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NICK'S LAW NOTES

intellectual property: passing off

PASSING OFF

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PASSING OFF

[1] The law of passing off can be summarised in the general proposition that **no man may pass off his good as those of another**. This may be expressed in terms of the “classical trinity” of passing off, which are **goodwill, misrepresentation** and **likelihood of damage** (*Staywell Hospitality Group v Starwood Hotels*).

[2] Relationship between common law and statutory protection

Section 4(2) of TMA (“nothing in this Act shall affect the law relating to passing off”) provides that rights under passing off and that under Trade Marks Act are **distinct and cumulative**.

[3] Rationale for protection of trade marks

- Unfair competition:
 - *Art 10bis(1)*, Paris Convention
 - Member countries must provide “effective protection against acts of **unfair competition**”.
 - *Art 10bis(2)*, Paris Convention
 - “Any act of competition **contrary to honest practices** in industrial or commercial matters constitutes an act of unfair competition.”
 - *Art 10bis(3)*, Paris Convention - The following acts are deemed to be ‘acts of unfair competition’:
 - i) All acts of a nature as to **create confusion** by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor.
 - ii) **False allegations** in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor.
 - iii) Indications or allegations the use of which in the course of trade is **liable to mislead** the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.
- Economic arguments:
 - **Reduces ‘search cost’** for consumers (*Landes & Posner*)
 - Trade marks are an **effective way for small firms to survive** in a competitive environment
- Essentially, rationale can be broadly split into two strands: **1) consumer protection** and **2) producer incentive**
- However, note that public interest has always played only a secondary role, even in traditional trademark law as can be seen from the numerous judgments where the courts denied relief though there was clear evidence that consumers were not likely to be deceived.

STEP ONE: GOODWILL

PRELIMINARY ISSUES

ISSUE: WHAT IS GOODWILL?

_____ must first establish that goodwill, which is the ‘attractive force which brings in custom’, subsists in the get-up of his business because passing off only **protects the goodwill** of a business and not the mark itself (*Amanresorts*). A plaintiff has goodwill if the mark is **distinctively or exclusively associated with his business** (*White Hudson*).

- **KEY: DISTINCTIVE ASSOCIATION WITH BUSINESS**
- On the other hand, there is no goodwill if the mark is **‘very ordinary’ and ‘common to trade’** (*Tong Guan Food; QB Net*).
- Note however that passing off has not become a general law of unfair competition such as is found in European jurisdictions. Like other items of property, the **value of goodwill may fluctuate or even be destroyed** as a result of the **operations of the market**, without giving its owner any legal remedies; the element of misrepresentation is the key which unlocks the door (*Walde, Contemporary Intellectual Property*).

(A) DURATION OF BUSINESS

- The **longer a business has been around**, the stronger the case that goodwill has been acquired.
 - However, while a long-established business is, in general, likely to be more widely known than a recently-established one, this may not always hold true. Thus in *Amanresorts (CA)*, Respondents’ business has existed since 1988 when the first Aman resort, Amanpuri,

was opened, but, apart from the two offices which the Respondents maintain in Singapore, the main part of their business is based overseas. The length of time for which the Respondents' business has been operational is thus not of very great weight.

- On the other hand, even a short period could establish goodwill. All the more so in this modern age of mass communications, a trader should be able to establish goodwill sooner (*CDL Hotels*).

(B) SALES VOLUME, ADVERTISEMENT OR PUBLICITY AND MARKET SURVEYS

- KEY: ASSOCIATION WITH PUBLIC**
- Thus, for sales volume, relevance lies in **1) duration of sales** – product would have reached out to more people if duration were longer and **2) amount of sales** – if product is cheap and yet profit is high, it shows that many people must have bought the products and thus product must have reached out to many people.
- The Chinese Calligraphic Society v Khoo Seng Kong*: Descriptive name attracted goodwill
 - Long duration**: In the present case, the plaintiff has been using the names in issue **since 1995**. The conduct complained of **took place on 21 April 2005**, when the defendant registered his business name.
 - Publicity**: By that date, the evidence adduced showed that the Singapore Calligraphy Centre had already been identified in the local media as the “first home” of the plaintiff. There were also numerous news reports which associated the Centre with the plaintiff.

In this case, _____

- In *Tay Long Kee*, the court held that a plaintiff did not have goodwill in its **barcode prefix numbers** because consumers were unaware of its significance.
- In *OTO Bodycare*, the court held that the plaintiff did not have goodwill in its **particular sale methodology** because the consumer did not associate it exclusively with Plaintiff's business.
- In *White Hudson*, the court held that the plaintiff had goodwill in the **general packaging of its sweets** because the consumers, who were mostly English-illiterate, distinguished plaintiff's sweets based on its red packaging.
- In *Tong Guan Food*, the court held that plaintiff did not have goodwill in its **dark blue-and-white aluminum foil packaging** because it was 'very ordinary' and 'common to trade'.
- In *Lifestyle 1.99*, the court held that plaintiff had goodwill even though the **mark was descriptive** because it had acquired a secondary meaning that allowed consumers to exclusively associate the mark with his business.
 - High sales turnover; extensive advertisement; 48% of people surveyed knew the business.
- In *QB Net*, the court held that plaintiff did not have goodwill in its get-up (10 minute hair cut concept, layout of outlet, use of ticket-vending machine, special hair vacuum cleaner) because they were very 'common to trade'.

FANCIFUL

Generally, a made-up or a fancy name that is meaningless and not descriptive of the goods or services to which it is applied will be able to generate goodwill through use since it is inherently distinctive of the goods or services, e.g. EXXON, KODAK and GOOGLE.

- If not, see below for potential issues.**

ISSUE: NON-COMMERCIAL Whether P is a non-commercial organisation

Non-commercial associations typically benefited from and depended upon voluntary membership, subscriptions, donations or support. Such support reflected the magnetic force of the particular association in question, which constitutes goodwill (*SPGA v Chen Eng Waye*).

- With respect to its members, actual and potential, goodwill is found in the services it provides or offers to them.
- With respect to non-members or to the general public, a wider goodwill may be acquired from the services it provides to them (if it does).
- In *SPGA v Chen Eng Waye*, it was found that the Appellant did have a measure of goodwill, and that this extended to professional golfers' activities generally and was not limited to activities that pertained only to senior professional golfers.

ISSUE: RELEVANT DATE If P started trading locally after D had already done its alleged act of passing off

Relevant date on which goodwill must exist is the date on which defendant's conduct complained of commences (*Staywell*).

- Time freezes – if you are acting for P, you want the date as late as possible so you can show that everything that happened before is relevant.
- Not the date of summons or the date of trial. Not the date of incorporation of D's company.
- Hence, in *Lifestyle 1.99*, the defendant opened its shops on 9 Sept 1998. The plaintiff must thus prove that goodwill existed as at this date.
- What about pre-trading activities affecting relevant date? See *CDL Hotels*

ISSUE: RELEVANT SECTOR OF THE PUBLIC

See below.

PROTECTABLE DEVICES: WORDS

ISSUE: DESCRIPTIVE MARK Whether ____'s descriptive mark has acquired a 'secondary meaning' such that goodwill is established.

In *Lifestyle 1.99*, the SGCA held that if a mark is **prima facie descriptive**, it will only be protected if it has acquired a **'secondary meaning'** – that the mark has become closely associated with and, thus, distinctive of the claimant's business. The burden is, however, a **heavy** one.

