considering whether the Opponents' Earlier Mark has acquired distinctiveness, I have taken into consideration several factors. These same factors are also relevant in considering whether the Opponents' Earlier Mark is well – known to the public at large in Singapore.

122 The evidence of any sales figures by the Opponents in *Singapore* as alluded to above are as follows at paragraph 10 of the Opponents' 1st Evidence:

<i>Year</i>	<i>Amount (SGD)</i>
2002	3,390,094
2003	1,874, 266
2004	935,055
2005	1,433,751
2006	203,634
2007 ⁴	577, 656

However the same issues which plague the Opponents under the issue of distinctiveness, including the fact that all the invoices at Exhibit 5 of the Opponents' 1st Evidence does not reflect use of the Application Mark *per se* apply here as well. The Opponents did not tender any promotional figures in Singapore, only worldwide promotional figures. As alluded to above, it is unclear the extent to which these figures relate to Singapore.

123 In fact, as alluded to above, at the oral hearing, in response to the Applicants' various contentions with regard to the deficiencies of the evidence concerning the acquired distinctiveness of the Opponents' Earlier Mark, the Opponents submitted that they will thus *rely upon and emphasize* on the inherent distinctiveness rather than acquired distinctiveness of the Opponents' Earlier Mark.

124 In light of the fact that such trade marks which are "well known to the public at large" form a "rare and exclusive class", I am unable to conclude that the Opponents'

⁴ It is noted that the relevant date i.e. the date of application of the Application Mark is 21 November 2007.

Earlier Mark is well known to the public at large based on the evidence tendered as described above.

125 In *Taylor's*, the learned Assistant Registrar provided a useful summary of the type of evidence tendered for marks held to be well-known to the public at large to date then, which still serves as a useful guide in the instant case:

“... In these cases [i.e. CLINIQUE, NUTELLA and SEIKO], there was, inter alia, relevant survey evidence demonstrating more than 70% of consumer awareness of the mark (in Sarika (HC) at [155(b)] and Seiko at [104]), generous expenditure on marketing and advertising (e.g. \$3 million each year for 4 years in Clinique at [39], more than \$4 million each year for 5 years in Seiko at [96(v)]) as well as exposure of the mark to the public through physical sales outlets in Singapore (13 stores and counters in Singapore in Clinique at [41], 100 optical shops in Singapore in Seiko at [96(iii)], 94-98% of stores in Singapore that sell food items in Sarika (HC) at [155(a)]). There is also evidence of very large sales figures in each of these cases: about \$10 million per annum from 2004 to 2008 in Clinique at [39], \$14 million per annum from 2005 to 2010 in Seiko at [96(ii)], and 2 million units of "Nutella" bread spread sold every year in Singapore (to 1.1 million households) in Sarika (HC) at [155(a)].”

[Emphasis as underlined mine]

This is not to say that survey evidence is a pre-requisite for a finding that a mark is well known to the public at large. But what I am saying is that *substantial* evidence is required.

126 As this element has not been made out, there is no need for me to look at the other limbs of dilution and unfair advantage.

127 The ground of opposition under Section 8(4)(b)(ii) therefore fails.

Ground of Opposition under Section 7(6)

128 Section 7(6) of the Act reads:

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

Decision on Section 7(6)

129 The leading authority on bad faith in Singapore at present is the Court of Appeal's decision in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”). In relation to the local case law, the Court in *Valentino* said at [28] to [30]:

[28] Turning to the local case law, in *Rothmans*, our High Court endorsed Lindsay J's observations of the concept of bad faith in *Gromax Plasticulture*. Further, both Lindsay J's and Geoffrey Hobbs QC's approaches were again adopted by another High Court judge in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 ("*Warman*") where the judge stated at [48] that:

... the term 'bad faith' embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve "no breach of any duty, obligation, prohibition or requirement that is legally binding" upon the registrant of the trade mark ...

[29] In *Wing Joo Loong*, this court observed at [105] that "[t]he test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal" [emphasis in original]. It would be useful to set out in full the observations of this court at [105]–[106] which are as follows:

105 The test for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in *Harrison v Teton Valley Trading Co Ltd* [2004] 1WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):

The words 'bad faith' suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (*id* at [25]) as the "combined" test of bad faith, contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think).

106 Recently, this combined test of bad faith was succinctly explained in *Ajit Weekly Trade Mark* [2006] RPC 25 as follows (at [35] and [41]):

35 ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of

trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plasticulture* ([103] *supra*) ... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined....

41 ... [T]he upshot of the Privy [Council's] decision in [*Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476] is: (a) to confirm the House of Lords' test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships' statement of that test by making it clear that an enquiry into a defendant's views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standards of honest people, the defendant's own standards of honesty being irrelevant to the objective element...

This court in *Wing Joo Loong* then applied at [107]–[117] the combined test of bad faith which, to reiterate, contains both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think). It is therefore apparent to us that bad faith as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case.

