

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

Trade Mark No. 40201700142X
2 August 2019

IN THE MATTER OF A TRADE MARK APPLICATION BY

DIGI INTERNATIONAL INC.

AND

OPPOSITION THERETO BY

TERAOKA SEIKO CO., LTD

Hearing Officer: Cheng Pei Feng
IP Adjudicator

Representation:

Mr Paul Teo (Ravindran Associates LLP) with Ms Angela Leong (Aida Law Corporation) for the Applicant

Ms Yvonne Tang and Ms Ruby Tham (Drew & Napier LLC) for the Opponent

GROUND OF DECISION

1 This case involved two parties which each had long established their products and services around “DIGI” marks. The parties are familiar with each other, having been engaged in disputes over the years in various jurisdictions over the use of their competing marks and now again in a trade mark opposition in Singapore.

2 Digi International Inc. (“the Applicant”), applied to protect the trade mark:



(“the Application Mark”)

in Singapore on 3 March 2016 under International Registration No. 1326111 (Trade Mark No. 40201700142X) in Classes 9, 38 and 42. The specifications of goods and services relevant to this opposition (taking into account the chronology in [3]) are set out below:

Class 9

Computer hardware; computer network connectivity hardware and computer network connectivity software; computer hardware with embedded computer software, namely, modules, microprocessors, single-board computers and satellite communications routers; wireless M2M (machine-to-machine) device networking products, namely, wireless range extenders and peripherals, wireless serial servers, enterprise routers, VPN concentrators, routing gateways, gateways, routers, embedded modules, network adaptors, modems, network routers; wireless IoT (Internet of Things) device networking products, namely, wireless range extenders and peripherals, wireless serial servers, enterprise routers, VPN concentrators, routing gateways, gateways, routers, embedded modules, network adaptors, modems, network routers; computer network connectivity hardware and computer network connectivity software, namely, software and middleware used to allow enterprise software applications to interface with remote devices and to allow connectivity, device management, and memory storage, all via a computer network; computer hardware, namely, cellular routers, gateways, wireless communication adapters, serial servers, intelligent console servers, electronic sensors and cameras, all used to monitor and collect data and transmit it to a host or a remote computer system used to provide alerts in the case of triggering events and to provide surveillance; cellular routers with embedded software; programmable gateways; cellular routers with integrated VPN; gateways for distribution automation; VPN concentrators; customizable routing gateways; console servers; console servers for power management and monitoring of network devices; embedded system-on-module and single board computers; intelligent modules that allow electronic devices to connect to a wireless local area network; secure network device server modules; serial to Ethernet modules; microprocessor core modules; communications and control processors; intelligent input/output (I/O) expansion chips; Ethernet-intelligent operator interfaces; expandable control boards; wireless radio frequency (RF) modules; Ethernet gateways supporting wireless radio frequency (RF) modules; IP gateways; wall routers; long-range industrial radios; intelligent wireless energy management devices that have the ability to measure and control use of electricity via a standard electrical outlet; real-time environmental sensors for measuring and transmitting temperature, humidity and light information; wireless vehicle bus adapters; long range radio frequency (RF) modems; range extenders for wireless networks; stand-alone radio modems; wireless Ethernet bridges; wireless adapters; original equipment manufacturer (OEM) computer modules; adapters for remote monitoring and control for multipoint networks; adapters for serial and USB devices; USB to

wireless adapters; long-range original equipment manufacturer (OEM) radio frequency (RF) modules; terminal servers; serial device servers; network serial concentrators; Ethernet network controllers; switched USB expansion hubs; network attached USB hubs; USB-to-serial converters; USB security and monitoring cameras; USB sensors; serial cards; multi-modem communication adapters; multiport serial adapters; USB expansion hubs; USB remote access servers; ~~computer-printer servers~~, network device servers, and network serial concentrators; none of the aforementioned goods relating to balance and scale, scale equipped with printer, printer.

Class 38

Computer services, namely, providing telecommunications access for device connectivity via computer networks; providing telecommunications access for mobile device connectivity by means of a host platform on the internet; transmission of M2M (machine-to-machine) data; transmission of IoT (internet of things) data; wireless data network services for others, namely, electronic transmission of data related to connectivity, device management, and memory storage via wireless networks; telematic services for sending of information, namely, providing machine-to-machine (M2M) and internet of things (IoT) mobile-device management (MDM) connectivity over long distances and/or remote locations.

Class 42

Providing temporary use of online non-downloadable software for managing machine-to-machine (M2M) and Internet of Things (IoT) communication; providing machine-to-machine (M2M) and Internet of Things (IoT) communication integration services, namely, the integration of disparate computer systems, networks, hardware and software through the application of wireless communication technology to facilitate M2M and IoT communication via web based browsers, personal digital assistants, mobile phones, embedded microprocessors, sensors and other electronic devices; providing a website in the nature of a web hosting platform for allowing users and enterprise software applications to interface with remote devices and to allow connectivity, memory storage, device management, device monitoring, device tracking, and device auditing, all via a computer network; providing temporary use of on-line non-downloadable software allowing users and enterprise software applications to interface with remote devices and to allow connectivity, memory storage, device management, device monitoring, device tracking, and device auditing, all via a computer network; providing SaaS services, namely, providing application software for others that allows users or enterprise software applications to interface with, connect to and manage remote devices and to provide messaging, management and memory storage services; providing PaaS services, namely, providing a computing platform and solution stack that allows users or enterprise software applications to interface with, connect to and manage remote devices and to provide messaging, management and memory storage services; providing IaaS services, namely, providing computer software platforms for creating, managing, and deploying cloud computing infrastructure services; design and development of computer software and middleware for

others; computer network design for others; consulting with regard to computer systems, computer network connectivity hardware and computer network connectivity software and middleware; technical support services, namely, troubleshooting and diagnosing computer system software and computer network connectivity software and middleware; computer services, namely, providing remote management of remote devices via computer networks; technical consulting and assistance with computer-based information systems and components, namely, technological consulting services in the field of datacenter architecture, public and private cloud computing solutions, and evaluation and implementation of Internet technology and services; engineering design services in connection with computer hardware, computer software, electrical and electronic circuits, including product design, product integration, product testing and certification.

3 The application for Trade Mark No. 40201700142X was accepted and published on 18 August 2017 for opposition purposes. Teraoka Seiko Co., Ltd (“the Opponent”), filed its Notice of Opposition on 17 October 2017. The Applicant filed its Counter-Statement on 3 April 2018. Due to cancellations effected on some of the Applicant’s goods and services, amended Grounds of Opposition and an amended Counter-Statement were filed by the parties, respectively, on 19 April 2018 and 23 April 2018.