- **KEY: DURATION USUALLY DETERMINES WHETHER SECONDARY MEANING HAS BEEN ACQUIRED**
- What is crucial is the distinctiveness of the word in question. Whether the word purported to be protected is distinctive is a matter of degree. The **more descriptive it is (as in generic terms), the less distinctive** it tends to be. **The more fanciful the word, the easier it is to establish distinctiveness.** (*CDL Hotels; Lifestyle 1.99*).
 - **Rationale:** Descriptive marks tend to **inform the purchasing public about the nature** of the goods or services supplied rather than its origin or source. Additionally, it may also be the **natural choices** that other retailers may want to use, thus court may be reluctant to grant the first-user monopolistic protection over a descriptive mark.

If you want to argue that descriptive mark is nonetheless distinctive / has acquired secondary meaning

- The use of ordinary words in the English language as part of a business identity can become associated with a particular trader in the marketplace such that exclusive use can be claimed i.e. secondary meaning.
- *CDL Hotels*: Descriptive, geographical word held to have acquired goodwill because 'Millenia' did not merely connote a geographical location; it identified the business as a quality complex, distinguished from the rest.
 - **Geographical not a problem:** Even if 'Millenia' is a geographical locator (which we have held it not to be), we think that it is distinctive of the respondents' complex. There are many cases which have held that geographical names are distinctive.
 - **More fanciful than descriptive:** The learned judge found that the word 'Millenia' lay somewhere in the middle, closer to being highly fanciful rather than obviously descriptive. **The word 'Millenia' did not merely connote a geographical location.** It identified the respondents' complex as a quality complex. It was found that the **respondents' intention** all along was to use the name 'Millenia' to distinguish their development from the rest and to portray it as a cut above all others. It was to be a world-class shopping centre, of the same class and distinction as Rodeo Drive in Los Angeles. This was relevant in determining the establishment of goodwill. CA affirmed.
- In *Reddaway v Banham*, the claimant's product was termed "camel hair belting". The words "camel hair belting", though descriptive of the material used for the claimant's goods, were held to have **acquired a secondary meaning**, thus distinguishing the product as that of the claimant. The words did not merely convey the idea that the belting was manufactured from camel's hair, but rather, through use and promotion, the words had come to be understood specifically to mean belting manufactured by the claimant.
- In *SPGA v Chen Eng Waye*, although 'The Singapore Professional Golfers' Association' lack a high degree of distinctiveness in and of themselves, they have nonetheless **acquired a secondary meaning** by virtue of their clearly being identified with the Appellant and with the activities that it organises and promotes.
 - The Appellant was established in 1973, almost 40 years ago. It has been using its full name, its shortened name and its initials regularly since then.
 - Various local newspaper articles and publicity materials as well as golf publications which have reported on the Appellant's activities have continually referred to the Appellant using these same names, *ie*, the Appellant's full name, its shortened name and its initials.
- In *Office Cleaning Services v Westminster Window*, 'Office Cleaning Services' was held to be a descriptive word without secondary meaning as it was just the name of a company providing office cleaning services.

If you want to argue that descriptive mark has not acquired secondary meaning / have been distinguished

- **(A) Monopoly argument**
 - The law in general has a discountenance for descriptive mark/name to operate as a trade mark/name and it **jealously guards the usage of ordinary words or numerals from being monopolised** by traders for sale of either their goods or services (*Nippon Paint v ICI Paints*).

- Even if (defendant) were perceived to be riding on the favourable publicity generated by the respondents, there was no tort of unfair competition (*Lifestyle 1.99*). Furthermore, much like what the CA held in *Lifestyle 1.99*, (claimant) should not be allowed to claim a monopoly to the concept of (selling goods at 1.99) under the guise of a passing off action, which would be the case if others were not allowed to use “1.99”.
- **(B) P's descriptive mark distinguished**
 - When descriptive words are used, a **slight difference between the names would suffice** to distinguish them.
 - Thus, in *Lifestyle 1.99*, the addition of the word “LIFESTYLE” in the defendant's get-up was sufficient to differentiate the two.
 - In *Super Coffeemix Manufacturing v Unico Trading*, CA pointed out that since the term “COFFEEMIX” was descriptive, the addition of the word “INDOCAFE” to the term “COFFEEMIX” in D's mark was sufficient to differentiate his products from P's products which bore the mark “SUPER COFFEEMIX”.
- **(C) Distinctiveness / secondary meaning even if acquired has been lost**
 - The creation or acquisition of distinctiveness in the marketplace of a word or combination of words (or letters and numerals) can also be lost. It may cease to be distinctive of the original product and become a generic term for all products of that particular kind, just like how Linoleum had become a generic term for floor-covering (*Linoleum v Nairn*) or how Escalator is a genericised trade mark for moving staircases.

PROTECTABLE DEVICES: GET-UP

ISSUE: WHETHER GET-UP IS FUNCTIONAL OR FORMS PART OF THE PRODUCT

A higher burden is also imposed on the plaintiff to prove distinctiveness if the **get-up has a functional value** (*Allswell Trading*), or when the **get-up forms part and parcel of the product itself** – because the law of passing off does not protect the product itself, which is the realm of patent, but only its get-up.

(A) MONOPOLY ARGUMENT

- In fact, even in *Reckitt & Coleman*, where a lemon-shaped container was held to have acquired secondary meaning, Lord Bridge identified that the holding granted a *de facto* monopoly of the container to the claimants and would have found a way to avoid the result if not for the trial judge's findings of fact.
- See below also for *Nation Fittings* and *Allswell Trading* monopoly argument.

(B) SECONDARY MEANING

- *Reckitt & Coleman v Borden*: HL found that Jif's lemon-shaped container **acquired secondary meaning** because a substantial portion of the purchasing public would have thought of “Jif” the moment they saw the lemon-shaped container. Furthermore, Jif is and has now for a long time been the only lemon-shaped pack of lemon juice on the market, since 1957 till 1987 (when complaint was brought).
 - All that the law will protect are such **capricious additions or features** as may be attached to the article for the **purpose of indicating origin** – for instance, the embossed word “Jif” on the respondents' containers in the instant case, which serves no functional purpose.
 - The deception alleged lies not in the sale of the plastic lemons or the dimpled bottles, but in the sale of lemon juice or whisky, as the case may be, in containers **so fashioned as to suggest that the juice or the whisky emanates from the source** with which the containers of those particular configurations have become associated in the public mind.
- Thus in *Nation Fittings*, court held that there was no goodwill in the shape of plaintiff's pipe fitting because it was a generic shape and serves a functional value. Allowing plaintiff goodwill would be tantamount to granting plaintiff perpetual monopoly over such a valuable shape.
- Likewise in *OTO Bodycare*, court found that the shape and get-up of plaintiff's massage machine had not acquired goodwill because it was not proved that the purchasing public, on seeing the massage machine “would immediately conjure up an image of the plaintiff or would know that it was an OTO product”.
- In *Allswell Trading*, the court held that the plaintiff's bulb-shaped and textured bottle used for storing its citrus drink has functional value and warned that a plaintiff should not be allowed to secure a monopoly in a new type or design of goods under the guise of a passing off action.

ISSUE: WHETHER NOVEL FORM OF GET-UP IS PROTECTED

Given that the tort of passing off is no longer anchored, as in its 19th century formulation, to the name or trade mark of a product or business, it is arguable that the tort is wide enough to encompass ____.

