

### Newsletter

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#### In This Issue:

Families of marks can be owned by separate entities - *Bridgestone Corporation and Bridgestone Licensing Services, Inc. v Deestone Limited* [2018] SGIPOS 5

Bad faith registration of transliterations - *Inner Mongolia Little Sheep Catering Chain Co. Ltd. v Grassland Xiao Fei Yang Pte Ltd* [2018] SGIPOS 6

Timing is key to any trade mark proceedings - *Courts (Singapore) Pte Ltd v Big Box Corporation Pte Ltd* [2018] SGHC 81

Purposive approach to patent claim construction and counterclaims for groundless threats - *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] SGCA 18

#### Families of marks can be owned by separate entities - *Bridgestone Corporation and Bridgestone Licensing Services, Inc. v Deestone Limited* [2018] SGIPOS 5

##### Facts

Bridgestone Corporation and Bridgestone Licensing Services, Inc. (the "Opponents"), are the registered owners of the "**BRIDGESTONE**" and "**FIRESTONE**" marks in Class 12 respectively, covering a number of goods including tires and vehicle wheels. Bridgestone Licensing Services, Inc. is a wholly-owned subsidiary of Bridgestone Corporation.

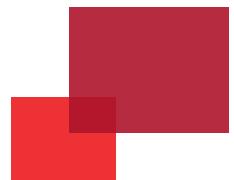
Deestone Limited (the "Applicant") subsequently applied to register "**DEESTONE**" and "**DEESTONE**" as a series of two marks in Class 12, covering goods that included automobile and motorcycle tires. The Opponents applied to oppose the Applicant's registration on four separate grounds, namely sections 8(2)(b) (similar marks and goods), 8(4)(b)(i) (mark well known in Singapore), 8(4)(b)(ii)(B) (mark well known to the public at large), and 8(7)(a) (passing off) of the Trade Marks Act (Cap 332) ("TMA").

In particular, the Opponents argued that "**BRIDGESTONE**" and "**FIRESTONE**" constituted a family of "STONE marks" under the family of marks doctrine. In such a case, the registration of any mark incorporating the common characteristics of that family, covering identical or related goods, would confuse or deceive the public into thinking that the new mark originated from the Opponents as an addition to the family of marks.

##### Decision

The Principal Assistant Registrar (the "PAR") found that the opposition failed on all four grounds on the basis that the marks were dissimilar. The PAR found that the distinctiveness of both the Opponents' marks lay in the marks as wholes (i.e. as "BRIDGESTONE" and "FIRESTONE" respectively). Overall, the impression of Opponent's marks would not be materially dominated by its components and the distinctiveness rests in the combination of "BRIDGE" and "STONE", and "FIRE", and "STONE" and the same applies for the Applicant's mark "DEE" and "STONE". In addition, the PAR found that the Opponents' and Applicant's marks were aurally, visually, and conceptually dissimilar.

In relation to the family of marks doctrine, the PAR held that the marks owned by two separate legal entities was not necessarily detrimental to the Opponents' case. This is because corporate family members could be regarded as a single source to consumers and the lack of common ownership by a single entity should not stand as a barrier to the protection over a family of marks. However, the evidence tendered by the Opponents was insufficient to show that the two brands "BRIDGESTONE" and "FIRESTONE" come from the same corporate family.



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## Comments

This case confirms that corporate groups holding trade mark registrations in different legal entities may rely on the family of marks doctrine for the purposes of protecting their trade marks and brands. However, companies seeking to rely on this doctrine will be required to show that the relevant public recognises these marks as being a part of a single family. Therefore, marks forming part of such a family should be used and promoted together, and not only as separate and independent brands.

## Bad faith registration of transliterations - *Inner Mongolia Little Sheep Catering Chain Co. Ltd. v Grassland Xiao Fei Yang Pte Ltd [2018] SGIPOS 6*

### Facts

In this case, Inner Mongolia Little Sheep Catering Chain Co. Ltd (the "**Applicant**"), a China-incorporated entity in the business of franchising hotpot restaurants and the subsidiary of a leading hotpot chain in China, sought a declaration of invalidity under section 23 of the TMA in respect of the "XIAO FEI YANG" word mark registered in Class 43 (the "**Subject Mark**"), owned by Grassland Xiao Fei Yang Pte Ltd (the "**Registrant**"). The Registrant is a Singapore-incorporated entity which operated a single hotpot restaurant in the Geylang neighbourhood.

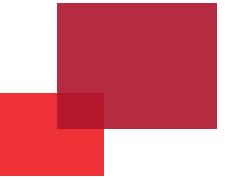
The Applicant based its invalidity application on four separate grounds, namely sections 8(2)(b) (similar marks and goods), 7(6) (bad faith), 8(4)(b)(i) and/or 8(4)(b)(ii)(B) (mark well known in Singapore and/or to the public at large), and 8(7)(a) (passing off) of the TMA. The Applicant relied on three earlier registered marks (the "**Earlier Marks**") which it used on hotpot soup bases sold at local supermarkets. All three Earlier Marks registered in Class 43 contain stylised Chinese characters for "XIAO FEI YANG" (meaning "little fat sheep"), as follows:



### Decision

Assistant Registrar Gabriel Ong (the "**AR**") found the Applicant successful as the marks were similar and the ground of bad faith was established. The AR did not consider it necessary to decide on the remaining grounds.

