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CASE NOTE – TRADE MARK INFRINGEMENT & PASSING OFF

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Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd [2013] SGCA 26

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The Plaintiff was the registered proprietor of the mark (the “Registered Mark”)



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in respect of a range of cosmetic products. The Plaintiff had used this mark since 1960 in Singapore on products including a two-way cake and a foundation with sunscreen. The Plaintiff’s products were sold in a blue packaging.

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The First Defendant was the sole importer and distributor of a range of South Korean cosmetics products under the name ROSE LADY (the “Sign”) and which contained essence of dog rose as an ingredient. These products (the “Infringing Products”) included a two-way cake and foundation, and were sold in a peach-coloured packaging bearing sketches of five-petalled flowers. The Second Defendant was a retailer who sold, amongst other things, the Infringing Products.

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The Plaintiff commenced proceedings against the two Defendants, claiming that the Defendants had:

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(a) infringed the Registered Mark under s 27(2)(b) Trade Marks Act by importing and offering for sale the Infringing Products; and

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(b) passed off the Infringing Products as the Plaintiff’s goods.

Infringement of the Registered Mark

The Court of Appeal agreed with the High Court that the four elements in s 27(2)(b) of the Trade Marks Act were made out and accordingly dismissed the Defendants’ cross-appeal.

ADDRESS

Firstly, the Sign was used “in the course of trade” as it was used to identify the trade source of the products to which it was applied. Even though the Sign consisted of generic words, the combination of “Rose” and “Lady” resulted in a sign that distinguished the product in question as to its origin.

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Second, the Court found that the Sign was visually, aurally and conceptually similar to the Registered Mark. The Court stressed that one should not adopt a mechanistic formula in relation to the three similarities. Additionally, marks must be considered in their totality without placing undue emphasis on any particular component of such marks unless such emphasis was warranted on the facts. Applying the principle of imperfect recollection, all three similarities were made out.

Thirdly, the Court of Appeal agreed with the High Court that the Sign was used on goods that were identical in nature to those for which the Registered Mark was registered.

Fourthly, the Court found that the above similarities were sufficient to lead to confusion amongst the relevant public. Importantly, the Court held that in assessing the likelihood of confusion it was permissible to take into account certain extraneous factors, such as those which bore upon:

1. the degree of similarity between the contesting marks;
2. the degree of similarity between the goods or services in relation to which these were to be used; and
3. the effect of the foregoing on the relevant segment of the public.

Passing off

Applying the classic trinity of misrepresentation, goodwill and damage, the Court of Appeal disagreed with the High Court's finding that the latter two requirements were not made out and held that the Plaintiff's action in passing off succeeded.

Firstly, the Court found that there was misrepresentation since (a) the Registered Mark was distinctive, (b) there was a sufficient degree of similarity between the Registered Mark and the Sign and (c) there was a likelihood of confusion arising in the circumstances.

Secondly, the Court found that the Plaintiff had significant goodwill. The Plaintiff's development of a sustainable business over four decades was sufficient to warrant invoking the protection of the courts through an action in passing off.

Thirdly, the Court found that there was a likelihood of damage given the identical field of business activity and the likelihood of confusion in relation to the trade mark infringement claim. There was a real likelihood of damage to the Plaintiff's goodwill arising from the diversion of sales of "Lady Rose" products if consumers of the relevant segment of the public were led to believe that "Rose Lady" cosmetic products were associated with the Plaintiff.

CASE NOTE – TRADEMARK INVALIDITY & WELL KNOWN MARKS

Guy Neale and others v Nine Squares Pty Ltd [2013] SGHC 249

In 2000, a partnership of 4 individuals, Chondros, Kadek, Kotzamichalis, and Neale (the “Plaintiffs”), began operations of a restaurant called Ku De Ta in Bali. Nine Squares Pty Ltd (the “Defendant”), is the registered owner of two trade marks in Singapore bearing the name “KU DE TA” (collectively “the Singapore Marks”).

Chondros, being a shareholder of the Defendant, used it as a management company for the restaurant. In 2004 the Defendant registered the “Ku De Ta” mark in Class 43 and in 2009, it registered the same in classes 9 (music) and 25 (apparel).

The Plaintiffs subsequently brought an action for:

- (a) a declaration that the Singapore Marks are held on trust for and should be transferred to the plaintiffs; or
- (b) invalidation of the Singapore Marks

The trust Issue

The Court held that there was nothing in the parties’ interaction and correspondence to evince any clear intention by Chondros or Nine Squares to hold the marks on express trust for the plaintiffs.

There was also no breach of fiduciary duty by which a constructive trust could be imposed on Chondros. At 2004 and 2009, there was no goodwill in Singapore belonging to the Plaintiffs which obligated Chondros not to procure the registration of the marks on the respective dates.

Additionally, usurpation of corporate opportunity could not be the basis of a fiduciary duty: at the dates of the registration of the Singapore Marks, it could not be said there was a real or substantial possibility that setting up in Singapore was a likely activity that the Ku De Ta Bali partnership would have entered into.