- Slogans or visual images (*Cadbury Schweppes*, per Lord Scarman's dicta)
- Advertising themes and techniques (*Cadbury Schweppes*)
 - Although failed on the facts
- Ambience or décor of restaurant (*My Kinda Town v Soll*)
- Overall planning and get-up of magazine (*Asia Pacific (HC; CA)*)
- Product packaging e.g. sweets (*White Hudson v Asian Organisation*)
- Conduct of business over Internet in a particular format and style (*easyJet v Dainty*)
 - [O]ne of the distinctive features is that business is either with, to do with, or conducted over the Internet so that the evidence suggests something of the order of 75-81% of bookings on an individual day might be done and conducted over the Internet,... But it is a highly Internet organised business and this is a matter which also needs to be taken into account.
- Image of a business (*easyJet v Dainty*)
 - First of all, the name 'easy' together with another word which alludes to the service in question being offered, so as to form one new word, such as the word 'easyJet' in the case of the airline, or 'easy Rentacar' in the case of the third claimant. Secondly, the word 'easy' in this formulation is in lower case in the case of every one of the uses of the combination. Thirdly, in every combination the first letter of the second word is displayed as a capital letter so that easyJet has a capital J, easyEverything is a capital E and easy Rentacar a capital R. Fourthly, in every case the get-up is against a bright orange background with plain white lettering except on occasions where the colouring is reversed so that the background is white and the lettering is in the same distinctive orange colour, as has usually been associated with the product in question...

GOODWILL AND REPUTATION: PROBLEM OF FOREIGN GOODWILL

An issue in the present case is whether ____, which has a reputation but no business here in Singapore, is able to claim goodwill. In Singapore, the distinction between goodwill and reputation for passing off is not yet settled.

- Note: **Reputation is pre-requisite condition** before we can even start discussing hard line approach.

ARGUMENT #1: ARGUE FOR GOODWILL GENERATED BY BUSINESS OR PRE-TRADING ACTIVITIES**[1A] Hard line approach**

Based on the 'hard line approach', which states that goodwill has no independent existence, is local in character and must be attached to a business (*Star Industrial; CDL Hotels; Amanresorts*), ____ would not have acquired goodwill locally because s/he does not have a local business in Singapore. Accordingly, ____ would not be able to make a claim for passing off.

- **KEY: CUSTOMERS WITHIN JURISDICTION / TRADING**
 - It is sufficient for goodwill to exist in Singapore that the **claimant has customers or ultimate consumers for his goods here**, and for this purpose it is **immaterial** whether the claimant (a) has some branch here or (b) trades directly with customers here without having any physical presence in the jurisdiction (for example, by mail order) or (c) trades through intermediaries such as importers and distributors (provided that the circumstances are not such that the goodwill is owned by the intermediary) (*Hotel Cipriani (HC); Staywell*).
- **Policy:** This could be justified on policy rationale that a foreign trader should not be allowed to stifle local enterprises unless and until he has entered the market here (*Staywell Hospitality Group v Starwood Hotels*).
- ☑ Thus in *Star Industrial*, court held that respondent, which changed its business name and get-up to be similar from that formerly used by claimants, was not liable because no goodwill was found to be subsisting in claimant's business at the time of relevant date. Claimants' stopped trading after the introduction of import tax, causing any antecedent goodwill acquired to **perish**.
- ☑ Similarly, if a business is carried on in several countries a **separate goodwill attaches to it in each**. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries." (Lord MacNaughten, *IRC v Miller*)

[1B] Softening stance: Goodwill generated by pre-trading activities

However, there seems to be a softening of the hardline approach, which **allows goodwill to be established by pre-trading activities** (*CDL Hotels*). The CA in *Staywell Hospitality Group v Starwood Hotels* further provided that while the pre-trading activity **(A) need not be revenue-generating**, it should **(B) unequivocally evince the intention** of the trader to enter into the Singapore market and be directed at **(C) creating demand that would be satisfied** by actual commencement of trade within the jurisdiction.

- **Mere preparations for trading**, such as **minor trading activity** (*Amway*) are inadequate
 - In *Amway*, the plaintiff had initially conducted “minor trading activity” in the UK, before seeking to expand its UK operations by sourcing for premises and interviewing personnel to run the UK office.
 - Basically nothing concrete such as signing a lease agreement.

(A) NEED NOT BE REVENUE GENERATING

___ should not be dismissed merely on the fact that it is **non-income generating**.

- This stems from the understanding that goodwill does not focus on the income of the trader per se but the response of the consumer.
- The fact that **income is generated** is only a **proxy** for the attractive force of the business.
- This court’s holding in *CDL Hotels* ([102] *supra*) acknowledged that valuable demand may be created in a product or business prior to its being monetised.
- In *Staywell Hospitality Group v Starwood Hotels*, CA found that activities such as securing of restaurant tenants and holding of a much-publicised job fair to hire hotel staff should not be dismissed merely on the fact that they were non-income generating.

(B) UNEQUIVOCALLY EVINCE THE INTENTION OF THE TRADER TO ENTER INTO THE SINGAPORE MARKET

PUBLICITY	ADMIN
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> ___ did not merely create brand awareness; it was geared towards creating tangible demand for an upcoming product (<i>WH Allen, BBC</i> and <i>Windmere Corp</i>). <input checked="" type="checkbox"/> Pre-launch advertising such as <u>stream of press releases and media events</u>) is the kind of pre-launch advertising aimed at familiarising the public with the service or product that was recognised in <i>CDL Hotels</i>. <ul style="list-style-type: none"> • This is similar to the widespread and prolonged advertising in Australia by GM which led the Australian public to associate GM specifically with the upcoming Australia undertaking (<i>Turner v General Motors (Australia)</i>). 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Administrative arrangements such as operating <u>agreements for the soon-to-be-opened hotel</u>, or <u>printing and manufacturing the advertised products</u> in preparation for sale) leaves no doubt that the demand created by the advertising would eventually be satisfied (<i>CDL Hotels, WH Allen, BBC</i> and <i>Windmere Corp</i>).
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Not recognisable pre-trading activity because it merely created brand awareness generally. <input checked="" type="checkbox"/> ___ did not take the form of advertising or promotion for a forthcoming product or service because they <u>were primarily aimed at promoting its home business</u> in ___ (<i>Starbucks (HK) Ltd v British Sky Broadcasting Group</i>). 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> This distinguishes the situation from that in <i>Anheuser-Busch</i> ([132] <i>supra</i>), where any demand created would not be met due to the unavailability of the product within the jurisdiction. <ul style="list-style-type: none"> • Hence, while the Budweiser beer was well-known throughout the UK because of plaintiff’s publicity efforts, CA held that there was no goodwill because the beer was not available to the general market in the UK.

(C) CREATING DEMAND THAT WOULD BE SATISFIED

Having established that these pre-trading activities are the types that have been recognised by our courts, the next step is to determine if they are directed at creating demand that would be satisfied by actual commencement of trade in Singapore based on the **nature** and **intensity** of the respective activity (*Staywell Hospitality Group*).

- Ng-Loy: Believes that this limb should be ‘reputation’; on the facts, D conceded that there was reputation already, so perhaps courts’ hands were tied and wanted to add an additional requirement.
- **Nature of goodwill depends on the case.**
 - The goodwill upon which the Opponents built their case in passing off was not goodwill in the ST. REGIS as an employer or a landlord, but as a provider of hotel and dining services.