4 The Opponent filed evidence in support of the opposition on 4 October 2018. The Opponent re-executed one of its two statutory declarations to comply with formalities requirements. The Applicant filed its evidence in support of the application on 18 February 2019. The Opponent filed its evidence in reply on 22 April 2019. Following the close of evidence, the Pre-Hearing Review was held on 16 May 2019.

5 On 16 July 2019, about two and half weeks before the hearing, the Applicant wrote to the Registrar of Trade Marks to request an amendment to its specification of goods in Class 9 to remove the words “*computer printer servers*” and to add in the words “*none of the aforementioned goods relating to balance and scale, scale equipped with printer, printer*” – the changes have been marked up in strikethrough and underline as indicated in above [2]. The Opponent was duly informed of the request on 17 July 2019 and its comments were sought. On 19 July 2019, the Opponent responded to note the late request and stated that the Opponent had no intention of withdrawing the opposition or any grounds therein and would be proceeding with the full hearing as scheduled. On 22 July 2019, both parties were informed that the amendments requested by the Applicant have been recorded. The opposition was heard on 2 August 2019.

Grounds of Opposition

6 The Opponent relies on Sections 7(6), 8(2)(b), 8(7)(a) and 8(4)(b)(i), read with 8(4)(a), of the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”) in this opposition.

7 I will deal with the absolute ground for refusal of registration first, i.e. of bad faith under Section 7(6), followed by the relative grounds under Sections 8(2)(b), 8(7)(a) and 8(4)(b)(i).

Opponent's Evidence

8 The Opponent's evidence comprises the following:

- (i) a Statutory Declaration made by Heng Yong Chiang, Director of Digi Singapore Pte Ltd, on 26 September 2018 in Singapore;
- (ii) a Statutory Declaration made by Youichi Kishi, Business Unit Manager of Intellectual Property and Technical Standard Department of the Opponent, on 17 October 2018 in Tokyo, Japan; and
- (iii) a Statutory Declaration in Reply made by the same Youichi Kishi on 18 April 2019 in Tokyo, Japan.


Applicant's Evidence


9 The Applicant's evidence comprises a Statutory Declaration made by Steve Maurer, Senior Counsel-Intellectual Property and Commercial Transactions of the Applicant on 15 February 2019 in Hopkins, Minnesota, the United States of America.

Applicable Law and Burden of Proof

10 As the applicable law is the Act, there is no overall onus on the Applicant either before the Registrar during examination or in opposition proceedings. The undisputed burden of proof in the present case falls on the Opponent.

Background

11 The Opponent is a Japanese based company headquartered in Tokyo and founded in November 1934. It first produced spring scales followed by mechanical price-computing scales and electronic price-computing scales. The Opponent started selling electronic scales named "DIGI" in 1971 and exporting such scales to overseas markets then¹. The Opponent developed its DIGI triangular logo mark  and introduced it as a mark representing its corporate identity sometime in January 1986².

12 The Opponent is also the registered proprietor, *inter alia*, of Singapore Trade Mark No. T8605807D, , for "*balance and scale, scale equipped with printed, printer*" in Class 9 ("the Opponent's DIGI Mark"), which was filed on 18 December 1986.

13 The Applicant is headquartered in the United States of America and was first constituted in 1985 under the name Digiboard Inc, which name was later changed to Digi International Inc in 1994. The Applicant's business is focused on connecting things, which started with intelligent multiport serial boards for personal computers and

¹ Youichi Kishi's SD at [4] to [7].

² Youichi Kishi's SD at [9].

later expanding, as wireless data technologies developed, to radio-frequency (RF) modules, gateways and cellular routers to build critical communications infrastructures³. The Applicant has described its products as including computer hardware such as cellular routers, gateways, wireless communications adapters, serial servers, intelligent console servers, electronic sensors and cameras, used to monitor and collect data and transmit it to a host or a remote computer system used to provide alerts in the case of triggering events and to provide surveillance and real-time environmental sensors for measuring and transmitting temperature, humidity and light information. The Applicant asserts that it does not manufacture scales, weighing devices or printers⁴.


14 Similar to the Opponent, the Applicant's products are sold in many overseas markets and the Applicant is the registered proprietor of various DIGI trade mark registrations. In Singapore alone, the trade mark registrations filed by the Applicant in relation to "DIGI" type of marks include the following⁵:




Trade Mark	Details
	SG No. T9707462I in Class 9
DIGI INTERNATIONAL	SG No. T9707463G in Class 9
DIGI CONNECT	SG No. T0406810J in Class 9 (IR 822610)
DIGI CONNECTPORT	SG No. T05262531 in Class 9 (IR 869245)
DIGI JUMPSTART KITS	SG No. T0807463F in Class 9 (IR 962735)
DIGI MIO	SG No. T1004289D in Class 9 (IR 1032945)
DIGI MIOO	SG No. T1004290H in Class 9 (IR 1032946)
DIGI M130	SG No. T11100971 in Class 9 (IR 1075288)
DIGI M200	SG No. T1004298C in Class 9 (IR 1033071)
DIGIM-TRAK	SG No. T10123501 in Class 9 (IR 1048544)
DIGINEO	SG No. T04068068 in Class 9 (IR 822600)
DIGIONE	SG No. T0406811I in Class 9 (IR 822611)
DIGI PASSPORT	SG No. T0622998E in Class 9 (IR 898823)
DIGI REMOTE MANAGER	SG No. 40201510504Q in Classes 9, 38, 42 (IR 1251668)

³ Steve Maurer's SD at [4].


⁴ Steve Maurer's SD at [5].

⁵ Steve Maurer's SD at [10].

Trade Mark	Details
DIGI TRANSPORT	SG No. T0901850J in Class 9 (IR 991265)
DIGIXBEE	SG No. 40201716541X in Class 9 (IR 1361773)
DIGIXBEE3	SG No. 40201811202U in Class 9 (IR 1406042)
DIGIBOARD	SG No. T9707464E in Class 9
DIGIMESH	SG No. T0809189A in Class 9 (IR 966387)
XBEE DIGIMESH	SG No. T0809190E in Class 9 (IR 966388)
DIGI SHOWBOX	SG No. T0810669D in Class 9 (IR 969597)
IDIGI	SG No. T0912839Z in Classes 9, 38, 42 (IR 1016677)
	SG No. T1006793E in Classes 9, 38, 42 (IR 1038380)
IDIGI DEVICE CLOUD	SG No. T1115506D in Classes 9, 38, 42 (IR 1094064)



15 The Applicant and the Opponent are familiar with each other, having been engaged in disputes over their respective Digi marks since around over at least 17 years ago. In 2002, the two parties entered into an agreement (“the 2002 Agreement”) which arose out of a trade mark opposition filed by the Applicant in Germany against the Opponent’s application for  DIGI. The basis of the Applicant’s opposition then was the Applicant’s earlier registration for  . In that dispute, the Opponent then filed a trade mark cancellation action against the Applicant’s registration for  on the basis of the Opponent’s earlier registration for “DIGI”.