Invalidation of the Singapore marks

The Plaintiffs allege that the Singapore marks should be invalidated because:

- (a) at the dates of their registration, the “Ku De Ta” mark was well-known in Singapore;
- (b) the applications were made in bad faith;
- (c) there were passing-off considerations.

On the well-known mark point, the court found that there was insufficient evidence the “Ku De Ta” mark was well-known in Singapore at the relevant dates – all advertising in relation to it was conducted only in Bali.

On the bad faith point, the Court disagreed that the Defendant had acted in bad faith – there was no usurpation of corporate opportunity nor was there any goodwill in Singapore to misappropriate.

On the passing-off point, the Plaintiffs did not have a business presence in Singapore, which traditionally is fatal to a claim in passing-off. The court left open the possibility of departing from this 'hard-line' approach as more crucially the Plaintiffs did not have goodwill in Singapore. The Singapore Marks thus could not be invalidated on this ground.

Accordingly, the Singapore Marks were not invalidated.

CASE NOTE – PASSING OFF & WELL KNOWN MARKS

Motherhood Pte Ltd v Lau Elaine and others [2013] SGHC 258

Motherhood Pte Ltd (the "Plaintiff") ran a monthly print periodical dealing with issues relating to pregnancy, motherhood, and parenting issues. The Plaintiff also published other periodicals associated with the Plaintiff's Magazine on an annual basis under the names "Motherhood Baby Plus", "Motherhood Guide to Childcare" and "Motherhood Healthy Pregnancy. Additionally, the Plaintiff operated a Facebook page relating to the Magazine. Finally, the Plaintiff has since 1988 held an annual exhibition in Singapore under the "Motherhood" mark promoting goods and services relating to parenting issues.

The Defendants published an online periodical relating to parenting issues named "Today's Motherhood". The Defendants also created a Facebook page named "Today's Motherhood" on 17 June 2009.

The Plaintiff commenced proceedings against the Defendant, basing its claim on the tort of passing off and ss 55(2) and 55(3)(a) Trade Marks Act which allow a proprietor of a "well known trade mark" to restrain by injunction the use of its trade mark if the requirements of those sections were satisfied.

Passing off

Applying the classic trinity of misrepresentation, goodwill and damage, the High Court found that the latter two requirements were not made out and held that the Plaintiff's action in passing off failed.

On the misrepresentation requirement, the High Court held that "Motherhood", being a descriptive mark, should receive a lesser degree of protection, such that small differences may be sufficient to enable a defendant to avoid liability. This remained true even though "Motherhood" had attracted goodwill through prolonged use. In light of this, the Court held that the misrepresentation requirement was not made out because the two marks were sufficiently dissimilar both visually and aurally. Additionally, the relevant public, being more discerning and educated than the average person, would not be easily confused by superficial similarities in the titles.

Given that there was no misrepresentation, the Plaintiff could not suffer damage.

Claim under the Trade Marks Act

The claim under s55(2) Trade Marks Act failed because the Plaintiff failed to establish a likelihood of confusion.

Unlike s55(2), s55(3)(a) does not expressly require proof of a likelihood of confusion; it simply requires that the defendant's use of a similar or identical mark in relation to any goods or services would "indicate a connection" between those goods or services and the plaintiff, and is likely to damage the plaintiff's interests. However, the claim under s55(3)(a) also failed. The Court relied on the Court of Appeal case of Amanresorts, which is authority that s55(3)(a) also requires a likelihood of confusion to be shown.

Accordingly, the Plaintiff's claim under the Trade Marks Act was dismissed.

CASE NOTE – PASSING OFF

The Singapore Professional Golfers' Association v Chen Eng Waye [2013] 2 SLR 495

The Appellant was a non-profit golfing association. Its initials were "SPGA" and its shortened name was "Singapore PGA". Its objectives included promoting the sport of golf in Singapore and the interests of its professional golfer members. It had four categories of members, including "professionals" and "senior professionals".

The First Respondent was originally a member of the Appellant who was suspended participating in a non-sanctioned tournament. The First Respondent, together with his son (the Second Respondent), formed and registered the 3rd Respondent as a limited liability partnership on 25 November 2010. The 3rd Respondent was named "Singapore Senior PGA LLP" and its initials were "SSPGA". The 3rd Respondent's activities included organising golf tournaments and golf-related activities.

Subsequently, the 3rd Respondent advertised that it would conduct a Senior Professional Qualifying Test. Soon after this, the Appellant also announced that it would conduct a test for to qualify as senior professional golfers.

The Appellant brought a claim for the tort of passing off after the Respondents refused to cease their activities.

Passing off

Applying the classic trinity of misrepresentation, goodwill and damage, the CA found that all three requirements were made out and held that the Plaintiff's action in passing off succeeded.

On the requirement of goodwill, the Court of Appeal held that the protection conferred by the tort could extend to non-commercial organisations. On the facts, the Appellant did have a measure of goodwill that extended to professional golfers' activities generally.

On the requirement of misrepresentation, the Court found that the minor differences in the Appellant's and 3rd Respondent's name served to aggravate the likelihood of confusion. The word "Senior" in fact gave the distinct impression that the 3rd Respondent was a branch of the Appellant that was catering exclusively to the "Senior" arm of the golfing community. Accordingly, this requirement was made out.