- Nature: Thus in *Staywell Hospitality Group v Starwood Hotels*, CA found that the securing of restaurant tenants and the hiring of employees (through job fair) were not, on these facts, activities which themselves were capable of creating demand in the ST.REGIS Singapore as a hotel. The relevant pre-trade activity should therefore be of the kind which **informed and attracted the public to CONSUME its hotel and dining services.**
- Nature Intensity: Similarly, in that case, court held that the print advertisements were relevant but the level of pre-launch advertisement fell significantly short of that conducted in those cases.
 - The pre-launch advertisements exhibited spanned only one calendar month (between November and December 2007), and only three of these were published in a Singapore publication, namely the Straits Times.
 - This by no means indicates that the rest of the publications were not viewed by the Singapore public, but it does hinder our ability to conclude that the Opponents' advertising was extensive and widespread and targeted at creating demand within the jurisdiction.
 - **Conclusion: 200 pages of print advertisements in a number of foreign magazines** (in fact it was substantively less, given that many pages were simply covers of the magazines containing the advertisements) are **insufficient to warrant a finding of the generation of an attractive force that would bring in custom in Singapore** at the date of the Application.
- Nature: Physical promotional events or any use of digital and television media.
 - But there wasn't any such activity in *Staywell*.
- **!!! Intensity and nature merely factors to show inference of creating demand.** If possible, **adduce evidence of market survey to show actual demand** like in *Amanresorts*.
 - Such was the case in *Amway* ([139] *supra*), where the plaintiff, despite taking firm steps toward establishing a business presence in the UK, had not on the facts generated actual demand for its business whether by trading, advertising or otherwise.
 - Similarly in *The Athletes Foot Marketing Associates Inc v Cobra Sports Ltd* [1980] RPC 343 (ChD), the plaintiff American trader unsuccessfully argued that it had goodwill in the UK by virtue, among other things, of its seeking out English franchisees. The plaintiff was unsuccessful because no evidence was adduced to prove that the English public knew about the English franchisees or that the plaintiff had done anything to seek retail custom.

[2] **Policy:** It is submitted that this softer approach is desirable because it is commonsensical and is in line with commercial realities (*CDL Hotels; Staywell Hospitality Group*). Additionally, it would prevent ____ from free-riding on the efforts of (foreign trader).

[3] **Balancing:** In softening the "hard-line" approach so as to consider pre-trading activity as capable of generating goodwill, our courts must strike a considered balance between the interests of foreign or aspiring entrants to the Singapore market, and existing local enterprises (*Staywell Hospitality Group v Starwood Hotels*).

- Where the **foreign trader has no interest in the local market**, the concern of **stifling local enterprises** prevails.
 - Presence of *s 55, TMA*, which protects foreign trader, would support the locality argument
- Where the **foreign trader has unequivocally evinced his intention to enter the local market**, the concern of **preventing local traders from "free-riding"** on the efforts and expenditure of the foreign trader prevails.
- It will be a rare case, if ever, that spill-over advertising meant primarily for a foreign audience or to increase brand reputation in general, or early stages of negotiation and sourcing without any serious commitment to investment, will displace the interests of local enterprise in favour of proprietary protection for the foreign trader.

Accordingly, ____ may be sufficient/insufficient to warrant a finding that an attractive force that would bring in custom in Singapore (at the date of the application) has been generated.

ARGUMENT #2: ARGUE THAT FOREIGN BUSINESS CAN OWN GOODWILL IN SINGAPORE	
Direct bookings test	Whether customers in jurisdiction consciously sought out P's goods or services
With regards to services which are physically performed abroad, local goodwill can be established if the trader has customers in Singapore and bookings for his foreign services have been made from within Singapore (<i>Hotel Cipriani; Staywell</i>). <ul style="list-style-type: none"> • <input checked="" type="checkbox"/> In <i>Amanresorts</i>, the respondent's luxury hotel was located in Bali, but bookings were made by Singapore- 	It is arguable that in the context of an increasingly transnationalised world, the direct bookings test may no longer be relevant. Instead, a foreign business has local goodwill if local customers consciously seek out and make use of its services in preference to those available from competitors , local or elsewhere (<i>Staywell (CA)</i> , in <i>obiter</i>). <ul style="list-style-type: none"> • Factor: Customers travelling abroad for purpose of seeking

<p>based customers in the respondents' two Singapore reservations offices. This was sufficient to establish the requisite local custom and business necessary to show that there was goodwill in Singapore attached to the respondents' Balinese resort.</p> <ul style="list-style-type: none"> • <input checked="" type="checkbox"/> In <i>Hotel Cipriani</i>, the HC and CA found that the plaintiff owner owned valuable English goodwill owing to the substantial body of customers from England, significant marketing efforts directed at the relevant English public, and a significant volume of bookings placed directly from England. • <input checked="" type="checkbox"/> In <i>Sheraton</i>, the plaintiff's customers in the UK made bookings for the plaintiff's hotels abroad via the plaintiff's booking office in the UK, and the plaintiff was found to have goodwill in the UK. • <input checked="" type="checkbox"/> In <i>Crazy Horse</i> on the other hand, the customers from the UK who visited the plaintiff's famous saloon in Paris did not make their bookings from the UK, and the goodwill element was not made out. 	<p>out foreign trader's services</p> <ul style="list-style-type: none"> • In <i>Staywell</i>, no direct booking but CA did not have to look at this issue because, on a more fundamental issue, it was not even proven that these reservations were made for ST. REGIS hotels rather than hotels under the Opponents' numerous other brands.
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ARGUMENT #3: INJUNCTION

[1] **Injunction:** Alternatively, ____ may apply for a **restraining injunction** under s 55(1) of the *TM Act*, even if his business has no goodwill in Singapore (s 55(1)(b); *Amanresorts*) or his trademark is not registered (s 55(1)(a)). However, the mark must be **well-known** and **satisfy other conditions**.

- Other conditions:
 - (i) would **cause dilution** in an unfair manner of the distinctive character of the proprietor's trade mark
 - (ii) would **take unfair advantage** of the distinctive character of the proprietor's trade mark.
- In *CDL Hotels* case, although the plaintiff's business had not officially started in Singapore, it had **registered the marks, created brochures, advertised** the business, etc., and the court found these **pre-trading activities** sufficient for goodwill to exist in Singapore.
- *Novelty v Aman Resorts* (2009) – Although Pf did not carry out businesses in Singapore, **they had 2 offices here**, therefore it was not strictly correct to think of them as foreign business – yes goodwill.
- Does not have to prove goodwill.

[2] **Injunction:** Alternatively, ____ may apply for a restraining injunction under s 55(2) because D's use is identical or similar to the P's business, goods or services.

INTERNET-RELATED

REPUTATION / EXPOSURE

Guidelines (*Amanresorts (CA)*):

- How many "hits" have the Respondents' "Aman" websites received?
- How many of these "hits" came from Internet users in Singapore?
- If someone does a search for relevant topics ("resorts in Bali", for instance) using any of the major search engines, are the Respondents' "Aman" websites included among the top few search results?
- How many other major websites (particularly those frequented by consumers in Singapore) are linked to the Respondents' "Aman" websites?

PRE-TRADING ACTIVITIES

[1] The existence *per se* of domain names and websites featuring the name in which goodwill is said to exist will ordinarily be insufficient as proof of exposure of that name; **something in addition to proof of the mere existence of such domain names and websites must be shown** in order to establish that there has been sufficient exposure of the name in question (*Amanresorts (CA)*).

- The Internet's power of exposure is only a **potential power** (*Amanresorts (CA)*).
- ☒ Thus, in *Amanresorts (CA)*, with regard to the 20 domain names which have been registered for the Respondents' "Aman" websites, court held that no weight should be placed at all on the fact that those domain names were registered here – that is a purely technical matter which does not influence the extent of exposure of the "Aman" names.

[2A] In *800-Flowers (HC)*, Jacob J held that there must be an inquiry as to **the purpose and effect of the advertisement** (affirmed in *Amanresorts (CA)*).