16 Under the terms of the 2002 Agreement⁶, the Applicant agreed to withdraw its opposition and the Opponent agreed to withdraw its trade mark cancellation action on the following basis, which is not in dispute here. The key terms of the 2002 Agreement can be summarised as follows:


- (a) The Applicant agrees not to attack the existing or new registrations, renewals and/or use of, for instance, the German trademark registration 970360 DIGI and 39406977  DIGI by the Opponent, as long as the use

⁶ Youichi Kishi’s SD at Exhibit G.

and registration are for goods and services similar to those covered by the Opponent's two German trademark registration⁷.

- (b) Likewise, the Opponent agrees not to attack the existing or new registrations, renewals, and/or use of, for instance, the German trademark registration, 2093840  by the Applicant, as long as the use and registration are for goods and services similar to those covered by the German trademark registration, 2093840 .⁸

- (c) In summary, the covered goods and services which the Applicant may register its  mark for would be “data processing devices and computer, namely, micro-computer hardware for use in connection with multiple user systems and local networks, especially server based asynchronous serial boards, ISDN-network access cards and synchronous boards, ISDN-LAN-bridges remote access servers, LAN-router, single and multiple channel transceivers, media transformer, micro hubs and modular repeaters, network printer server, cluster controller systems, modems and fax modems; software programmes brought on data carriers, namely micro computer software for the operation of the aforementioned micro computer hardware, software for terminal emulation, software for data communication in multi user systems, software for data communication in local networks and software for remote access to local networks” so long as it does not include the uses by the Opponent as stated below, namely in goods/services which concern weighing and/or measuring purposes or transfer of data connected to weighing and/or measuring processes.

- (d) The covered goods and services which the Opponent may register its DIGI or  mark for would be “spring scales, electronical and electrical scales, parts of such goods and equipment therefore, namely digital or analog display devices, keyboards, writer and printer” and “packaging machines, including vacuum packaging machines; automatic filling and packaging machines; transport and conveying machines, especially band conveyors, conveyor belts, conveying devices, loading and charging devices for shelves and racks, weighing and labelling devices which are combinable with conveying machines; machines, electronical packaging devices, electronical manual labelling machines, devices and systems, for packaging, labelling and inscripting, respectively, machines and devices for weighing, packaging, labelling and assessing postage of goods which are ready to be dispatched; parts of the aforementioned goods; electrical and electronical, weighing, measuring, signal and control apparatus and devices (as far as included in Class 9), systems for sorting, weighs, especially digital weighs, especially having electronic and digital display devices, weighing and pricing systems, electronical printer, displays combined with printers,

⁷ Youichi Kishi's SD at Exhibit G. See clause 4 of the 2002 Agreement, read with clause 1.

⁸ Youichi Kishi's SD at Exhibit G. See clause 5 of the 2002 Agreement, read with clause 1.

label printers, especially with cassette plug-ins; code control print-devices, pricing devices, counters, electrical registration devices, apparatus and instruments for coding and decoding, apparatus and devices for register controlling, surveying and commanding charge of shelves and for the shipment; cash register, machine and devices for automatic book-keeping; storage and for the stock-keeping; parts of the aforementioned goods; calculators, **data-processing devices and computers**, parts of the aforementioned goods; service of an engineer in the field of weighing packaging, filling and storing technique.” This is so long as the phrase “data processing devices and computers” does not include the uses by the Applicant as stated in the earlier paragraph.

17 It is not disputed that the 2002 Agreement is applicable on a worldwide basis⁹ and continues to remain valid and binding on both parties.






MAIN DECISION

Ground of Opposition under Section 7(6)

18 Section 7(6) of the Act reads:

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)

19 The Opponent’s allegation of bad faith is premised fundamentally on the relationship between the parties and the continued existence of the 2002 Agreement. In summary, the Opponent argued that the 2002 Agreement showed that: (1) the Applicant considered the Opponent’s DIGI mark  to be similar to the Applicant’s own mark  otherwise the Applicant would not have sought to oppose the German registration of the Opponent’s DIGI mark; and (2) that the parties were prepared to accept the co-existence of the two marks if they were used for their respective goods and services as demarcated in the 2002 Agreement. This meant that if any party should adopt a mark which is even more similar to the other party’s mark and/or for goods and services beyond the demarcated limits of the 2002 Agreement, this would run counter to the understanding of the parties under the 2002 Agreement. The Opponent argued that this was what the Applicant did when it changed its mark to  which is even more similar to the Opponent’s  mark as compared to the Applicant’s earlier  mark. Furthermore, the Applicant then tried to register the new mark for a broader list of goods and services beyond the limits of the 2002 Agreement without first informing the Opponent of the new logo and the application to register it. This

⁹ Youichi Kishi’s SD at Exhibit G. See clause 6 of the 2002 Agreement.

attempt to sidestep the 2002 Agreement could not be due to a lack of knowledge of the agreement since the signatory of the 2002 Agreement on behalf of the Applicant is the same deponent of the Applicant's statutory declaration, i.e. Mr Steve Maurer.

20 The Applicant, on the other hand, maintained that it has abided by the 2002 Agreement and that both parties had coexisted peacefully in the marketplace for more than 20 years. The Applicant asserted that there has been no actual confusion and neither party has suffered any loss due to the other party using its respective Digi marks.

The Applicant claimed that the new  mark is also quite different from the Opponent's DIGI mark and the new mark was developed as a result of an updating and rebranding of its logo, which is not an uncommon practice for American companies. The revised mark was adopted during the 30th anniversary celebrations for the Applicant which had announced, *inter alia*, during its press release that:

“Our new brand identity and logo convey our passion and commitment to addressing new markets and opportunities in what we’re calling the Internet of Getting Things Done. Our branding provides a crisper illustration of the new energy and innovation we’re bringing to the marketplace.

...

The new Digi logo is based on precision, technology and connection. It breaks out the Digi name from the enclosing green rectangle of the previous logo, visually setting the name free from boundaries. The green triangle, an evolution of the historical green rectangle, is a signature element of the Digi design system. The “up and out” direction represents forward movement, while the brighter green of the triangle reflects modern technology and thinking.”¹⁰

21 The Applicant maintained that there was no requirement under the 2002 Agreement that either party had to inform each other if the logo was changed and therefore there was no breach by the Applicant in not informing the Opponent of this change. Furthermore, it was argued by the Applicant that if the argument on bad faith was premised on the breach of the 2002 Agreement, then the proper forum to decide this issue would be the German courts and not the Singapore Registry of Trade Marks.

