

CASE NOTE – TRADE MARKS

IP Adjudicator holds that there is confusing similarity and passing off, but dismisses well known mark and partial opposition arguments

Damiani International BV v Dhamani Jewels DMCC [2020] SGIPOS 11



The present opposition involves two parties which use their family names, “Damiani” and “Dhamani” respectively, as trade marks in the jewellery and precious stones business. Some notable points in the decision include whether the Registrar has the power to permit partial oppositions, and whether the use of non-stylised word marks may serve as evidence of use of a stylized word mark to show that the latter is well known in Singapore. This case was adjudicated by Amica’s Jason Chan.

Background

The Opponent, Damiani International BV (the “**Opponent**”), is a local subsidiary of the Damiani Group, an Italian luxury jewellery corporate group that sells jewellery and luxury watches worldwide. The Damiani Group was founded in Valenza, Italy by Enrico Damiani, the grandfather of the Opponent’s deponent.

The Opponent instituted opposition proceedings against the Application Mark (below) filed by Dhamani Jewels DMCC (the “**Applicant**”), a Dubai-based company selling jewellery which originated in Jaipur, India. “Dhamani” was the family’s surname, and the Dhamani family started off as an emerald business in Jaipur before expanding to sell diamonds, precious stones and jewellery globally.

The competing marks are reproduced below:

	Opponent’s Registered Mark	Application Mark
Marks		
TM No.	T8101413C	40201719339S
Classes	Class 14	Classes 14 and 35

The Opponent relied on Section 8(2)(b) (similar marks), Section 8(4)(b)(i) (well known mark), and Section 8(7)(a) (passing off) of the Trade Marks Act (Cap 332, Rev. Ed. 2005) (the “**Act**”) in the present opposition. The IP Adjudicator ultimately refused registration of the Application Mark, as the opposition succeeded on the similar mark and passing off grounds (but not the well known mark ground). This case note will focus mainly on the similar marks and well known mark grounds, as the passing off ground was relatively uncontroversial.

I. Section 8(2)(b) – Similar Marks Ground

Marks are Similar

There was no dispute between parties as to the applicability of the three-step test in assessing the similarity of marks. Pertinently, one must also take into account the distinctiveness of the marks, as this will in turn affect the analysis on visual, aural, and conceptual similarity. The IP Adjudicator also took the opportunity to clarify the law, that acquired distinctiveness is not a relevant factor when assessing mark similarity.

With regard to the distinctiveness of both marks, interestingly, the IP Adjudicator disagreed with both parties' arguments and found that no single dominant element stands out in the Opponent's Mark, as the cursive font is unique and the textual element "DAMIANI" is also a unique and unfamiliar word or name. Therefore, it would be artificial to find a dominant element where there is none. As for the Application Mark, the dominant feature of the Application Mark is clearly "DHAMANI", since the "1969" element is in much smaller font.

Taking into account the above, the IP Adjudicator found that the marks are visually similar, as both comprise of the same number of letters, and the beginning and ending of the marks are the same ("D" and "ANI" respectively).

In finding that the marks are aurally similar, the IP Adjudicator applied two principles.

- First, that when pronouncing invented or unfamiliar words, there is a tendency for a person to reach within their own vocabulary and look for similarly structured words, and apply their pronunciation to the invented or unfamiliar word.
 - Applying the first principle, the average consumer who is unfamiliar with the word "DAMIANI" would pronounce the Opponent's Mark as "DA-MYAR-NEE", drawing reference from "DAMIAN" (pronounced "DA-MYAN"), while "DHAMANI" would likely be pronounced as "DA-MA-NEE", drawing reference from "DHAL" (pronounced as "DAAL") and "DHARMA" (pronounced as "DAAR-MA").
- Second, that the first syllable of a word is aurally the most important, given that English speakers tend to slur subsequent syllables, although this principle is reserved for cases where the marks comprise only one word.
 - Applying the second principle, the first syllable of both marks "DA" is identical (as well as the last syllable of both marks "NEE"). Based on the dominant syllables approach, both marks are aurally similar.

As for conceptual similarity, the IP Adjudicator found that the marks are conceptually dissimilar, as the cursive font in the Opponent's Mark gives it a more traditional look, while the stylization in the Application Mark imparts it with a more modern look.

Goods and Services are Similar

Partial Oppositions

The Applicant unsuccessfully sought to argue that the identical or similar items claimed by the Application Mark should be treated separately in a different category (“**Category A**”) from the remaining items which are not identical or similar to the Opponent’s Mark (“**Category B**”), and asserted that the Hearing Officer has the power, and is even obligated to grant a partial opposition to allow the Application Mark to proceed to registration for all Category B items. The Applicant’s arguments were based on the Applicant’s reading of Sections 12(3) and 15(1) of the Act, as well as policy reasons in support of allowing partial oppositions.

The IP Adjudicator thoroughly addressed the Applicant’s arguments, and set the record straight that the Hearing Officer does not currently have the power to grant partial oppositions under the Act. To date, under the current Act, the issue of partial oppositions has not been decided by either IPOS, the High Court, or the Court of Appeal. While some IPOS cases have discussed the issue, the observations made by the Hearing Officers were *obiter*, and in the case of *Nike International Ltd v Camponar SL* [2001] SGIPOS 4, it was based on the 1992 version of the Trade Marks Act, and there is no direct equivalent of the provision which allows the amending of a specification post-opposition in the present day incarnation of the Act.

This conclusion is fortified by the fact that the Act does not have an express provision which explicitly permits partial oppositions, whereas in contrast, partial revocations and partial invalidations are explicitly permitted under Sections 22(6) and 23(9) of the Act. If it is truly the legislative intent for partial oppositions to be allowed, this would have been expressly provided for under the Act. Therefore, a Hearing Officer currently has no power to grant partial oppositions since such powers are not expressly provided for under the Act.

