Intellectual Property Office of Singapore Case Summary: Beats Electronics, LLC v LG Electronics Inc. [2016] SGIPOS 8

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The South Korean company LG Electronics Inc. (the Applicant) applied on 26 July 2012 to register the mark ***QuadBeat*** (the Application Mark) for a range of products contained in Class 9, including "Audio Receivers; Headphones; Earphones (other than hearing aids for the deaf); Headphones with microphone function; Headsets".

The application was opposed by Beats Electronics, LLC (the Opponent), a corporation that markets and sells its audio products in many countries, including in Singapore, under various trade marks all of which feature the BEATS mark (sometimes with a prefix such as URBEATS or IBEATS, or with another word(s) BEATS PILL or BEATS BY DR. DRE). The Opponent relied on a number of earlier trade marks already registered by it in Singapore, including that for the word BEATS for a range of audio products contained in Class 9, including headphones.

The Opponent argued that the Application Mark should be refused on a number of grounds under the Trade Marks Act (Cap 332, 2005 Rev Ed), including that the application was made in bad faith contrary to s 7(6) and that there was a likelihood of confusion by reason of the similarity between the Application Mark and the Opponent's BEATS mark and the similarity of the goods contrary to s 8(2)(b).

The Opponent's bad faith claim under section 7(6) was based on its allegation, which was denied by the Applicant, that the BEATS range of products must have been known to the Applicant at the time it applied for the Application Mark.

In relation to the opposition based on section 8(2)(b), the IP Adjudicator applied the leading case on the interpretation and application of section 8(2)(b), the Court of Appeal's decision in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911. In that decision the Court of Appeal re-affirmed the step-by-step approach that should be taken to the application of this ground of refusal: the first step being a determination as to whether the Applicant's and Opponent's marks are similar (in the sense that they are more similar than they are dissimilar); if not, the enquiry ends there but if so, the second step is to determine if the goods and/or services are identical or similar; if not, again the enquiry ends there but if so, the third step is to determine whether as a result of the similarity and identicality/similarity found in relation to the first two steps there 'exists a likelihood of confusion on the part of the public'.

The IP Adjudicator thus compared carefully the Application Mark and the Opponent's BEATS mark from a visual, aural and conceptual perspective. After doing so, he decided that the two marks were more dissimilar than they were similar and therefore the opposition failed at the first hurdle and must be rejected. In coming to this conclusion, he noted that the law in Singapore now differs in material respects from that in Europe and urged counsel to exercise caution in relying on European case law that may be based on legal interpretations and market conditions that are not applicable in Singapore.

In view of the IP Adjudicator's finding that ***QuadBeat*** and BEATS were more dissimilar than similar, the other grounds for opposition were rejected also.

In relation to the allegation of bad faith, which he noted was a serious one for an opponent to make, the IP Adjudicator stated that it cannot be bad faith to make an application to register a mark that is not even similar to an earlier mark belonging to a third party, especially when that earlier mark is a common word that is highly allusive in relation to the particular goods for which it is registered.