22 Dealing with the last point first, the issue here was not about a breach of the 2002 Agreement but whether a ground of bad faith could be made out on the facts. This is a determination to be made here as the registration is applied for and the opposition filed at the Singapore Registry of Trade Marks. There is therefore no merit in the argument of the German courts being the proper forum to determine the dispute.

23 The law on bad faith is well established and both sides accepted the principles as set out in the leading decision by the Court of Appeal in the case of *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”). The principles have been cited and applied in various subsequent decisions and can be summarised as follows:



- (a) The onus lied on the Opponent to show that the application was made in bad faith: see *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v*

¹⁰ Steve Maurer's SD at [29] and Exhibit M.

Qinghai Xinyuan Foreign Trade Co Ltd and another [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”), as cited in *Valentino* at [20]). Once a prima facie case of bad faith is made out by the Opponent, the burden of disproving any element of bad faith shifts to the Applicant: see *Valentino* at [36].

- (b) Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion: see *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 at [29], as cited in *Valentino* at [20]. This is consistent with the ground being an absolute ground for refusing registration.
- (c) 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: see *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073, as cited in *Valentino* at [28].
- (d) Whether there is bad faith is to be judged according to the combined test which contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). Bad faith as a concept is context-dependent and hinges on the specific factual matrix of each case: see *Wing Joo Loong* at [105]-[106], as cited in *Valentino* at [29].
- (e) A charge of bad faith is a serious and grave claim and must be sufficiently supported by evidence: see *Nautical Concept Pte Ltd v Jeffery Mark Richard and another* [2007] 1 SLR(R) 1071 at [15]; it must be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference: see *Valentino* at [30]. On this point, counsel for both sides accepted and cited in their submissions that there was, however, no absolute prohibition against a finding of bad faith based on inferences, citing the observation made in a leading local text, *Law of Intellectual Property of Singapore* (Second Edition) Sweet & Maxwell 2014, footnote 109, by Professor Ng-Loy Wee Loon S.C., where it was noted that in the High Court decision of *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 at [115], the court had pointed out that a finding of bad faith was largely, if not invariably, based on circumstantial evidence.

24 In support of its arguments, the Opponent’s counsel cited two cases where the opposition was allowed on the basis of bad faith. In the first case, a decision by the UK Registrar of Trade Marks in *Case O-006-17 Trade Mark Application No. 3134673 by Cold Black Label Ltd* (“*Cold Black Label*”), the applicant and opponent had entered into an agreement where the applicant agreed, among other things, not to make, have made, import, sell or supply beer in cans of the same or confusingly similar appearance. The marks in question were as follows:



Cold Black Label case	
Opponent's mark	Applicant's mark
	

25 In *Cold Black Label*, although the agreement only prohibited the use and not the registration of similar marks, the Registrar found that the application was filed in bad faith by the applicant as it was “plainly contrary to the spirit of the agreement” and that “the degree of resemblance... is so strong that the applicant should have realised that use of the contested mark would be contrary to the agreement”.

26 The next case relied on by the Opponent was *Ceravolo Premium Wines Pty Ltd v Ma Kirkby Trpl Pty Ltd* [2018] ATMO 43 (“*Ceravolo*”) where, like the previous case and the present, there was an agreement between the parties and the applicant had agreed to and signed an undertaking not to use “Red Earth Child” or any other term which is deceptively similar to the opponent’s “Red Earth” mark. The applicant then quietly proceeded to apply for the registration of the mark “OCHRE EARTH CHILD”. In allowing the opposition filed by the opponent, the Registrar in Australia found that the deliberate choice by the applicant not to disclose his actions was indicative of his insincere motivations for filing the mark and although the two marks were not similar, the “paramount concern is the knowledge of the person filing the trade mark application, and whether in light of that knowledge, the applicant knew that it ought not to apply for registration of the trade mark.”

27 Turning now to the present facts and applying the combined test, based on what the Applicant knew at that time, would the registration here be seen as commercially unacceptable by reasonable and experienced persons in a particular trade? Do the facts point towards an intention by the Applicant to sidestep the 2002 Agreement and act in bad faith?

28 As pointed out by the Applicant, there is no requirement in the 2002 Agreement for parties to inform each other if their respective mark is changed or if each party should develop new Digi related marks. Both parties have also co-existed for many

years using their respective Digi marks and apart from the  mark, the Applicant also owns a series of other types of Digi marks (as set out in above [14]). So in this regard, I do not agree with the Opponent’s suggestion that the Applicant should have consulted the Opponent before adopting its new  logo, which is the Application Mark. Nor do I agree with the Opponent’s argument that there was any understanding between the parties that parties cannot adopt a new mark that is more

similar to the other party's mark for goods and services beyond the demarcated limits of the 2002 Agreement. That would be stretching the 2002 Agreement beyond what the express words of the agreement provided for and there was no evidence provided to show that such an understanding was within the contemplation of the parties at the time when the 2002 Agreement was made.

29 As for the two cases cited and relied upon by the Opponent, although there is no requirement under the ground of bad faith for the marks in question to cause confusion, there was no doubt that the decision in both cases were influenced by the fact that the marks concerned there were in fact confusingly or deceptively similar. More importantly, it was apparent from both judgments that a key factor that turned the decision was the fact that the registration was made not that long after the agreement between the parties was reached – about a year later in the *Cold Black Label* case and in *Ceravolo*, the registration took place even while the agreement was being negotiated. In each case, there was a clear sense that the applicant, while entering into the agreement, was still trying to find another way to get around the spirit of the agreement by surreptitiously seeking to register a similar mark without the knowledge of the other party.

30 In the present case, the agreement between the parties was signed about 14 years prior to the present application to register the Application Mark. Subsequent to the 2002 Agreement, each party had applied for registration of their respective marks in various different jurisdictions. Some of these registrations were opposed by the other party, such as in Japan, China and Brazil¹¹, so the parties were not unfamiliar with each other's continued opposition to some of the goods/services sought to be registered under their respective Digi marks. No evidence was led by any party to show that in these other registrations, there was a practice or understanding between the parties that they would write to inform each other prior to the application for registration. The Opponent argued that the Application Mark was even more similar to the Opponent's DIGI mark, but even if that is accepted, for which I make no determination at this juncture as it is not necessary for this ground of opposition, I did not think that it translated into an obligation or expectation that the Opponent would then need to be informed by the Applicant of the development of the new mark or of its registration. There was no common understanding on the present facts which the Opponent appears to have acted against. The circumstances in the present case is quite distinct and different from those in the *Cold Black Label* case and in *Ceravolo*.