- ☒ **Purpose:** Thus, in the example Jacob J provided, a fishmonger in Bootle who puts his wares and prices on his own website, for instance, for local delivery can hardly be said to [be] trying to sell the fish to the whole world or even the whole country. For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd.
- ☒ **Effect:** In *800-Flowers (HC)*, Jacob J held that even if website use amounted, for trade mark purposes to use in omnipresent cyberspace, it would not assist the applicant. If you access the applicants' site in the U.K. you can order flowers. But the service of receiving and transmitting (i.e. the service of the specification) is carried out wholly in New York.

[2B] **Degree of use:** In *800-Flowers (CA)*, Buxton LJ further held that the question is whether the trade mark proprietor **took additional "active steps"**, other than putting the trade mark on the Internet, to market the goods in the jurisdiction in question.

- ☒ This could take the form of direct encouragement or advertisement by the trade mark owner.

STEP TWO: MISREPRESENTATION

The actionable wrong in passing off is not the mere copying or misappropriation of the plaintiff's mark but a **(1) misrepresentation** that **(2) confuses or deceives the public** (*Lifestyle 1.99*). Here, defendant may have misrepresented the (origin/quality/sponsorship or affiliation) of his product, in particular, that the (two parties are connected in some way (CDL Hotels)).

*MISREPRESENTATION AS TO **ORIGIN**

[1] **D's goods or services are those of P's**

[2] D's business is connected to P's business; **two parties are connected in some way**

- In *CDL Hotels*, the evidence strongly suggested that, by reason of the similarity of the words, 'Millenia' and 'Millennium', the public would very likely be deceived into thinking that the appellants' hotels are associated with or related to claimant's
- In *Wagamama*, while a customer who steps into Rajamama would not think that he is in an Asian-Japanese restaurant, he might think that Wagamama had expanded into serving Indian cuisine as well. Thus, the court held that the naming of the restaurant as Rajamama resulted in the public being misled into thinking that Wagamama and Rajamama were related.

Evolving trade source argument for D (if D has exclusive license from P)

- Lord Nicholls in *Scandecor* held that on a wider interpretation, the **source of a trade mark may be either the proprietor or an exclusive licensee.**
 - This would not be at variance with customers' perceptions because customers are well used to the practice of licensing of trade marks. When they see goods to which a mark has been affixed, they understand that the goods have been produced either by the owner of the mark or by someone else acting with his consent.
- CA in *Kickapoo* suggested that a possible approach might be to adopt the traditional approach of presuming that the trade source resided in the trade mark proprietor as a starting point, which presumption could then be rebutted by clear evidence that the public identified the licensee as the trade source. Factors such as the duration of the licence, as well as efforts spent in advertising and marketing would be relevant.

LIKELIHOOD OF CONFUSION – FACTORS

The question of likelihood of confusion requires a **holistic and fact-sensitive analysis**, taking into account the similarities of the marks as well as surrounding evidence.

1. DISTINCTIVENESS OR STRENGTH OF THE MARK

Is the trade mark descriptive?

FANCY

In general, if P's badge of origin consists of highly distinctive indicia such as a fancy word or name like "KODAK", courts are likely to take the view that such a fancy word or name is indicative of a single trade source and consequently, it is **not difficult for the court to find deception**.

DESCRIPTIVE

Higher burden: If the plaintiff's mark or get-up has **descriptive connotations** or **functional value**, the **plaintiff bears a higher burden of proving confusion** (*Lifestyle 1.99*). When descriptive words are used, **a slight difference between the names is sufficient to distinguish** them (*Lifestyle 1.99*).

- Thus, in *Lifestyle 1.99*, the addition of the word "LIFESTYLE" in the defendant's get-up was sufficient to differentiate the two.
- In *Super Coffeemix Manufacturing v Unico Trading*, CA pointed out that since the term "COFFEEMIX" was descriptive, the addition of the word "INDOCAFE" to the term "COFFEEMIX" in D's mark was sufficient to differentiate his products from P's products which bore the mark "SUPER COFFEEMIX".
- However, in *SPGA v Chen Eng Waye*, the CA was not convinced that the addition of the word "SENIOR" to "SINGAPORE PROFESSIONAL GOLFERS' ASSOCIATION" was sufficient to differentiate the D's non-profit organisation from that of P.
 - May wish to note the **language of unfair competition** used in judgment.

- Essentially, if P's badge of origin is a **descriptive term or name**, the courts are likely to find that the use of such descriptive term or name by D is not deceptive as it is used to describe the goods or services of D and not as an indicator of origin.
 - This is so even if P is the first to use such a descriptive term in relation to goods or services which he has invented or introduced into the market for the first time.
- However, if P has successfully established that the descriptive term or name has acquired a **secondary meaning** denoting trade origin through substantial use, this may be a situation in which courts will hold that D's use of a descriptive term or name is a misrepresentation which is deceptive.

Lower protection: Even where a name that is primarily descriptive has come to acquire a secondary meaning and so be associated with the claimant's business, the **degree of protection** that is conferred on the claimant may, in general, be **less than would be the case with purely fancy names** (*SPGA v Chen Eng Way* (SGCA2013)). The rationale is that the plaintiff was free to choose a name of higher inherent distinctiveness, and the penalty for his failing to do so was that a degree of confusion would be tolerated as the only alternative to giving him an unfair monopoly.

2. NATURE OF THE PURCHASING PUBLIC

ISSUE 1A: Which is the **relevant segment of the public** that has goodwill in a trader's get-up as associated with its business?

[1] The likelihood of confusion **must not be considered in the abstract**. Rather, it is necessary to assess the effect of the misrepresentation on the relevant segment of the public, which typically is that segment of the public in which the claimant's goodwill (1A) actually or (1B) potentially, (2A) directly or (2B) indirectly subsists (*SPGA v Chen Eng Way*).

- In *SPGA v Chen Eng Way*, CA found that the relevant segment of the public could include any person with a commercial interest in golf as well as those who have or intend to have either direct or indirect dealings with the Appellant in relation to its purposes, objects and/or activities. The Appellant's objectives are the following: the promotion of the sport of golf in Singapore, the protection and advancement of the interests of its members who are professional golfers, the periodic arrangement and holding of meetings and tournaments for its members, the institution and operation of funds for its members' benefit and caring for its members' welfare. It is clear that the objectives of the Appellant are wide-ranging in relation to the sport of golf.
- The court in *British Medical Association* appeared to conclude that the relevant segment of the public consisted of members of the claimant association (ie, medical professionals) as well as the general public to the extent that they would have the occasion to deal with the claimant association or its members.
 - That medical practitioners should constitute a part of the relevant public is uncontroversial as the objective of the claimant association in *British Medical Association* was to promote the interests and maintain the honour of those in the medical and allied sciences.
 - But, also uncontroversial is the holding that the wider public (who used or would potentially need to use the services of the claimant association or its members) would also form part of the relevant public. To this extent, this segment of the public INDIRECTLY constituted the claimant's goodwill because the claimant association was said to be recognised by the public and relied on by them as being representative of the views and interests of the medical profession in the British Empire.
- In *British Association of Aesthetic Plastic Surgeons v Cambright Ltd* (RPC1987), the court examined the question of whether there was a misrepresentation from the perspective of professional doctors and consultants concerned with plastic surgery as well as from the perspective of members of the public.
 - The claimant also (indirectly) catered to the general public by ensuring that there would be a **body of proficient plastic surgeons available to service their needs**.

[2] **Reason for purchase:** In *Amanresorts*, the CA noted that **not all actual and potential costumers of P** necessarily have goodwill vis-à-vis P's get-up. If a customer buys P's goods solely because of reasons unrelated to the source of those goods (e.g. because of the price, the availability or the functionality of the goods) and not because of the positive association of the goods with the source indicated by P's get-up, then such customers do not ordinarily count for the purposes of assessing the impact of D's misrepresentation.

