

CASE NOTE – TRADE MARKS

Practical considerations for relying on unregistered trade mark rights for trade mark oppositions

Florian Mack v Golden Cala Trading EST [2020] SGIPOS 5

While theoretically possible, it is uncommon for an opponent to successfully rely on unregistered trade mark rights (by way of passing off), as its main ground of attack for a trade mark opposition.

The recent *Florian Mack* case before the Intellectual Property Office of Singapore (IPOS) is a rare example of a successful trade mark opposition which relied primarily on unregistered rights. This case also illustrates the practical difficulties in doing so.

Background of the Case

The dispute concerned a Trade Mark Opposition against Singapore Trade Mark No. 40201715235Y for:



in Class 9 for “contact lenses” (the “**Application Mark**”) by Golden Cala Trading EST (the “**Applicant**”).

The Application Mark was opposed by Mr Florian Mack (the “**Opponent**”) who was the proprietor of the following mark:



(the “**Opponent's Mark**”). The Opponent's Mark was primarily exploited by the Opponent's licensee Sky Optical LLC (a UAE Company), who distributed and sold contact lenses to customers worldwide through its online store via the website <www.lens.me> (the “**Website**”).

In particular, while the Opponent had applied for the Opponent's Mark in a number of jurisdictions outside of Singapore, including the European Union, the United Arab Emirates, and the United Kingdom, the Opponent did not have any applications or registrations in Singapore.

Consequently, without having a registered trade mark in Singapore, the Opponent filed an Opposition based on the grounds of passing off as well as bad faith. Although the Opponent failed to establish bad faith, the Opposition succeeded on the ground of passing off.

This case note will focus solely on the passing off ground of the Opposition and will examine the practical considerations in relation to the same.

Passing Off Ground

To establish passing off, the following elements must be established:

1. Goodwill;
2. Misrepresentation; and
3. Damage.

Goodwill

The Opponent relied on the following two points to establish goodwill:

1. There were *actual* sales of contact lenses to customers in Singapore through its Website under the Opponent's Mark since 2016
2. The Opponent had advertised to customers in Singapore through the internet and individuals from Singapore have visited its Website.

Here, the Registrar ultimately found that the eligible evidence adduced showed that the Opponent's sales prior to the Relevant Date (being the date of application of the Applicant's Mark ie. 10 August 2017) was approximately US\$10,703.98 arising from 102 completed orders placed by 74 customers. These numbers, although acknowledged to be modest, were sufficient to support a finding of goodwill in Singapore.

The Registrar also acknowledged that evidence of the Opponent's online advertising activities assisted in the finding of goodwill. The Registrar acknowledged that the Opponent had taken active steps to use and market the Opponent's Mark in Singapore which ultimately generated not just awareness but also actual sales, and was not merely a case where a mark was placed on the internet or used in online advertising generally. Some examples of the Opponent's advertising activities included:

1. Setting up social media accounts on Instagram, Facebook, Twitter, Pinterest and YouTube, all of these accounts were either named "lensdotme" or "lens.me".
2. Online marketing methods through Google and other service providers to place internet advertisements to attract possible consumers—including consumers in Singapore—to the Website.
3. Advertising expenditure of over US\$13,000 on online advertising relating to Singapore.
4. Google analytics data to show that there had indeed been visitors from Singapore to the Website.

Misrepresentation

Following the finding of goodwill, the element of misrepresentation was satisfied primarily based on the following grounds:

1. The similarity between the competing marks;
2. The lack of use of the Applicant's Mark in Singapore and the absence of any potential differentiating factors in actual use; and
3. An overlap between the relevant fields of business.

Damage

The Registrar also found a likelihood of damage to be suffered by the Opponent as the fields of business overlapped or were very closely linked to each other. Given the high degree of similarity between the marks, the average consumer would likely be confused as a result of which the Opponent would likely suffer damage through the loss of sales and/or the loss of the ability to extend its business to the manufacture and sale of contact lenses bearing the Opponent's Mark.

Commentary

To establish a viable trademark opposition based on the passing off ground, clear, cogent and relevant evidence before the Relevant Date must be prepared and submitted.

However, from a practical standpoint, it is often difficult for companies to maintain clear records of geo-targeted sales / advertising / traffic which may amount to a significant administrative burden, especially for rights owners who have a relatively small presence in the jurisdiction.

The present case is useful to illustrate the type of evidence that may be deemed probative and which rights owners may consider focusing their resources on. These are summarized as follows:

1. Evidence of sales in Singapore and in particular, evidence of repeat sales;
2. Evidence of advertising activities specifically targeting Singapore (which may include search engine optimization (SEO) or other online strategies);
3. Evidence of advertising expenditure in Singapore; and
4. Web traffic analytics and data.

Most importantly, any evidence provided must be dated before the Relevant Date (being the date of application of the application mark in question). In the Florian Mack case, the Applicant challenged the Opponent's evidence as to goodwill on the basis that the bulk of the same was inapplicable as it fell outside the Relevant Date. This resulted in a significant portion of the Opponent's evidence being effectively discounted.

The Singapore Trade Mark Registrars have shown to be particular as to the relevance of evidence adduced by parties, and closely scrutinizes the same. The requirement for high quality and relevant evidence has been accentuated in recent times. The Registry has recently launched an initiative towards reducing the amount of evidence relied on in proceedings by introducing page limits on statutory declarations in inter-partes proceedings (see < [https://www.ipos.gov.sg/docs/default-source/resources-library/hearings-and-mediation/guidelines-and-useful-information/faqs-\(page-limits-on-evidence\).pdf](https://www.ipos.gov.sg/docs/default-source/resources-library/hearings-and-mediation/guidelines-and-useful-information/faqs-(page-limits-on-evidence).pdf)>. This further underscores the need for parties to prepare and submit the best evidence possible.

However, if for any reason such evidence is unavailable, or if rights owners wish to avoid the administrative burden and book-keeping of tracking geo-targeted use and expenditure above, it may be more cost-efficient to protect one's trademark rights by registering a trademark in the jurisdiction of interest. The advantages of obtaining registered trademark rights in Singapore include the following:

1. A trade mark application is a relatively straightforward process in Singapore with minimal formality requirements. There is further no requirement to show use for the purposes of registering the trademark.
2. A trademark application / registration will block the application / registration of any subsequent similar mark for similar goods
3. A trademark application in Singapore is relatively inexpensive, and may outweigh the administrative costs of continuous tracking of use and expenditure
4. An opposition or any other enforcement action based on a similar prior registered trademark would generally be more straightforward and less demanding (from an evidential standpoint) than one based on unregistered rights

In any event, the relevant grounds of opposition are not mutually exclusive, and layering registered trademark rights together with unregistered trademark rights can provide a rights owner with more comprehensive protection in Singapore.

If you require advice as to how best to protect your trademarks in Singapore and the region, please feel free to contact us.

This case note is intended to provide general information only and should not be relied upon as an exhaustive or comprehensive statement of law. Should you have any specific questions, please speak with your usual contact at Amica Law LLC, or you may direct your query to mail@amicalaw.com.

*We wish to express our thanks to **Marcus Liu** for his contributions to this case note.*

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