31 About two weeks prior to the hearing, the Applicant had applied to amend the specification of the goods in Class 9 to remove the words "*computer printer servers*" and to add in the words "*none of the aforementioned goods relating to balance and scale, scale equipped with printer, printer*". At the oral hearing, counsel for the Opponent argued that this amendment, which appears to seek to address the specification in the Opponent's DIGI Mark in Class 9, not only did not reduce the instance of bad faith but instead went towards showing the bad faith on the Applicant's part. Counsel for the Opponent submitted that this was demonstrated by the change and expansion of the Applicant's business which seems to now encroach into the Opponent's areas of goods and services.

¹¹ Steve Maurer's SD at [25], [26] and [28]; and Youichi Kishi's SD at [35].

32 The relevant date for determining whether an application for trade mark registration was made in bad faith is the date of the application. However, matters that occurred after the date of application can still be taken into consideration if they may assist in determining the applicant's state of mind at the date of registration: see *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* [2010] 2 SLR 109, at [91].

33 Here, I did not find the fact of the subsequent amendment by the Applicant to the specification of the goods in Class 9 to be useful in shedding any more light on the Applicant's intention at the date of application. Could bad faith be inferred from the fact that the new exclusion was not present at the time of the application? I did not think so. Drawing back to the observations made earlier, the context of the 2002 Agreement signed some 14 years earlier, and that in various registrations made around the world for their respective Digi marks, the parties had continued to oppose the scope of goods/services specified in the registrations, and that the present registration involved a different mark from the Applicant, all these factors leaned in favour of the Applicant to show that there was no bad faith in the application which could be inferred in the present circumstances.

Conclusion on Section 7(6)

34 In light of the above, the ground of opposition under Section 7(6) therefore fails.

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

35 Section 8(2)(b) of the Act reads:

(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)

36 The law on this section is also well settled and not in dispute between the parties. Under the step-by-step approach set out by the Court of Appeal in *Staywell Hospitality Group v Starwood Hotels & Resorts Worldwide* [2014] 1 SLR 911 (“*Staywell*”), there is a systematic and sequential assessment of the three requirements of (a) similarity (or identity) of marks; (b) similarity (or identity) of goods or services; and (c) likelihood of confusion arising from the two similarities. The first two elements are assessed individually before the final element, which is assessed in the round: see *Staywell* at [15].

Similarity of Marks

37 The three established aspects of marks similarity are visual, aural and conceptual similarity: see *Sarika connoisseur Café Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 (“*Sarika*”). In *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd* [2013] 2 SLR 941 (“*Hai Tong*”), the Singapore Court of Appeal restated a number of guiding principles at [40] which can be summarised as follows:

- (a) The criteria of visual, aural and conceptual similarities do not invite a formulaic consideration but instead, are signposts towards answering the question of whether the marks are similar. There is no prescribed requirement that all three aspects of similarity must be made out before the marks can be found to be similar. Conversely, the fact that any one similarity is made out does not necessarily mandate a finding that the two marks are similar: see also *Staywell* at [18].
- (b) The two competing marks are considered “as a whole” and external added matter or circumstances should not be considered as the comparison is “mark for mark”: see also *Staywell* at [20].
- (c) The viewpoint to be taken is that of the average consumer who would exercise some care and a measure of good sense in making his or her purchases. However, it is assumed that the average consumer has “imperfect recollection” and the two competing marks are not to be compared or assessed side by side and examined in detail for the sake of isolating points of difference.

38 In considering the issue of similarity, it is also relevant to consider the distinctiveness of the marks in question. In *Staywell*, at [22] – [23], the Court of Appeal explained the difference between distinctiveness in the ordinary and non-technical sense and distinctiveness in the technical sense. The former refers to components of the mark which are outstanding and memorable – these will tend to stand out in the consumer’s imperfect recollection and thus, regard can be given to the distinctive or dominant components of a mark when similarity of marks are being assessed.



39 Technical distinctiveness refers more to the capacity of a mark to function as a badge of origin, such as where the word is meaningless or say nothing about the goods or services. Technical distinctiveness can be inherent or acquired through long-standing or widespread use. Such distinctiveness can be an integral factor in the marks-similarity inquiry and a mark which has greater technical distinctiveness would enjoy a higher threshold before a competing sign will be considered dissimilar to it.

Aural similarity

40 Applying these principles to the present facts, on a straightforward assessment of the aural similarity between the two marks, it is clear that both are identical aurally. Both comprise the letters “DIGI” and both sides have read it phonetically as “*dee gee*”, with no differing pronunciation having been proffered by either party.

Visual similarity

41 In terms of visual similarity, the two marks are set out here for ease of comparison:

Applicant's Application Mark	Opponent's DIGI Mark
	

42 Both are composite marks made of the single term “DIGI” and a device.

43 The Opponent has argued that its mark as a whole has a high degree of technical distinctiveness as the word DIGI is an inventive word and has no dictionary meaning. Together with the triangular device, there is a high degree of distinctiveness due to its arbitrary nature in relation to the nature of the goods. The Opponent also led evidence to show that the Opponent’s DIGI Mark has a high degree of acquired distinctiveness by reason of its extensive and widespread use both in Singapore and worldwide over the years. The Opponent’s first overseas production site was set up in Singapore in 1987 and “DIGI” products were made in Singapore where the factory occupied an area of 12,000 square metres and employed over 100 employees¹². Over the years, the Opponent’s products bearing the Opponent’s DIGI Mark has been supplied to supermarkets such as Cold Storage, Sheng Siong and NTUC FairPrice and local companies such as Singapore Post Pte Ltd, Chemical (S) Pte Ltd, Citizen Farm and Sora¹³. In this regard, the Singapore and annual sales figures and advertising figures were also provided to show the extent of the widespread use of the Opponent’s DIGI mark and reputation it had acquired over the years¹⁴. These evidence have not been refuted or rebutted by the Applicant.

44 In terms of the specific textual element “DIGI”, I did not find this aspect to be a particularly unique or distinctive feature. Whilst it is not a word with a dictionary meaning, it is intuitively a recognised short form of the word “digital”. Its usage therefore connotes a relation to goods and services which are digital in nature, which may be a very broad description for the nature of both the Opponent’s and Applicant’s goods and services. There are in fact other companies which have or are selling digital related products or services under a “DIGI” name or logo. As such, I do not think the text “DIGI” is that arbitrary in the present case, unlike if “DIGI” had been used for goods and services where there may be little or no digital element correlated to the product or service.

45 However, the examination of the mark and its distinctiveness is not solely with respect to the letters in the text “DIGI” only. As a composite mark, it is also important to note the stylised manner of the text and the device accompanying the text. The

¹² Heng Yong Chiang’s SD at [5]; and Youichi Kishi’s SD at [6] – [8].

¹³ Heng Yong Chiang’s SD at [11].


¹⁴ Heng Yong Chiang’s SD at [13] – [18]; and Youichi Kishi’s SD at [11] – [14].