[3] **Not even potential customers:**

- **(A) Price-limitation**
 - **A desire to become a customer of the plaintiff, without the ability to actually be one, cannot ordinarily form the basis of goodwill.** A person in such a position is **not even a potential customer** of the plaintiff because there is no way for the latter's good, service or business to attract his custom. In such a case, the plaintiff can be described as having a good *reputation* among such persons (ie,

persons who desire to be, but are unable to become, the plaintiff's customers), but that is *not* the same as having *goodwill* (*Amanresorts (CA)*).

- o People who cannot afford a good or service cannot be considered to be part of the potential customer base of the plaintiff who provides that good or service.
- o Thus in *Amanresorts (CA)*, the Respondents' resorts cater for the wealthy and the room rates there reflect this. Visitors to the Respondents' resorts "pay a premium" to stay there. The Respondents' high room charges were described by Mr Sirois as an "economic barrier". The remarkable prices contribute to the overall image of exclusivity which the Respondents have chosen to imbue their business with. The Respondents' resorts cannot even be put in the same class as other five-star hotels, which, although pricey, often still receive guests from middle-income groups. Even if the "Aman" names are well known throughout Singapore such that they have widespread reputation, the high room rates at the Aman resorts mean that these names carry no attractive force for *custom* among those who are less well off; such individuals simply cannot afford to stay at the Aman resorts.

• **(B) Demand-limitation**

- o This distinguishes the situation from that in *Anheuser-Busch* ([132] *supra*), where any **demand created would not be met** due to the unavailability of the product within the jurisdiction.
- o Hence, while the Budweiser beer was well-known throughout the UK because of plaintiff's publicity efforts, CA held that there was no goodwill because the beer was not available to the general market in the UK.

[4] Geographically limited: The association of the plaintiff's goods, services or business with a particular source may operate on only a **small section of the public because of limited exposure of the plaintiff's get-up** in relation to those goods, services or business. Obviously, such an association can only form in the minds of those consumers who have been exposed to the plaintiff's get-up. For instance, a **small local business which is known only to the residents in its immediate vicinity** will enjoy only geographically limited goodwill.

- In *The Clock v The Clock House Hotel* (1936) 53 RPC 269, for example, the plaintiff, which operated a small road-house (known locally as "The Clock") offering its guests meals and facilities for bathing, tennis and golf, succeeded in obtaining a **permanent injunction** to restrain the defendant, which operated a hotel five miles away, from carrying on business under the name "Hotel Clock House"; this restriction, however, applied to the defendant's premises only. Obviously, the goodwill which the plaintiff enjoyed in the name "The Clock" did not extend very far.

ISSUE 1B: Would this raise the bar in a claim for passing off in respect of a plaintiff who deals with **exclusive high-end products or services**?

- In the exclusive high-end goods or services sector, P's customer base would include well-heeled individuals who are more knowledgeable vis-à-vis the goods or services they are buying than the average consumer.
- Consequently, it may be more difficult for P to establish that his customers are actually confused as a result of a misrepresentation made by the D for example in the form of low price "lookalikes" or "me-too" products or services.

ISSUE 2: What are the **characteristics of this segment of the public**?

[1] As to the characteristics of this segment of the public, the court is not concerned with the 'moron in a hurry' but an **ordinary sensible purchaser exercising ordinary caution** (*Nation Fittings (CA)*).

[2] Much also turns on the **nature of claimant's goods or services** and whether these goods or services would call for or **provoke particular recollection**.

- If, in a given case, because of the peculiarities of the product or for any other reason, the relevant public were made up of "well-informed", "particularly attentive" and cautious customers who would likely remember a high level of detail, **slight differences** between the claimant's and the defendant's respective signs **may well be sufficient to avoid liability** on the part of the defendant (*Bently & Sherman (2009)*) at p 763.
- Sophistication of customer may be considered although with "widespread education and a public which is constantly exposed to the world", one should be slow to think that the average individual is easily deceived or hoodwinked (*McDonald's Corp v Future Enterprises (SGCA2005)*).

[3] Regard must also be had to the **imperfect recollection** of the relevant segment of the public in assessing the likelihood of confusion (*Tong Guan Food Products*).

3. STEPS TAKEN BY D TO DIFFERENTIATE

ISSUE: Did D take any steps to differentiate his goods from those of the registered proprietor?

The only thing that the statute calls for is that the likelihood of confusion arises from the similarity. But where the user of a potentially infringing sign has taken pains to distinguish his products from the registered proprietor's good and services, the effect may be that the likelihood of confusion, if any, is merely hypothetical or speculative. (*The Polo/Lauren Co*)

[1] The **use of disclaimers** is another factor which the courts will consider when assessing whether adequate steps have been taken by D to distinguish his goods or services from those of P's so as to avoid confusion on the part of potential customers.

[2] The effectiveness of disclaimers to avoid passing off is **dependent on "the class of goods which are sold"** and the **circumstances in which they are sold"** (Lord Gorell in *William Edge v William Nicolls*). // See nature of purchasing public

- In *William Edge v William Nicolls*, D adopted a get-up identical to P's, except that Ds attached a label bearing their name. The UKHL held that the label was not effective to sufficient distinguish D's products from those of P's because they are chiefly purchased by "washerwomen, cottagers and other persons in a humble station of life" who are not likely to distinguish goods by the label but by the general appearance which the articles present.
- Likewise in *Jif Lemon*, the potential customers, who were mainly housewives purchasing grocery items from supermarkets, were found not to pay particular attention to the labels attached to the products. Accordingly, the use of the label by D was not sufficient to distinguish their products from P's to avoid a likelihood of confusion on the part of the public.

[3] Consider **statutory anti-dilution rights** in the context of disclaimers such as "I am not champagne" where it is clear that misrepresentation would likely not occur.

4. D'S INTENTION TO DECEIVE (*)

ISSUE: Whether D was innocent or fraudulent in making the misrepresentation

On the facts, D clearly revealed his intention to deceive the public by ____/D had no clear intention of deceiving the public.

A misrepresentation is **actionable as a tort of passing off**, even if it is made through the complete innocence of the defendant, if it causes or is likely to cause damage to P's goodwill.

- This is on the basis that "trading must not only be honest but must not even unintentionally be unfair" (Lord Morris, *Parker-Knoll v Knoll International*).

INNOCENT

However, the innocence of D in making the misrepresentation may be a factor to consider in the award of damages in that it may serve to **limit D's liability to the period after he becomes aware of the true facts** (*Spalding v Gamage*).

FRAUDULENT

Although it is not essential that fraudulent intent on the defendant's part be shown before liability for passing off may be imposed, where this is shown to exist, the **burden on P to show that the public was deceiving is lessened** on the premise that the law frowns upon a D "seeking to reap where he has not sown" (*Pernod Ricard v Allsworth Trading*).

- Rationale:
 - [1] One will tend to achieve that which one specifically sets out to do, and the courts are inclined to infer that this is so (*SPGA v Chen Eng Way*).
 - Note however that at the end of the day, if inquiry revolves around whether there is confusion in the marketplace, intention seems to have very little relevance.
 - [2] The law frowns upon a D "seeking to reap where he has not sown" (*Pernod Ricard v Allsworth Trading*).
- Thus in *Glaxo v GlaxoWellcome*, the defendant pre-emptively registered P's company's name and subsequently demanded a price for changing the name. The abuse of the system of registration of companies' names was clear proof of D's dishonest intentions and convinced the court to **grant a mandatory injunction**.
- In *SPGA v Chen Eng Way*, even though 'PGA' is a very generic term and even though the CA stated that the scope of protection for descriptive marks is lower, in holding for the claimant the court appears to be **convinced by the unfair competition rationale**.

