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Assessing mark-similarity: The relevance of extraneous factors - *Monster Energy Company v NBA Properties, Inc* [2018] SGIPOS 16



Facts

Monster Energy Company (the "**Opponent**") sought to oppose the trade mark



application in the name of NBA Properties, Inc. (the "**Applicant**") for
(the "**Application Mark**") in Classes 9, 16, 25, 28 and 41 on the basis of its



earlier marks "  " ("**Claw Device Mark**") and "  " ("**Composite Mark**") (collectively, the "**Opponent's Marks**"), relying on Sections 8(2)(b) (confusingly similar marks and/or goods), 8(4)(b)(i) and 8(4)(b)(ii) (well-known in Singapore and/or to the public at large in Singapore) and 8(7)(a) (passing off) of the TMA.

Aside from this opposition, the Opponent previously initiated multiple unsuccessful actions against other parties, opposing their attempts to register trade marks that the Opponent deemed to be encroaching on its registered word marks, i.e. "MONSTER" and "MONSTER ENERGY".

Decision

As the IP Adjudicator was of the opinion that the Application Mark was dissimilar to the Opponent's Marks, it was held that the opposition failed on all grounds.

In relation to Section 8(2)(b) of the TMA, the IP Adjudicator clarified that when determining the dominant component of a composite mark, it is important to consider: (i) the technical distinctiveness of the component; (ii) the "size" of the component; and (iii) the position of the component within the composite mark, which is consistent with the High Court's approach in *The Polo/Lauren Company LP v United States Polo Association* [2016] SGHC 32. Accordingly, due to the inherent technical distinctiveness and the large size of the Opponent's Claw Device Mark (80% of the space), the IP Adjudicator held that the Claw Device Mark should be regarded as the dominant component of the Opponent's Composite Mark. Further, the IP Adjudicator did not consider the claw device in the Application Mark to be the dominant component, and the Opponent's Claw Device Mark and the Application Mark as a whole must be compared to properly conduct the mark-similarity analysis.



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More importantly, in relation to Section 8(2)(b) of the TMA, the IP Adjudicator clarified that when assessing mark-similarity, the average consumer's knowledge and how they are "*likely to understand or interpret the word device element of a composite mark*" must be considered. Accordingly, the average consumer in Singapore would be aware that there is a common naming convention which involves pairing a sporting team's informal name with its city of origin. As such, the average consumer would infer that the word component "TORONTO RAPTORS" of the Application Mark refers to the name of a sports team, which influences how the Application Mark is perceived.

In particular, this was exemplified in the IP Adjudicator's analysis on conceptual similarity of the marks, in distinguishing the Application Mark from the Opponent's Marks, on the basis that while the Application Mark primarily conveyed a sports team's athletic abilities, the Opponent's Marks primarily conveyed the idea of a mysterious and menacing creature.

In view of the high conceptual dissimilarity of the Application Mark and the Opponent's Marks, the IP Adjudicator held that the marks overall were dissimilar and therefore, the opposition failed on all grounds.

Comment

This case is significant as it clarifies the previous uncertainty in relation to determining the dominance of a component in a composite mark and provides guidance when undertaking the mark-similarity analysis. This is particularly useful for businesses in understanding that conceptual differences in marks may be of the utmost importance in determining and maintaining their brand, and distinguishing their marks from third party marks.

Appeal against sentence for trade mark infringement: *Public Prosecutor v Niki Han Jiayi* [2018] SGDC 240

Facts

Ms Niki Han ("**Han**"), a businesswoman specialising in the retail of women's fashion, was charged with offences under the TMA for selling counterfeit shoes from three retail shops at Far East Plaza. She pleaded guilty to five charges under Section 49(c) of the TMA for the possession of counterfeit items for the purposes of trade ("**Section 49(c) Offences**"). The shoes sold were counterfeits of luxury fashion goods from brands such as Yves Saint Laurent, Christian Louboutin and Miu Miu. She was sentenced to four weeks' imprisonment, to which she filed an appeal.

