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Whether Acquired Distinctiveness may be Considered when Assessing Mark Similarity

Combe International Ltd V Dr. August Wolff Gmbh & Co. KG Arzneimittel [2021] SGIPOS 10

In the recent decision of *Combe International Ltd v Dr. August Wolff GmbH & Co. KG Arzneimittel* [2021] SGIPOS 10, the Intellectual Property Office of Singapore (**"IPOS"**) dismissed an opposition against an application for Dr. Wolff's Vagisan (the **"Application Mark"**) as a trade mark.

This article summarises the facts of the case and the key takeaways from the decision.

Facts

The applicant, Dr. August Wolff GmbH & Co. KG Arzneimittel, applied to register the Application Mark in respect of the following goods:

> Class 3
> Toiletries, namely non-medicated cleansers for intimate personal hygiene purposes, vaginal moist crèmes and vaginal salves (not for medical purposes).
>
> Class 5
> Medical preparations, namely, medicates ointments for vaginal application, vaginal anti-dermoinfectives suppositories and vaginal anti-dermoinfectives capsules; dietetic preparations and dietary supplements for preserving health of the vaginal mucosa; sanitary preparations and articles for vaginal application.

The opponent, Combe International Ltd, opposed the mark on the basis of its prior registrations for VAGISIL in respect of various goods in classes 3, 5, and 10. The opposition was brought on the grounds of sections 8(2)(b), 8(4), and 8(7)(a) of the TMA.

The IP Adjudicator dismissed the opposition on all grounds.

In respect of the section 8(2)(b) ground, the IP Adjudicator dismissed the opposition on the basis that the competing marks were dissimilar overall. This was because the "Dr. Wolff's" and "Vagisan" elements in the Application Mark were at least of equal distinctiveness, and the former element was a key distinguishing factor between the marks.

Since marks-similarity must also be satisfied before an opposition under sections 8(4)(b)(i) and 8(4)(b)(ii) of the TMA is established, the grounds of opposition under those two sections also failed.

Regarding the section 8(7)(a) ground, the parties did not dispute that the opponent has acquired goodwill in its business in Singapore under its VAGISIL marks. However, the applicant disputed, and the IP Adjudicator agreed, that the use of the Application Mark is unlikely to result in consumers being deceived or confused into thinking that the applicant's

goods are, or emanate from a source that is linked to, the opponent. In reaching this conclusion, the IP Adjudicator placed significant weight on the dissimilarity between the marks, as well as on the fact that consumers would likely do research or seek advice during the purchasing process.

Observations

Of particular interest in this decision is the IP Adjudicator's take on an unsettled area of law in Singapore trade mark jurisprudence: whether acquired distinctiveness of the mark can be considered in the marks-similarity assessment, in light of the Singapore Court of Appeal's holding in Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal [2014] 1 SLR 911 (**"Staywell"**) that the assessment of marks similarity is "mark-for-mark without consideration of any external matter" (the **"External Matter Exception"**).

In this case, the IP Adjudicator took a practical approach. He accepted that evidence of acquired distinctiveness may be considered at the marks-similarity stage, because:

(a) as a matter of stare decisis, the Singapore Court of Appeal and High Court in cases pre-dating *Staywell* have held that acquired distinctiveness can be considered at the marks-similarity stage; and
(b) *Staywell* did not definitively overrule those cases.

In reaching this conclusion, the IP Adjudicator cautioned against "holding that earlier rulings of the Court of Appeal are no longer good law because they appear to contradict more recent rulings of the Court of Appeal, unless the position is explicitly clear" [30].

There is much to commend about the IP Adjudicator's findings and approach. The IP Adjudicator rightly highlighted that *Staywell* did not definitively preclude the consideration of acquired distinctiveness at the marks-similarity stage. In fact, the Court of Appeal in *Staywell* tacitly acknowledged, in its discussion on the role of technical distinctiveness in the marks-similarity stage, that technical distinctiveness demands consideration of both inherent and acquired distinctiveness [24].[1] Its discussion on the External Matter Exception did not relate to this, and appeared to be confined to the *specific* marks-similarity assessment —namely, that external matters, such as the relative weight and importance of each aspect of similarity having regard to the goods, cannot be considered in the assessment of visual, aural, and conceptual similarity[20].[2]

The IP Adjudicator's approach also provides a sensible and practical basis for IPOS and the Singapore High Court to consider acquired distinctiveness at the marks-similarity stage, thereby eliminating inconsistent application of this rule.

[1] Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal [2014] 1 SLR 911, [24]: "…Distinctiveness can be inherent, usually where the words comprising the mark are meaningless and can say nothing about the goods or services; or acquired, where words that do have a meaning and might well say something about the good or services, yet come to acquire the capacity to act as a badge of origin through long-standing or widespread use ..."

[2] Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal [2014] 1 SLR 911,[20]: "Finally, on this issue, we reiterate that the assessment of marks similarity is mark-for-mark without consideration of any external matter ... 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 …"

For queries or more information, please contact:

Aaron Thng
Associate Director
Litigation & Enforcement
aaron.thng@amicalaw.com
+65 6303 8390

Marcus Hoh
Legal Associate
Litigation & Enforcement
marcus.hoh@amicalaw.com
+65 6303 6786

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