Opponent's DIGI Mark is set against a white background, uses a sans serif font type with no hooks, with all the letters capitalised and the first letter "D" is stylised with an unclosed border at the bottom end. The device appears in black and lies to the left of the text in the form of an inverted triangle with parallel lines above it, forming an overall inverted triangular shape. Viewed as a composite whole, the Opponent's DIGI mark can be said to have a medium degree of distinctiveness from its combined font design and triangle.

46 By comparison, the Applicant's Application Mark is also set against a white background, uses a sans serif font type with no hooks, all the letters are capitalised and likewise, the first letter "D" is stylised with an unclosed border at the top end. There is also a triangular mark but in green and which lies to the top right corner of the text and pointing towards the right side.

47 Use of a different font and design may not render a mark visually different, especially in distinctive words (see *Sarika* at [24]-[25]). Conversely, the fact that similar font and design of the text is used can render two marks visually more similar than they would otherwise have been. The Applicant itself owns many other DIGI related types of mark (as set out in above [14]), but none of these other DIGI related marks use a stylised form of the DIGI text in a similar sans serif font with an unclosed border in the letter "D" and none also uses a triangular device.

48 There are many ways the text DIGI could be presented, such as in small letters

like the Applicant's previous mark , and other serif font types could also have been used, as was the case in the Applicant's other DIGI related marks. There are also many other shapes that could have been used, instead of a triangular shaped device. Taken as a whole and when viewed side by side, while certainly not identical, I would think that both marks are visually similar in terms of the textual presentation and use of similarly shaped device. Applying the test as stated by the Court of Appeal in *Hai Tong*, adopting the position of an average consumer with an imperfect recollection, it would be understandable if a consumer considered the Applicant's Application Mark to be similar to, like a more modernised version of, the Opponent's DIGI Mark.

Conceptual similarity

49 Turning to the analysis of the conceptual similarity, this requires consideration of the ideas that lie behind and inform the understanding of the mark as a whole: see *Hai Tong* at [70]; and *Staywell* at [35]. As mentioned earlier, the text "DIGI" evokes the word "digital" and connotes a relation to products and services with a digital element. This is clearly consistent with the nature of the goods and services offered by both parties and in my view, there is a clear similarity in the conceptual aspect of both the marks.

Conclusion on similarity of the competing marks

50 Based on the foregoing analysis, I am of the view that the two marks are similar given that they are aurally identical, visually similar and have a high degree of conceptual similarity.

Similarity of Goods and Services

51 Moving on to the next stage of the analysis under Section 8(2)(b) of the Act, this involves a comparison of the goods and services for which the competing marks are registered. The test to be adopted is not in dispute and is as set out in the English case of *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 ("*British Sugar*"), where the following factors were held to be relevant considerations in determining the question of similarity of goods and services:


- (a) the respective uses of the respective goods or services;
- (b) the respective end users of the respective goods or services;
- (c) the physical nature of the goods or services;
- (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 on the same or different shelves; and
- (f) whether the respective goods or services are competitive or complementary. This inquiry may take into account how those in the trade classify goods, for instance whether market research companies who act for the industry put the goods or services in the same or different sectors.

52 Comparing the goods and services registered under the parties' respective marks, the Opponent's DIGI Mark is registered in Class 9 only for "*balance and scale, scale equipped with printer, printer*" while the Applicant's Application Mark is being sought to be registered in Classes 9, 38 and 42 for the respective goods and services as set out above in [2].

53 The Applicant argued that the specifications are highly disparate and that the uses of the products are different, the users are different and the physical nature of the products are also different. The trade channels through which each party's products would reach the customers would also be different and the goods are not in competition at all. The Applicant further argued that there is little to no similarity between the Opponent's Class 9 goods and the Applicant's services in Classes 38 and 42. The Applicant's position is that it does not manufacture scales, weighing devices or printers, in particular label printers and is not a competitor with the Opponent.

54 The Opponent, on the other hand, argued that the majority of the Applicant's goods and services concern "wireless data technologies" and "are used wherever connection with machines is required", and that the broad term "computer hardware" used in the Applicant's specifications would encompass printers. In support, the Opponent relied on the European Union Intellectual Property Office (EUIPO) search tool (at <https://euipo.europa.eu/sim/>) which allows searches to be conducted to assess whether given goods and services are considered similar or dissimilar according to participating IP offices and in many jurisdictions, "computers" and "data processing apparatus" are considered to be similar to "printers". As the Applicant's goods are specific examples of data processing apparatus, the scope of the named connectivity components in the Applicant's specifications could and would therefore extend to cover even the scope of products registered under the Opponent's DIGI Mark.

55 In undertaking the analysis here, a useful starting point would be the 2002 Agreement between the parties, which applies on a worldwide basis and continues to be binding. The 2002 Agreement resulted in a demarcation of the goods and services to which the parties could apply their respective marks to. Implicit from the agreement is the common understanding of the potential overlap and similarities between each party's goods and services, and hence the need for the agreed demarcation. The continued oppositions which the parties launch against each other in various other jurisdictions (and either may be the opposing party depending on which had registered first in that

jurisdiction) in relation to registrations involving the Applicant's previous mark  and the Opponent's DIGI mark, is a reflection of the discomfort each party may have over the goods and services sought to be covered in each opposed registration, depending on how the specifications have been crafted.

56 Under the scope of the terms of the 2002 Agreement, as summarised in above [16], the Applicant's covered goods and services cover a broad range of data processing devices and computers, so long as they do not include the uses by the Opponent, namely in goods and services which concern weighing and/or measuring purposes or transfer of data connected to weighing and/or measuring processes. Conversely, the Opponent's broad range of goods and services can encompass even "data-processing devices and computers" but these should not include the uses in goods and services as stated by the Applicant.

57 In *Staywell*, at [40], the Court of Appeal held, albeit *obiter*, that registration in the same specification within a class establishes a *prima facie* case for *identity*. Here, the Applicant's Class 9 specification is defined extensively as compared to the Opponent's much shorter specification. However, as can be seen from the 2002 Agreement, the parties each recognise that their respective descriptions can encroach into the scope of goods and services covered by the other party, which necessitated the requirement to demarcate the goods and services for each party. By the Applicant's own evidence, its products are "used wherever connection with machines is required"¹⁵. This would clearly include even machines relating to weighing or measuring that have elements of connectivity, such as the products sold by the Opponent.

58 Where the application for registration includes other related classes which may not correspond with any registered class of the earlier registered mark, the analysis in *British Sugar* can still apply: see *Staywell* at [43]. In *Staywell*, the comparison was between the applicant's applications in Classes 35 and 43 and the opponent's existing Class 43 registration. The Court of Appeal there agreed that the applicant's Class 35 services were closely related to and inseparable from the Class 43 specified services. It was held that the approach was not to consider and compare the two classes collectively against the existing class registration but to consider and compare whether the services to be covered in Class 35 itself was similar to the opponent's services in Class 43, having regard to the relevant factors relating to those services.