Decision

District Judge Adam Nakhoda briefly set out the relevant sentencing principles for Section 49(c) Offences, drawing largely from the seminal case of *Goik Soon Guan v Public Prosecutor* ("**Goik**"), which he confirmed to be the guiding



precedent. In *Goik*, Justice Chao Hick Tin had set out that the primary sentencing consideration in trade mark infringement cases was general deterrence in order to ensure that Singapore remains an attractive location for foreign investors who will be assured that their intellectual property rights will be upheld.

However, Justice Chao had also stressed that a "*deterrent sentence need not always take the form of a custodial sentence*" and articulated that a systematic framework should be used in determining the appropriate sentence for Section 49(c) Offences. The Court should first consider the nature and extent of the infringement, and the manner in which the infringement was carried out. Subsequently, the Court should examine any relevant aggravating and mitigating factors. This required determining the infringer's level of involvement (from low to high) and the degree of permanence of the operation. Such factors are important in determining whether the threshold required to impose a custodial sentence has been crossed. In the subsequent case of *Tan Wei v Public Prosecutor*, Justice Chao elaborated that other factors should also be considered in addition to those set out in *Goik*, including, but not limited to: the size of the offender's business; the number of employees in the offender's business; the number of infringing articles involved; the duration of the infringement; and whether the infringer paid compensation to the affected trade mark owners.

In application of these principles to the case, the District Judge decided that Han's level of involvement was moderate. The amount of 92 infringing articles was a relatively low number in comparison to previous cases and the nature of Han's business was relatively small, given her net profit of approximately SGD 2,000. The District Judge also acknowledged Han's considerable efforts in compensating the trade mark owners, and found that her voluntary and substantial offers of compensation were commendable. Having considered all of the factors, the District Judge held that they merited a significant discount to the starting sentence of five to six months' imprisonment, but were still insufficient to justify a non-custodial sentence. The appropriate sentence was found to be two weeks' imprisonment per charge, to run consecutively for an overall sentence of four weeks' imprisonment.

Comment

This case affirms Singapore's firm stance towards counterfeiting offences and trade mark infringers. It also provides clarity as to the sentencing regime by a thorough examination of the seminal cases regarding Section 49(c) Offences and confirming the relevant factors to consider when determining the duration of sentences for such offences.



Sino-Singapore Guangzhou Knowledge City's latest development: The "International Intellectual Property Innovation Service Centre"

As part of Singapore and Guangzhou's state-level bilateral cooperation project "Sino-Singapore Guangzhou Knowledge City" ("**SSGKC**") located in Guangzhou, the IPOS enterprise engagement arm (IP ValueLab) signed a Memorandum of Understanding with the Sino-Singapore Guangzhou Knowledge City Administrative Committee and Sino-Singapore Guangzhou Knowledge City Investment and Development Co. Ltd to set up the "International Intellectual Property Innovation Service Centre" ("**IIPISC**").

To complement SSGKC's aim of enhancing Sino-Singapore collaboration in high-tech and creative industries and capitalising on the existing long-standing partnership between Singapore and the Guangdong province, the IIPISC has been established to bring Singapore and Guangzhou's innovation hubs closer together, facilitating the translation of intellectual property into products and services through a variety of initiatives, notably:

- (a) providing Chinese businesses the opportunity to leverage on Singapore's expedited IP application processes and networks, granting them accelerated access to more than 70 markets; and
- (b) providing Singapore businesses access to IP consultancy services, which will assist them in penetrating the markets of China's Greater Bay Area and beyond.

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With the growth of China's interest in ASEAN and vice versa, this is a welcome development as well as a unique opportunity in which businesses in China and ASEAN can take advantage in order to further expand business initiatives across the region and beyond.

For more information on the IIPISC, please refer to the IPOS media release [here](#).