- o [58] Leaving aside the fact that it might not even make grammatical sense for the letter “A” to stand for “accreditation” in the context of the 3rd Respondent’s chosen name, what is significant is that if indeed the Respondents intended this to be the real meaning of the initials used by the 3rd Respondent, then by deliberately choosing to use only the initials and not the full name, they opened themselves to the inference being drawn against them that having regard to all the circumstances, they intended to reap the benefit of the inevitable association which their choice of name would enjoy with the Appellant’s name. To anyone in the relevant segment of the public, the letter “A” in the 3rd Respondent’s name and initials would have been understood to stand for “Association”. This is especially so because, as we have noted above at [40], the “PGA” combination of letters is widely used both here and internationally in the field of golf to mean “Professional Golfers’ Association”.

5. CLOSENESS OF THE GOODS

While the absence of a common field of activity between the parties will not be fatal to P’s claim for passing off, **where there is a common field of activity** and the **parties are in competition** with each other, it is easier for P to prove confusion i.e. burden of proof is lowered (*CDL Hotels*).

- The further removed the defendant is from the respective field of activities of the plaintiff, the less likely it is that any member of the public could reasonably be confused into thinking that one business is connected with the other.

6. SIMILARITIES BETWEEN MARKS

In comparing marks for similarities, consideration has to be given to the **possibility of imperfect recollection**.

7. OTHER RELEVANT FACTORS

Are there market surveys?

___ may wish to conduct market surveys to show the opinion of relevant purchasers to help in establishing confusion (*Saga Foodstuffs*).

- However, such evidence is **usually of limited usefulness** save if it includes evidence of actual confusion (*Parker Knoll v Knoll International*).
- **Expert evidence is of limited use and is seldom admitted** except to show the circumstances of the trade and the manner in which the goods are sold (*Guccio Gucci SpA v Paolo Gucci*), the profile of consumers buying the goods, and phrases commonly used by customers in asking for goods (*Elliott Optical*).

Is there a price differential between the parties’ goods or services?

- **EXTRANEOUS FACTOR**: extraneous to the mark or the goods or services.
 - o In **passing off**, extraneous factors such as price differential are relevant (Kong Guan – all the circumstances are taken into account)
 - o Comparatively, **under TMA**, extraneous factors are not relevant.
- For example, for high-end luxury goods, **a significant price differential** between P and D’s goods or services would suggest that it is **less likely that the relevant purchasing public would be confused**.
 - o *Nation Fittings*: D’s pipe fittings cost about 25% less than P’s pipe fitting, thus public less likely to be confused
 - o cf *Millenia*: Despite high price differential, court held that public would likely still be confused
- However, in *Taittinger v Allbev*, even though price differential between P and D’s goods or services is very high, court found that there was still misrepresentation due to the highly similar packaging i.e. consumers may believe that this is the non-alcoholic version and thus be confused
 - o // *Wagamama* type of association

8. SCOPE OF CONFUSION

Compare with other cases

- For example, in *SPGA v Chen Eng Way*, court found that the scope for confusion here is much greater than was the case in *The British Diabetic Association*. The court in *The British Diabetic Association* held that unlike the words “Services” and “Association”, the words “Society” and

"Association" were "very similar in derivation and meaning, and not wholly dissimilar in form". On the facts, the use of the letter "A" in the 3rd Respondent's name, which is *identical* to the letter used by the Appellant in its initials over the last four decades, and the particular combination of words and initials in this case gives rise to much greater scope for confusion.

MISREPRESENTATION AS TO QUALITY

DEFENDANT'S GOODS IS OF THE QUALITY OF PLAINTIFF'S GOODS

ISSUE: MISREPRESENT THE QUALITY OF P'S GOODS

One cannot pass off an inferior quality product as the superior one, but in ascertaining misrepresentation the **actual difference in quality must be proved**.

- In *Spalding v Gamage*, the defendant was selling an inferior ball, **different in quality** from the then newly famous 'Orb' ball, and passing off the former as the latter.
- In *Colgate-Palmolive v Markwell Finance*, the defendants were selling a much different version of the plaintiff's reknown Colgate toothpaste. The inferior version, intended for sale in Brazil, was **lacking in fluoride**, had a **lower quality abrasive constituent**, and **contained preservative not present in the superior version**. All that rendered the product distinctly different from that sold by the plaintiff in the United Kingdom.
- In *Yunan Baiyao* (SGHC2002), court held that there was no passing off because the misrepresented expiry date only indicates that the product has passed its shelf life, resulting in a deterioration of the product's quality. It did not show actual differences to the quality of the expired goods.
- In *Kickapoo v The Monarch Beverage Co* (SGCA2010), the unauthorised beverage bases purchased were made with the original Kickapoo formula and they tasted the same as those supplied by Monarch, thus there was no misrepresentation as to quality.

MISREPRESENTATION AS TO AUTHORITY

ISSUE: Whether there has been a misrepresentation to the public that the goods or services sold by the D were produced under the authorisation of P

In *Kickapoo*, the court held that in cases when goods are sold under authority (whether actual or purported), there is a **ready inference that the quality of the goods sold is vouched for** by the manufacturer or trade mark proprietor.

- In *Kickapoo*, misrepresentation as to authority because the beverage labels were a representation to the public that the beverage bases were produced and sold under the authority of the respondent.
 - It is therefore **wholly irrelevant, in the context of the present proceedings, that the Kickapoo drinks (containing the unauthorised beverage bases) also happened to taste the same** because we are here concerned with the loss of authority (by Monarch) over the beverage bases, and not with the fortuitous outcome that the unauthorised beverage bases would be consistently produced to the same quality each time. **Once the appellants turned to unauthorised sources, the deceit (by the appellants) was clear.**
 - Sub-category of misrepresentation as to quality of goods – the fact that they taste the same does not mean that they are exactly the same.
- In *Sony K K v Saray Electronics* (UKCA1983), when a seller made unauthorised modifications to "Sony" products and sold them by misrepresenting to the purchaser that it was an authorised dealer, the court held that there was a *prima facie* case of deception because the public would expect that a seller of Sony goods would be able to provide full-back up services (including the giving of a guarantee) in relation to the goods sold.

CONCLUDE: IS THERE DECEPTION (MISREPRESENTATION + LIKELIHOOD OF CONFUSION)?

On this basis, there are undoubtedly sufficient facts for us to conclude that there is a likelihood of confusion in the minds of members of the relevant segment of the public, such that they would be led to believe that (claimant) and (defendant) are (origin: one and the same or are connected).

- If factors go in different directions, courts will weigh factors and determine which is the more significant ones in determining confusion.

SPGA v Chen Eng Waye:

- In that light, we turn to assess the likelihood of confusion in the case before us.
- We have already touched on the **association of the Appellant's name with the Appellant** (at [38]-[40] above) and on the **characteristics of the relevant segment of the public** (at [50]-[53] above).