There are also cogent policy reasons for not allowing partial oppositions. For one, it serves as an impetus for parties to attempt to resolve their dispute before the need for a contested hearing. As the incumbent mark is registered on the public register, the applicant cannot say there was no notice of the earlier mark, and it is always open to the applicant of the later mark to take steps to ensure that his application does not encroach on the earlier mark proprietor’s rights. Where an applicant decides not to take such steps (such as by amending its specification or dividing its application prior to the opposition hearing), it should be taken to have accepted the risk that its entire application will be rejected.

Goods and Services in Different Classes can be Similar

In the present case, the Application Mark sought registration in Classes 14 and 35, while the Opponent’s Mark was only registered in Class 14. As such, the issue is whether the Class 35 services can be considered similar to the Class 14 goods.

The IP Adjudicator took reference from *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal* [2014] 1 SLR 911 (“**Staywell**”), as it is analogous to the present case. In *Staywell*, the Court of Appeal held that there was an overlap between uses and users of the applicant’s Class 35 advertising and marketing services which relate to the promotion of the hotel and

restaurant services under Class 43. Similarly in the present case, advertising and marketing services claimed by the Applicant in Class 35 would reasonably be used for the promotion of jewellery and precious stones claimed in Class 14 of the Application Mark, and therefore the services claimed in Class 35 of the Application Mark are similar to the goods claimed in Class 14 of the Opponent's Mark.

Likelihood of Confusion

The IP Adjudicator assessed a myriad of factors which on balance led to the conclusion that there was a likelihood of confusion. Many of the factors relating to the impact of marks-similarity pointed towards a likelihood of confusion, due to the substantial similarity between the marks. Due to this reason, the impression given by the marks would be similar, and taking into account imperfect recollection, the average consumer would be confused as to trade origin.

With regard to the factors relating to the impact of goods-similarity, the IP Adjudicator's analysis was nuanced, and there were distinctions made with regard to jewellery and precious stones; even within jewellery, expensive and inexpensive jewellery; whether the jewellery would be purchased by the average consumer, or if specialist knowledge would be applied. These nuances influenced whether a factor would ultimately point towards a likelihood of confusion.

For instance, with regard to the nature of the goods and the level of attention of consumers, the IP Adjudicator distinguished between jewellery and precious stones. Jewellery is a type of product that is highly personal and individualized, and thus commands a high degree of fastidiousness from consumers. It could also be a form of luxury goods, so consumers would be more brand-conscious and mark-sensitive. On the other hand, consumers purchasing precious stones are more likely to focus on the characteristics, specifications and certifications of authenticity of the precious stones and the price, and may be indifferent towards the marks used on the goods and the differences between them. Hence overall, this factor would be neutral in the likelihood of confusion inquiry.

Another instance was when the IP Adjudicator analysed the likely characteristics of relevant consumers and whether they have specialist knowledge, and cautioned against simply concluding at face value that there is a low likelihood of confusion as specialists are unlikely to be confused. Referencing *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308, the IP Adjudicator pointed out that consumers of jewellery and precious stones could include specialists, yet they may not place an emphasis on the mark and trade origin, as their focus would be on the price and specifications. Therefore, this factor would be neutral in the present case.

In conclusion, the ground of opposition under Section 8(2)(b) succeeded.

II. Section 8(4)(b)(i) - Well Known Mark Ground

The Opponent sought to rely on Section 8(4)(b)(i), arguing that the Opponent's Mark was well known. However, the Opponent did not adduce evidence of use of the Opponent's Mark (the stylized "Damiani" mark), but adduced use of the Opponent's other unregistered plain "Damiani" word marks (the "**Damiani Word Marks**") instead. The issue was whether such use constituted use of the Opponent's Mark.

The IP Adjudicator ruled that such use did not constitute use of the Opponent's Mark. As it was earlier held that "DAMIANI" is not the dominant distinctive element of the Opponent's Mark, and the stylisation adds to the distinctiveness of the Opponent's Mark, the difference in stylisation between the Opponent's Mark and the Damiani Word Marks alter the identity of the mark, such that use of the Damiani Word Marks do not constitute use of the Opponent's Mark. Therefore, the Opponent failed to establish that the Opponent's Mark is well known, and the ground of opposition under Section 8(4)(b)(i) failed. Had the Opponent specifically pleaded at the outset that the Damiani Word Marks are well known under Section 8(4)(b), it might have stood a better chance of succeeding on this ground.

Closing Comments

This case helpfully confirms the current position in law that partial oppositions are presently not permitted under the Act. This case can also be relied on to show that differences in stylization may be sufficient to render marks conceptually dissimilar.

Some takeaways for practitioners are that it would be wise to assess at the outset the strength of the arguments to be relied on later during opposition proceedings, when crafting pleadings. To balance out weak or unsupported arguments, maximise one's chances of success, and to avoid being unduly constrained in the scope of arguments during proceedings, it would be safer to ensure that one specifically pleads more arguments at the beginning. Practitioners should also be careful when relying on prior registrations and cases involving the earlier Trade Marks Act, as these may be easily distinguished by the tribunal on the basis that there exists no equivalent provision under the current Act. Lastly, when adducing evidence of use to support the reputation or well known nature of the mark, the evidence of use submitted should as far as possible show use of the registered mark, or it would be of limited value.

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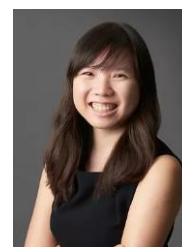


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