

Newsletter

March 2018

In This Issue:

Singapore ranked 9th overall in the global IP index

A cautious and calibrated approach to EU decisions - *Clarins Fragrance Group f.k.a. Thierry Mugler Parfums S.A.S v BenQ Materials Corp.* [2018] SGIPOS 2

Proper reasons for non-use must be assessed in business sense - *USA Pro IP Limited v Montfort Services Sdn. Bhd.* [2018] SGIPOS 3 and [2018] SGIPOS 4

Material alteration or embellishment required to confer originality on artistic works - *PropertyGuru Pte Ltd v 99 Pte Ltd* [2018] SGHC 52

For more information, please contact:

Andy Leck
+65 6434 2525
andy.leck@bakermckenzie.com

Lim Ren Jun
+65 6434 2721
ren.jun.lim@bakermckenzie.com

Abe Sun
+65 6434 2547
vasan.abe.sun@bakermckenzie.com

Singapore ranked 9th overall in the global IP index

Singapore's overall score for the United States Chamber of Commerce intellectual property index ("**U.S. Chamber International IP Index**") has increased from 82% to 84%, reflecting a strong performance in the new indicators added. Among others, the Index noted key areas of strengths for Singapore such as having an advanced national IP framework and being an active participant in efforts to accelerate patent prosecution.

Read the full U.S. Chamber International IP Index [here](#).

A cautious and calibrated approach to EU decisions - *Clarins Fragrance Group f.k.a. Thierry Mugler Parfums S.A.S v BenQ Materials Corp.* [2018] SGIPOS 2

Facts

Clarins Fragrance Group f.k.a. Thierry Mugler Parfums S.A.S (the "**Opponent**") is the proprietor of the trade mark "ANGEL" (the "**Opponent's Mark**") registered in Class 3 for, among others, perfumes and bath products. The Opponent sought to rely on its "ANGEL" mark to oppose BenQ Materials Corp.'s registration of "*derma Angel*" (the "**Application Mark**") for, among others, cosmetics in Class 3. In doing so, the Opponent relied on Sections 8(2)(b) (confusingly similar marks and/or goods), 8(4)(b)(i) (well known in Singapore), 8(4)(b)(ii) (well known to the public at large in Singapore), and 8(7)(a) (passing off) of the Trade Marks Act (Cap. 332) ("**TMA**").

Decision

All four grounds of opposition failed as the Assistant Registrar ("**AR**") found the competing marks to be dissimilar. The marks were visually dissimilar as "derma" and the stylized "a" in the Application Mark were critical points of distinction. The marks were also aurally dissimilar - the additional first word "DERMA" in the Application Mark set it apart aurally from the Opponent's Mark. The marks were also conceptually dissimilar given that the Opponent's Mark referred to a heavenly, spiritual or supernatural being, whereas the Application Mark had no sensible meaning.

Significantly, while the Opponent relied on a case from the European Union (the "**EU**") in which it succeeded in opposing the Applicant's EU Trade Mark application for "DermaAngel", the AR did not consider the reasoning and outcome of that decision to be of assistance to the case at hand. First, the opposition in the EU case related to a different mark. Secondly, the lens through which the dispute must be viewed is that of relevant consumers in Singapore, not in the EU. Thirdly, there were significant differences between trade mark law in the EU and in Singapore such that the AR must be "cautious and calibrated" in his approach.



Comments

This case underscores the centrality of mark-similarity in the context of opposition proceedings. It has further highlighted the difficulties that parties may face in relying on foreign decisions even if they involved marks that are similar to those in the opposition proceedings in Singapore. In practical terms, this means that any success in opposing or defending opposition proceedings in other jurisdictions may do little to advance that same party's case in Singapore proceedings.

Proper reasons for non-use must be assessed in business sense - *USA Pro IP Limited v Montfort Services Sdn. Bhd.* [2018] SGIPOS 3 and [2018] SGIPOS 4

Facts

In the first case, USA Pro IP Limited ("**USA Pro**") applied to invalidate and revoke the "USAPRO" mark in Classes 18, 25 and 28 (the "**Subject Mark**"), registered by Montfort Services Sdn Bhd ("**Montfort Services**"). In the second case, USA Pro applied to oppose registration of the "USAPRO" mark in the exact same classes, albeit for different specified goods (the "**Application Mark**"), by Montfort Services.