59 Applying the test to the present case, the other classes which the Applicant has also sought to register in are Classes 38 and 42. Class 38 relates to the Nice Classification class heading of "Telecommunications" while Class 42 relates to the

¹⁵ Steve Maurer's SD at [5].

class heading of “Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software”. The Applicant’s specifications in these two classes closely correspond with its specification of goods set out in Class 9. I find that the services specified by the Applicant in Classes 38 and 42 to be closely related from the goods offered by the Applicant under Class 9. By this connection, it would also overlap with the goods offered by the Opponent under Class 9.

60 Would the analysis on this issue be affected by the late amendment made by the Applicant to its specification in Class 9 where the reference to “computer printer servers” was removed and the words “none of the aforementioned goods relating to balance and scale, scale equipped with printer, printer” were added? As highlighted earlier, no change in specifications was made in Classes 38 and 42.

61 This amendment in the specification to Class 9 appears to seek to correspond with the scope of goods and services allowed to be covered by the Applicant under the 2002 Agreement. The Opponent argued that this exclusion is not sufficient and still does not distinguish the compared goods and services. On this, I am in agreement with the Opponent as the exclusion does not make the types of goods and services that can be covered less similar. The fact that parties have their respective demarcated areas of goods and services under the 2002 Agreement does not make each of their goods and services dissimilar to the other party’s. It only means that they have an agreement not to oppose each other’s registrations insofar as it relates to the marks covered by the 2002 Agreement and falls within the permitted scope of goods and services.

62 The conclusion on this issue is therefore that there is similarity between the Opponent’s goods in Class 9 and the Applicant’s goods and services in Classes 9, 38 and 42.

Likelihood of confusion

63 The final step in the step-by-step approach requires an assessment of the likelihood of confusion between the marks. In *Staywell* at [96], the Court of Appeal summarised a non-exhaustive list of the factors which the court regarded as admissible in the confusion inquiry:

- (a) Factors relating to the impact of marks-similarity on consumer perception. This would include the reputation of the marks, the impression given by the marks, the possibility of imperfect recollection of the marks. The greater the similarity between the marks, the greater the likelihood of confusion.
- (b) Factors relating to the impact of goods-similarity on consumer perception. This includes the normal way in or the circumstances under which consumers would purchase goods of that type, the likely characteristics of the relevant consumers and whether they would or not tend to apply care or specialist knowledge in making the purchase.

64 On this issue, the Applicant again argued that there would be no likelihood of confusion given the differentiated looks of the marks and the different circumstances of purchase. Furthermore, the Applicant claimed that both parties have sold their goods

concurrently in Singapore for over 10 years, and with respect to the Application Mark for at least 4 over years since it was launched in October 2015, without any sign of confusion.

65 The Opponent countered that there would be a likelihood of confusion based on the perspective of the relevant segment of the public, which would include IT and electronics professionals and enthusiasts as well as the general public. Applying the factors relating to marks-similarity and goods-similarity, the Opponent argued that given the high degree of similarity in the marks and goods here, the relevant public would be given the impression of an economic link between goods and services covered by the competing marks.

66 I am inclined to agree with the arguments mounted by the Opponent. Although the goods and services marketed by both parties are somewhat specialised and not typically marketed and sold to the general public at large, they could target similar groups of consumers using technological products and machinery. With the advancement in technology, both parties have also expanded their products and services to include connectivity and data processing elements, which have been found earlier to overlap. The fact that not all the products and services offered by each may fully overlap does not mean that there would not be a likelihood of confusion. The issue of likelihood of confusion should be assessed in the round and taking into consideration the earlier conclusion on the similarity of the marks and similarity of the goods and services. Here, the consumers of the goods and services can range from the business consumers to individuals such as IT and electronics professionals or enthusiasts with a use for such products. The goods and services may also be sold online or may be purchased physically in person at a shop. The aural, visual and conceptual similarity in the marks, bearing the same sound and letters and similar triangular device, significantly increase the likelihood of confusion. The goods sold by each also cover a broad price range, with the simpler and less expensive products being more likely to be purchased by individuals who would generally have less specialised needs and knowledge and who would pay less attention in the distinction when selecting the products for purchase. All these factors lend weight to the conclusion of a likelihood of confusion as to the existence of an economic link between the Applicant's goods and services and the Opponent's.

Conclusion on Section 8(2)(b)

67 Having considered all the steps in the analysis for this ground of opposition, the conclusion is that the Applicant's Application Mark is similar to the Opponent's DIGI Mark; the goods and services for which the competing marks are registered are also similar; and there is a likelihood of confusion. The ground of opposition under Section 8(2)(b) therefore succeeds.

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

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

(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade...

Decision on Section 8(7)(a)

69 Section 8(7)(a) sets out the ground of invalidation based on the tort of passing off which require the three classic elements of goodwill, misrepresentation and damage to be established.

Goodwill

70 In *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86 (“*Singsung*”), the Court of Appeal explained, at [34], what goodwill related to:

In our judgment, goodwill, in the context of passing off, is concerned with goodwill in the business *as a whole*, as not specifically in its constituent elements, such as the mark, logo or get-up that it uses... Goodwill does not exist on its own, but attaches to a business in the jurisdiction and is manifested in the custom that the business enjoys. Goodwill may be proved by evidence of sales or of expenses incurred in promoting the goods and services in association with the mark, brand or get-up which they bear.

71 The goodwill in the Opponent’s business was denied by the Applicant but not seriously challenged. Indeed, there was no contrary evidence to refute what the Opponent had put forward to prove the sales, profits, or expenses incurred in promoting the goods and services in association with the Opponent’s DIGI mark both in Singapore and worldwide¹⁶. In *Singsung*, it was held that goodwill would clearly exist in Singapore if it is shown that a business offers a product or service for sale here and a customer purchases the product or consumes the service here. The Opponent’s evidence was sufficient to establish its goodwill here.

Misrepresentation

72 Applying the test stated by the Court of Appeal in *Singsung*, at [70], a preliminary issue to be considered in the context of misrepresentation is whether the goodwill is distinctive of the Opponent’s goods and services. Only after this threshold has been met, then there is a further two questions to be considered: first, that there was a misrepresentation made by the Applicant in using products which are strikingly similar or identical (this may amount to a misrepresentation as to trade source or the trade origin of the goods); and second, that actual confusion or likelihood of confusion arose as a result of the misrepresentation.

73 In the present case, it is clear that the threshold query has been met and the goodwill is distinctive and sufficiently associated with the Opponent’s goods and services using the Opponent’s DIGI Mark. The remaining two questions on similarity of goods and services and likelihood of confusion is substantively the same as that under Section 8(2)(b) of the Act. Under the earlier analysis, it was determined that that

¹⁶ Heng Yong Chiang’s SD at [13] – [18]; and Youichi Kishi’s SD at [11] – [14].

there was a similarity in the goods and services between the competing marks and that there would be likelihood of confusion. I am therefore satisfied the element of misrepresentation has been made out in the present case.