- The Appellant and the 3rd Respondent **both clearly operate in the same field of business**. Their activities consist, in the main, of the promotion of golf as a sport in Singapore and the organising of golf tournaments for their members.
- Further, they **cater to the same market of consumers**, *ie*, those who have an actual or potential interest in the sport of golf. Although the Respondents emphasised that the 3rd Respondent was only concerned with the interests of senior golfers and senior professional golfing activities, it should be noted that the Appellant also caters to the interests of senior professional golfers by, for example, organising golf tournaments for such golfers.
- As to the **question of similarity** between the Appellant's and the 3rd Respondent's respective names and initials, in our view, there is undoubtedly a strong similarity between these names and initials when viewed as a whole, given the order and combination in which the words in the names and the letters in the initials are used. This is all the more so if account is had to the imperfect recollection of the relevant segment of the public. In our view, in all the circumstances, the general idea that the 3rd Respondent's name and initials would convey to a member of the relevant public is that it is a professional golfing organisation related to the Appellant.

STEP THREE: DAMAGE

P must show as a result of the D's misrepresentation, there is **actual damage or a real likelihood of damage** (*Asia Pacific (CA)*; *Sarika v Ferrero*). Mere possibility of damage is insufficient (*Nation Fittings*). P must prove each of the heads of damage claimed.

- Reference to **relevant class of purchasing public**, either actual/potential or direct/indirect, is very important here.
- Prof Ng-Loy believes that the various categories of damage analysed by CA in *Amanresorts* do not add very much to the traditional heads of damage – that are, loss of custom and damage to reputation.

LOSS OF CUSTOM (PRESENT + FUTURE LOSSES) / DAMAGE BY **BLURRING**

[1] When the plaintiff's get-up, instead of being indicative of only the plaintiff's goods, services or businesses, also **becomes indicative of the defendant's goods, services or business**, the damage manifests itself in **sales being diverted from the plaintiff to the defendant** (*Amanresorts (CA)*).

- In *The Chinese Calligraphy Society of Singapore*, court held that there was damage in the form of lost donations from members of the public.
- Likewise in *SPGA v Chen Eng Waye*, court held that loss arising from damage to goodwill in relation to **non-commercial associations**, would include a loss of actual or prospective members and, therefore, a loss of subscriptions or other income derived from membership.
 - On the facts, given the nature of the activities and the income sources of the Appellant, there was a real likelihood of loss of income derived from membership and subscription fees, entrance fees as well as test administration and certification fees as a result of the misrepresentation.
- In *Amanresorts*, CA held that respondents were sensible not to make a claim for damage by blurring.
 - Those with goodwill in the "aman" names, being **main individuals with significantly higher income** than the targeted clientele for the Project, **are not likely to be purchasers** of units in the Project.
 - As for those with goodwill who may not necessarily be in the high-income group (*ie*, the once-in-a-lifetime guests and the aspirants), it was held that any initial confusion would be dispelled during the purchasing process.

[2A] **Goods or services in competition:** Proof of actual damage or a likelihood of damage is fairly straightforward in cases when **P and D's business, goods or services are in competition** with each other **are at least substitutes for each other**.

[2B] **Goods or services not in competition:** Where P's and D's business, goods or services are not clear substitutes for each other, proving damage or a likelihood of damage may not be an easy burden to discharge.

- In *City Chain*, the CA opined that the mere presence of cheap look-alikes in the market did not *per se* translate to a real likelihood of damage to the plaintiff's luxury brand. For damage to be actionable, it was **necessary for P to adduce evidence of a correlation between falling sales and an increase in fakes and cheap look-alikes** in the market.

ISSUE: Whether actual damage needs to be proved

- No. The case of *Asia Pacific Publishing* can and should be distinguished. There, the damage claimed was a **net loss of profits**, *viz*, loss of existing profit when the appellant in that case misrepresented his horse-racing magazine *Racing Guide* as the respondent's magazine *Punters' Way*.
- **Loss of existing profits:** As explained in *Bently & Sherman* (at p 768), this head of damage involves misrepresentation which diverts profit away from the claimant to the defendant. This is **damage that has already occurred**.
- **Loss of future profits:** In contrast, in *Sarika v Ferrero*, the unifying strand of the heads of damage which the Respondent in the present case has claimed in the court below (*viz*, a restriction on its expansion into the Singapore drinks industry, likelihood of damage should the appellant's activities become reprehensible and the loss of licensing opportunity), is that they involve a loss of opportunity or a loss that has yet to manifest in practice.

ISSUE: Should head of damage by blurring or erosion of uniqueness/loss of exclusivity *i.e.* genericide be allowed?

Although the concept of blurring as applied by CA manifested itself in loss of sales, there is a question as to whether type of 'blurring' referred to in *Taittinger*, **where there is a blurring or erosion of uniqueness in P's distinctive trade mark thus causing it to degenerate into a common term**, should be adopted instead.

- Do note however that CA in *Amanresorts* believes that **(1) there is a danger in recognising such a head of damages because** "[i]n almost all cases where the defendant is alleged to have applied the plaintiff's distinctive get-up not on the same or similar goods or services as those of

the plaintiff but, rather, on different goods or services, there will likely be a loss of exclusivity by definition" at [127]; and the inclusion of a claim for loss of exclusivity or erosion of distinctiveness **(2) does not add anything to a plaintiff's claim** since it is essentially a recast of a claim for damage by tarnishment of the goodwill attached to the trade mark because of difference in quality.

- In *Taittinger v Allbev*, court held that the damage lies in the **blurring or erosion of uniqueness or distinctiveness** in the name of 'champagne'. This would result in the term 'champagne', which the UK public understood to have a very specific meaning, **degenerating into common use as a generic term** for sparkling wine.

DAMAGE TO REPUTATION / DAMAGE BY TARNISHMENT

[1] As a result of D's misrepresentation, P's mark may be perceived by potential customers as **indicative of a source of inferior quality or unsavoury business** (*Amanresorts*). Consequently, P's goodwill is damaged as it serves to repel custom instead of attracting it.

- Examples of damage "by tarnishment" include use of P's name or get-up by D for **(A) unsavoury businesses** or use of P's name or get-up on **(B) goods or services with inferior differences** in quality, class or characteristics.
 - **(A):** *Annabel's v G Schock*, where the defendant operated an escort agency using the name of the plaintiff's upscale night club; *C A Sheimer Trade Mark Application*, where it was sought to register the word "Visa" as a trade mark for use in relation to, *inter alia*, condoms and contraceptive devices
- In *Amanresorts*, CA held that there was damage in tarnishment of the goodwill attached to the "Aman" names due to the difference in quality between the Aman resorts and the Project (however, Aman-prefixed names have no goodwill).
- Court in *Amanusa* explained *CDL Hotels* as a case of damage by tarnishment, where P's goodwill in its five-star establishment was damaged as a result of association with D's lower quality four-star hotels.

[2] Under this head of damage, P and D's goods or services **do not have to be in competition**. Actual or likelihood of damage can still be established even though P and D may be engaged in completely different fields of commercial activity so long as poor quality, bad reputation or underability of D's business, goods or services rebounds on P (*Amanresorts*).

LOSS OF LICENSING OPPORTUNITY OR REVENUES

CA in *Amanresorts* suggested that "the recognition of loss of licensing opportunity or licensing income as a distinct head of damage should be approached conservatively." Thus, It may be **objectionable to rely on this head of damage to PROVE damage in a passing off action**, but if passing off is **proved based on other well-established heads of damage** such as loss of trade and profit, P may be able to recover damages for loss of licensing opportunity or revenue in addition.

DILUTION OF P'S GOODWILL

In Singapore, "dilution of P's goodwill" is not a recognised head of damage (*Amanresorts*).

- Court in *Amanusa* explained *CDL Hotels* as a case of damage by tarnishment, where P's goodwill in its five-star establishment was damaged as a result of association with D's lower quality four-star hotels.
- The avoidance of the use of 'dilution' is to **avoid unnecessary confusion** given that technical and statutory definitions of the term are provided in the TMA.