The Court finally found that the requirement of damage was made out as well. Loss arising from damage to goodwill in relation to non-commercial associations, such as the Appellant, would include a loss of actual or prospective members and, therefore, a loss of subscriptions or other income derived from membership.

CASE NOTE – WELL KNOWN MARKS & OPPOSITION PROCEEDINGS

Idea Marketing SA v Formula One Licensing B.V. [2013] SGIPOS 8

Idea Marketing SA (the "Applicants"), applied to register the "F1H2O" mark (the "Applicant Mark") in respect of classes 9, 25, 38, and 41. The Applicants were the global promoter of the F1 Powerboat World Championship. Use of the terms "F1" and "Formula 1" in the context of powerboating in Singapore first began in 1990, with the championship being held under various names, all involving the "F1" or "Formula 1" terms.

Formula One Licensing B.V. (the "Opponents"), are the trademark managers for the F1 Motor Championship. They were proprietors of numerous variants of the "F1", "Formula 1" and "Formula 1 Singapore Grand Prix" trademarks in Singapore, in various different classes. The Opponents filed their notices of opposition in Singapore against the registration of the Applicant's marks. Two key issues were before the Registrar:

- (a) Whether the Opponents' plain letter "F1" mark was "well known" in Singapore as at 11 January 2007. If so, the Opponents would be able to rely on this as an "earlier trade mark" that is similar to the Application Mark, "F1H2O", and thereby seek to prevent registration of the Application Mark;
- (b) Whether the Opponents could rely on their registered marks to oppose the application;

Regarding (a), Registrar found that at the relevant date, the plain F1 mark was not well-known in Singapore – the evidence suggested that the Plain F1 Mark was descriptive of a particular class or standard of sport in both motor racing and powerboat racing.

Regarding (b), the Registrar found that the Applicant Mark was sufficiently dissimilar from the Opponents' registered marks. The dominant feature of the Opponents' marks was a heavily stylized version of "F1", while the Applicant Mark was a straightforward, unembellished combination of letters and numbers.

CASE NOTE – PATENT AMENDMENTS

Novartis AG and another v Ranbaxy (Malaysia) Sdn Bhd [2013] 2 SLR 117

The Defendant was a pharmaceutical company who sought to import pharmaceutical products which related to the Plaintiffs' Patent. The Plaintiffs commenced a suit, inter alia, seeking declarations that if the licences sought were granted, and the Defendant's products were imported and marketed in Singapore, the Patent would be infringed.

Subsequently, the Plaintiffs took out an application to amend the Patent claims to "enhance clarity, to highlight the inventive contributions of the Patent and to reduce the number of claims", as well as to "further distinguish the claims in the patent from the prior art".

The main issue before the Court was whether the Court should exercise its discretion to allow the amendment pursuant to s 83(1) Patents Act.

The Court held that its discretion to grant leave to amend the specifications of a patent under s 83(1) Patents Act was subject to s 84(3) ie, that no amendment shall be allowed if it resulted in the specification disclosing any additional matter, or extended the protection conferred by the patent. Once this threshold is passed, the court must then consider the following factors in deciding whether to allow the amendment:

- (a) whether the patentee had disclosed all the relevant information with regard to the amendments;
- (b) whether the amendments were permitted in accordance with the statutory requirements;
- (c) whether the patentee delayed in seeking the amendments (and, if so, whether there were reasonable grounds for such delay);
- (d) whether the patentee had sought to obtain an unfair advantage from the patent; and
- (e) whether the conduct of the patentee discouraged the amendment of the patent.

On the facts, the s84(3) threshold was passed as the amendments sought to be made would lead to a narrowing, not expanding, of the scope of the patent. The Court then decided, in its discretion, to allow the amendment. Although the Plaintiffs were aware of prior art, cited in opposition proceedings before the European Patent Office in 2006 and 2009, their delay in amending the patent was not undue or reprehensible. The Plaintiffs had genuinely, and quite properly in the circumstances, thought that the prior art was irrelevant.

CASE NOTE – COPYRIGHT INFRINGEMENT

Public Prosecutor v Chew Choon Ling Michael (Deceased) [2013] SGDC 62

The Appellants were convicted under s136 Copyright Act for possessing and distributing infringing copies of a work, namely tracings of “the Termi-mesh specification and markings on construction drawings for the proposed installation of the Termi-mesh Barrier System”. The Appellants derived their drawings from DP Architects and RSP Architects, whom they assumed had the copyright.

On appeal to the High Court, the Court found that the charges against the appellants were flawed and that the convictions could not stand. The Appellants had merely traced over the tracing of an unknown copier. The tracing of the unknown copier consisted of information which had commercial value but no artistic value. Given that it was a fundamental principle of copyright law that no claim for copyright may be made in respect of ideas and information, no copyright protection could subsist in the tracings. Accordingly, the convictions were dismissed.

LEGISLATION UPDATE: IMPORTANT AMENDMENTS TO PATENT SYSTEM

Significant changes to Singapore’s patent prosecution system will come into effect on 14 February 2014. More details can be found here: [<Amica Law Update January 2014>](#)

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