In arriving at his decision, the AR held that the Registrant knew, or ought to have had known of, the Earlier Marks by virtue of the Applicant's commercial success outside of Singapore. Notwithstanding this knowledge, the Registrant took steps to advertise its own restaurant in a manner that misled or deceived consumers into thinking or believing that it was the Applicant's first attempt to enter the Singapore market or at least some commercial relationship existed between the



Applicant and Registrant. By registering an exact transliteration of the Chinese characters in the Earlier Marks, the Applicant had fallen short of the appropriate standard of acceptable commercial behaviour, resulting in a finding of bad faith.

## Comments

This decision is significant, as it is the first decision where a tribunal had to consider whether earlier trade marks registered in Chinese characters are similar to a later registered mark which is essentially its transliteration in English. The AR's decision confirms that visual dissimilarity does not eliminate a finding of similarity, as transliterations of Chinese characters can still be found to aurally and conceptually similar. Such findings are specific to context, and requires an analysis of the words and characters in issue.

## **Timing is key to any trade mark proceedings - *Courts (Singapore) Pte Ltd v Big Box Corporation Pte Ltd [2018] SGHC 81***

### Facts

The present case concerns an appeal by Courts (Singapore) Pte Ltd (the "**Applicant**") against the decision of IP Adjudicator David Llewelyn in *Courts (Singapore) Pte Ltd v Big Box Corporation Pte Ltd [2017] SGIPOS 5* (the "**Decision Below**"), refusing to invalidate the "BIG BOX" word mark in Class 35 (the "**Subject Mark**") owned by Big Box Corporation Pte Ltd (the "**Proprietor**"). The Applicant's appeal under section 23 of the TMA was based on the same grounds as the Decision Below: subsections 7(1)(b) (devoid of distinctiveness); 7(1)(c) (descriptive sign/indication); and 7(1)(d) (customary or generic sign/indication) of the TMA.

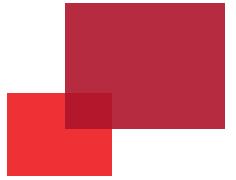
### Decision

The appeal was dismissed on all three grounds. Justice George Wei (the "**Judge**") agreed with the reasoning of the IP Adjudicator in the Decision Below, and found that the Subject Mark was inherently distinctive and capable of performing its function as an indication of origin at the application date.

Notably, the Judge also observed that unlike revocation of a registered trade mark for non-use, a declaration of invalidity would render the registration void from the application date for the Subject Mark (the "**Application Date**"). In assessing the distinctiveness, the Court must assess "*the evidence with the judicial eye sharply focused on the state of affairs at that date*". Therefore, publications, press releases, survey reports and other materials post-dating the Application Date must be considered with caution, particularly if they do not draw any inference on the Singapore public's perception at the Application Date.

## Comments

The decision highlights the practical difficulties in bringing invalidity proceedings a significant time after the Application Date of a registered trade mark (in this case the Application Date was in 2005). Registered trade mark owners should



place watch notices to identify similar third party applications proceeding to publication and consider acting expeditiously if an opposition action is appropriate. For any invalidity actions, proprietors should also act swiftly following becoming aware of the other party's registration in order to increase prospects of overcoming the evidentiary threshold in such actions.

## Purposive approach to patent claim construction and counterclaims for groundless threats - *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] SGCA 18

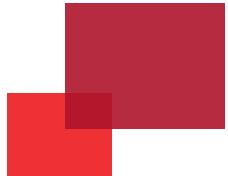
### Facts

Lee Tat Cheng (the "**Appellant**") is the proprietor of a patent in respect of an in-automotive accident recordal system. In the High Court in *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2017] SGHC 48, the Appellant alleged that three devices offered for sale by Maka GPS Technologies Pte Ltd (the "**Respondent**") infringed his patent. The High Court held that the Appellant's patent is valid but not infringed, and granted injunctive relief for groundless threats of infringement proceedings against the Respondent. The present case concerns the Appellant's appeal against the High Court's decision.

### Decision

The Court of Appeal dismissed the appeal in relation to non-infringement, but heard the appeal on the finding of groundless threats of infringement proceedings. First, the Court considered whether the approach to patent claim construction outlined in the recent UK case of *Actavis UK Limited and others v Eli Lilly and Company* [2017] UKSC 48 ("**Actavis**") should be applied in Singapore. The Court found that the "doctrine of equivalents" approach taken in Actavis was inconsistent with the Singapore Patents Act (Cap 221) ("**PA**"), and confirmed that the purposive approach to patent claim construction remains the law in Singapore.

Second, the Court held that relief for groundless threats of infringement under section 77 of the PA was ultimately discretionary, and would turn on whether the Court is satisfied that the claimant is aggrieved by the threats. Notwithstanding the difference in statutory language between section 77 of the PA and the equivalent provision in the Copyright Act, the approach to be taken is similar. The Court found there was no evidence that the Appellant would make further threats of infringement proceedings and injunctive relief was therefore held to be inappropriate. Accordingly, the Court allowed the Appellant's appeal and reversed the High Court's decision to grant injunctive relief.



## Comments

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The Court of Appeal's decision is significant as it clarifies that Singapore Courts will continue to apply the purposive approach to patent claim construction. For new patent applications to be filed in Singapore, applicants should continue to ensure that claims are drafted so as to sufficiently cover infringement when purposively construed. The Court of Appeal's decision also confirms that counterclaims for groundless threats of infringement will not immediately be made out where a patent owner fails in patent infringement proceedings. Instead, the Court of Appeal helpfully clarified that the relief for groundless threats should only be granted if the Court is satisfied it is appropriate in all the circumstances.

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