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

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

A plea of fraud should not be lightly made ... and if made should be *distinctly alleged and distinctly proved*. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* [1878] 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of ... bad faith made under section 3(6) [of the UK Trade

Marks Act 1994]. *It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.*

[Emphasis as underlined mine]

130 In view of the above, it is necessary to determine, in the current case, what the Applicants knew (the subjective element) and whether the action of the Applicants is commercially acceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve “no breach of any duty, obligation, prohibition or requirement that is legally binding” upon the registrant of the trade mark (the objective requirement).

131 The Opponents submitted at [115] of their written submissions that the Opponents are the true owner of the "CAESAR" mark as the Opponents were the first to use it in relation to tiles, with their first use dating back to 1989. The Opponents submitted that they used their "CAESAR" mark for several years prior to the application for and use of the Application Mark. The application date was 21 November 2007 and the earliest evidence of sales in Singapore was 2007. The Opponents submitted that by applying for a mark that is confusingly similar to the Opponents' Earlier Mark, the Applicants are trying to take advantage of the goodwill which the Opponents have built up over their 25 years of use in Singapore.

132 The Opponents submitted that given the international reputation of the Opponents' Earlier Mark and its long use in Singapore, it can be reasonably imputed that the Applicants had knowledge of the Opponents' rights in Singapore vis-a-vis the Opponents' "CAESAR" mark before they made their application for the Application Mark. In particular, the Applicants have been put to notice in relation to the Opponents' rights in the "CAESAR" mark in Australia since the Applicants agreed to withdraw their Australian application for CAESAR MOSIAC in response to an opposition by the Opponents.

133 As alluded to above, the Applicants were founded in 1987 and the trade name which forms [part of] the applied for trade mark CAESARSTONE was chosen to reflect the Applicants' roots, being physically located near the ancient Roman city of Caesarea, in Israel (Applicants' 1st Evidence at paragraph 3). On the other hand, the Opponents with more than 20 years of history, is located in Italy and has branches in France and the United States (paragraph 3 of the Opponents' 1st Evidence).

134 Although the Opponents were first in time in applying for the registration of the Opponents' Earlier Mark in Singapore, it is quite plausible that the Applicants established themselves independently without knowledge of the Opponents nor intend to ride on the Opponents' goodwill and reputation in Singapore.

135 After all, the parties started their respective business in different countries, as alluded to above. The Applicants claimed, at [1.04] of their written submissions, that the

Opponents were founded in 1988. The Opponents merely deposed that they have been in operation for more than 20 years and did not give a specific date as to when they were founded (paragraph 3 of the Opponents' 1st Evidence). Even then, having regard to paragraph 8 and Exhibit 4 of the Opponents' 1st Evidence, I note that the earliest year of use of the "Caesar" mark was 1988 (for example, in Australia). I also note that the Opponents deposed at paragraph 9 of the Opponents' 1st Evidence that the first sale in Singapore under the "Caesar" mark was on 23 January 1989. This means that the Opponents are likely to be established in 1988. If this is so, it means that the date of establishment of the two parties is only one year apart.

136 Further, as alluded to above, the Applicants have deposed that their name ie CaesarStone Sdot Yam Ltd which forms [part of] the applied for Application Mark was chosen to recognize and show the Applicants' roots, being physically located near the ancient Roman City of Caesarea, Israel.

137 In light of the above, it is hardly unlikely that two independent businesses in two different countries may adopt the same or similar name and trade mark, without any bad faith. The Applicants, having established a business reputation in their own right in other jurisdictions, it is reasonable and not inherently incredible that the Applicants would seek to expand their business to Singapore.

138 Further, I am of the view that the fact that Applicants agreed to withdraw their Australian application for CAESAR MOSIAC in response to an opposition by the Opponents in Australia does not in any way prevent the Applicants from seeking to apply for the Application Mark in Singapore. To begin with, the CAESAR MOSIAC mark is different from the Application Mark. Even if the most recent opposition decision in Australia, which was submitted as recently as Annex B to the Opponents' reply submissions on the hearing day itself, is taken into account, it could hardly be said that the decision should prevent the Applicants from seeking to apply for the Application Mark in Singapore since it is unclear as to the extent of the relevance of the decision for the current case in terms of the relevant legislation as well as the factual context.

139 It must be recalled that an allegation of bad faith is a serious one and needs to be distinctly proven. In light of the above, there is insufficient evidence to show how the Applicants have fallen short of some acceptable standard of commercial behaviour by reasonable and experienced men in the particular area of trade, bearing in mind the high threshold for bad faith.

140 The ground of objection under Section 7(6) therefore fails.

Conclusion

141 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the opposition succeeds under Section 8(2)(b) and Section 8(4)(b)(i) but fails on the other grounds. Accordingly, the Application Mark shall *not* proceed to registration. The Opponents are to have 60% of their costs having

regard to the fact that they failed in their opposition under Section 8(4)(b)(ii) and Section 7(6). These are to be taxed, if not agreed.

Dated this 27th day of May 2015

Sandy Widjaja

Principal Assistant Registrar of Trade Marks

Hearings and Mediation Group

Intellectual Property Office of Singapore