Damage

74 On the final element, the Applicant argued that the fact that the Opponent had not adduced any evidence of damage despite being concurrently in the marketplace was indicative that the element had not been made out. However, it is not necessary for the Opponent to show actual damage so long as a real tangible risk of substantial damage is present and this could also occur by way of blurring or tarnishment: see *Singsung* at [41]. Indeed, in *Singsung* (at [87]), the court had found it indisputable that the opposing party's goodwill would be adversely affected through a diversion of custom as the parties there were competing in the same line of products, and the supply of the product would be sufficient to establish the element of damage and separate proof of real or potential damage would not be necessary.

75 Likewise in the present case, in light of the earlier findings that the competing marks are similar (aurally, visually and conceptually), the similarity of the products and services covered by the competing marks, and the attendant likelihood of confusion, there is a real tangible risk of the Opponent's goodwill being adversely affected through a diversion of custom. I am satisfied that the element of damage is also made out.

Conclusion on Section 8(7)(a)

76 The ground of opposition under Section 8(7)(a) therefore succeeds.

Ground of Opposition under Section 8(4)(b)(i) read with Section 8(4)(a)

77 Section 8(4)(a) & (b)(i) of the Act reads:

(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)

78 The elements in Section 8(4)(b)(i) are set out conjunctively and in order to prove this ground of opposition, the Opponent will need to establish all of the four elements:

- (a) the whole or an essential part of the Application Mark is identical with or similar to an earlier trade mark;
- (b) the earlier trade mark is well known in Singapore;
- (c) use of the Application Mark in relation to the goods or services for which the Application Mark is registered would indicate a connection between those goods or services and the proprietor of the earlier trade mark; and
- (d) such use of the Application Mark is likely to damage the interests of the proprietor of the earlier trade mark.

Earlier trade mark

79 The earlier trade mark in question would be the Opponent’s DIGI Mark which was filed on 18 December 1986. The similarity between the two marks have already been discussed and determined earlier and it is not necessary for me to revisit it here. In *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd* [2015] SGHC 216 (“*Rovio*”), at [146], the High Court had clarified that although the wording of Section 8(4) may differ slightly from Section 8(2)(b), the marks-similarity analysis is fundamentally the same.

Well known earlier trade mark

80 The definition of “well known trade mark” is set out in Section 2(1) of the Act and the starting point of what amounts to a “well known trade mark” can be found at Sections 2(7) to 2(9) of the Act. For ease of reference, these are set out below:

- 2(1)(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.

...

(7) 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.

(8) 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.

(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.

81 The Opponent argued that the evidence it had tendered to establish that the Opponent’s DIGI Mark had acquired distinctiveness (as summarised in above [43]) would also go towards showing the well known status of its mark. The relevant sector of the public would be the consumers which have used the Opponent’s products and this need not be the public at large. The evidence tendered showed *inter alia* the degree and extent to which the Opponent’s DIGI Mark had been used on products sold in Singapore since 1987 and the sales and advertising figures of the products.

82 The Opponent’s first overseas production site was set up in Singapore in 1987 and “DIGI” products were made in Singapore where the factory occupied an area of 12,000 square metres and employed over 100 employees¹⁷. Over the years, the Opponent’s products bearing the Opponent’s DIGI Mark has been supplied to and were widely used in major supermarkets such as Cold Storage, Sheng Siong and NTUC FairPrice and local companies such as Singapore Post Pte Ltd, Chemical (S) Pte Ltd, Citizen Farm and Sora¹⁸. The Opponent also asserted that its DIGI products account roughly for an estimated 60% of the market shares for scales and commercial weighing and measuring systems in Singapore¹⁹. In this regard, the Singapore and annual sales figures and advertising figures were also provided to show the extent of the widespread use of the Opponent’s DIGI mark and reputation it had acquired over the years. The annual sales revenue figures for the products bearing the DIGI Marks by Digi Singapore Pte Ltd increased from around S\$420,900 in 2007 to S\$2,940,100 in 2017²⁰; while the annual advertising expenditure was also shown to have increased from around S\$2,200

¹⁷ Heng Yong Chiang’s SD at [5]; and Youichi Kishi’s SD at [6] – [8].

¹⁸ Heng Yong Chiang’s SD at [11].

¹⁹ Heng Yong Chiang’s SD at [12].

²⁰ Heng Yong Chiang’s SD at [13] – [14].

in 2013 to around S\$11,600 in 2017²¹. The Applicant did not refute all of these evidence but submitted that the evidence was confined only to scales and measuring equipment and there was no evidence of use of services in relation to Classes 38 and 42.

83 This argument by the Applicant fails, however, as Section 8(4) of the Act is not confined to only the goods or services in respect of which the trade mark is well known: see *Rovio* at [138] – [139]. This provision of the Act grants proprietors of well known trade marks in Singapore protection from the registration and/or use of identical or similar trade marks on *dissimilar* goods or services: see also *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 (“*Amanresorts*”) at [229]. Thus, it would not matter if the Opponent’s mark is well known in respect of goods or services other than those which the Applicant seeks to use a similar or identical mark for.

84 I am satisfied that the well known status of the Opponent’s DIGI mark has been sufficiently made out.

Indicate a connection and likely to damage the interests of the proprietor

85 Moving on to the third and fourth elements, in *Amanresorts*, at [234], the Court of Appeal had held that the tests relating to misrepresentation and damage under the law of passing off are substantively the same as the tests relating to the “connection” requirement and the “likely to damage the interests of the proprietor” requirement here. Based on the earlier conclusion reached on Section 8(7)(a) on passing off, I am similarly satisfied that the third and fourth elements have been made out.

Conclusion on Section 8(4)(b)(i) read with Section 8(4)(a)

86 In light of the findings that all four elements of this ground of opposition under Section 8(4)(b)(i) have been made out, I therefore find that this ground succeeds.

Overall Conclusion

87 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the opposition succeeds on the grounds under Sections 8(2)(b), 8(7)(a) and 8(4)(b)(i), read with 8(4)(a), of the Act. The ground of opposition under Section 7(6) of the Act was not made out. As the Opponent has succeeded on three out of four grounds of opposition, the Opponent will be entitled to 75% of the costs, which are to be taxed, if not agreed.

88 Protection in Singapore is refused for International Registration No. 1326111 (Trade Mark No. 40201700142X).

Date of Issue: 20 January 2020

[An appeal from this decision to the High Court is pending.]

²¹ Heng Yong Chiang’s SD at [15] – [17].