The invalidation application and opposition proceedings were premised on Section 7(6) (bad faith) and Section 8(7)(a) (passing off) of the TMA. The revocation application was brought on the basis of non-use under Section 22(1)(a) and (b) of the TMA.

Decision

In a rare case, USA Pro succeeded in meeting the high threshold to establish bad faith for the purposes of invalidation *and* opposition. In relation to the Subject Mark, the Principal Assistant Registrar ("**PAR**") found that Montfort Services had proceeded to register the Subject Mark despite their knowledge of USA Pro's rights in it. Further, Montfort Services had also conceded that it did not use the Subject Mark at all and their actions in other jurisdictions, including the abandonment of their own marks, showed that they did not intend to use the Subject Mark at all. Given her decision on bad faith, it was unnecessary for the PAR to consider the ground of passing off in relation to the invalidation application and the opposition proceedings.

The PAR also commented that had she not invalidated the Subject Mark, she would have revoked the registration of the Subject Mark for non-use under Sections 22(1)(a) and (b) of the TMA. As Montfort Services conceded that there was no use of the Subject Mark, the only remaining issue was whether there were proper reasons for such non-use.

Among other things, Montfort Services claimed that they could not be expected to incur significant costs to use the Subject Mark or to sell their products under



the Subject Mark until the multitude of trade mark proceedings across the world were finally resolved.

However, this argument was squarely rejected by the PAR, who held that whether there are proper reasons for non-use must be assessed in a business sense and on this basis, took the view that it was not commercially reasonable for the Proprietors to wait for all global disputes to be resolved before initiating the use of a mark. In her view, such disputes were ordinary commercial delays which are not valid excuses for non-use.

Comments

This decision re-affirms the high threshold which needs to be met before the ground of bad faith may be established. Further, to minimize the possibility of revocation for non-use, trade mark proprietors must bear in mind the need to put their marks to some use even though there are unresolved disputes as to the validity of such marks.

Material alteration or embellishment required to confer originality on artistic works - *PropertyGuru Pte Ltd v 99 Pte Ltd* [2018] SGHC 52

Facts

The parties were competitors in the business of providing online property classifieds. These classifieds would usually include photographs of, among other things, the internal and external views of properties sold. The plaintiff alleged, among other things, that the defendant had infringed its copyright in photographs uploaded on its website bearing its watermark (the "**Watermarked Photographs**") by: (a) developing and marketing a mobile application which allowed property agents to cross-post listings from the plaintiff's to the defendant's website; and (b) providing a service by which the defendant undertook to manually cross-post property agents' listings from the plaintiff's to the defendant's website. In response, the defendant counterclaimed for groundless threats of infringement under the Copyright Act.

Decision

The copyright infringement claim was dismissed as the Court found that the Watermarked Photographs, which were works derived from the original photographs uploaded by the end users, were not original works which attracted copyright protection.

Among other things, the Court found that the alterations to the original photographs in the form of resizing, tweaking the light balance and softening the edges did not result in images substantially different from the original photograph. Absent the watermark, one would find it difficult to tell which is the original photograph and which is the modified photograph. Further, the addition of the watermark did not make the altered image an original work since the watermark was meant to serve to identify a photograph as one which had been



posted on the plaintiff's website and the skill and labour was not deployed towards making a difference to the artistic nature of the photograph.

The Court also declined to grant relief for groundless threats of infringement. In particular, the Court found that the plaintiff's threat of commencing legal proceedings was not unwarranted since the plaintiff's belief that there was copyright infringement was recorded in an earlier settlement agreement between the parties and given that the defendant had done what it promised not to do in the settlement agreement, there was sufficient basis for the plaintiff to think that it might be justifiable to commence proceedings for copyright infringement.

www.bakermckenzie.com

Baker McKenzie Wong & Leow
8 Marina Boulevard
#05-01 Marina Bay Financial Centre
Tower 1
Singapore 018981

Tel: +65 6338 1888
Fax: +65 6337 5100

Comments

The decision is a welcome clarification that non-material alterations or embellishment to original works may not suffice to confer originality on the altered works. In relation to groundless threats of infringement, it also re-affirms the position that such relief is discretionary. Therefore, it does not mean that relief will necessarily be granted as long as an infringement claim has failed.

©2018 Baker & McKenzie. All rights reserved. Baker & McKenzie Wong & Leow is a member of Baker & McKenzie International, a Swiss Verein with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner, or equivalent, in such a law firm. Similarly, reference to an "office" means an office of any such law firm.

This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

This alert is provided as general information and does not constitute legal advice.