

Ferrero SPA v Sarika Connoisseur Cafe Pte Ltd  
[2011] SGHC 176

**Case Number** : Suit No 9 of 2010  
**Decision Date** : 26 July 2011  
**Tribunal/Court** : High Court  
**Coram** : Chan Seng Onn J  
**Counsel Name(s)** : M Ravindran, Sukumar Karupiah and Justin Blaze George (Ravindran Associates) for the plaintiff; Tan Tee Jim SC and Zechariah Chan Jin Han (Lee & Lee) for the defendant.  
**Parties** : Ferrero SPA — Sarika Connoisseur Cafe Pte Ltd

*TRADE MARKS AND TRADE NAMES*

*TORT*

26 July 2011

Judgment reserved.

**Chan Seng Onn J:**


1 The Plaintiff is a company incorporated under the laws of Italy. It manufactures and sells confectionary goods, including a cocoa-based hazelnut bread spread under the brand "Nutella". The Defendant is a company incorporated under the laws of Singapore. It is in the business of retail in food and beverage and the wholesale of coffee, cocoa and tea. It owns and operates the café outlets known as "tcc – Art Boutique Caffè", now known as "tcc – the connoisseur concerto" ("TCC").

**Factual background**

2 The Plaintiff manufactures and markets world renown brands of confectionery such as "Ferrero Rocher", "Nutella", "Confetteria Raffaello", the "Kinder" brand series (comprising "Kinder Bueno", "Kinder Chocolate" and "Kinder Surprise"), "Mon Cheri" and "Tic Tac".

3 With regard to the "Nutella" brand, the Plaintiff is the registered proprietor of the following marks in Class 30 of the International Classification of Goods and Services ("ICGS") in Singapore (collectively referred to as the "'Nutella' marks"):

No	Trade Mark No	Trade mark	Specifications
1	T73/59592H (registered on 16 August 1973)		Confectionery, baking powder, chocolate products, cream comprising cocoa with or without other ingredients.
2	T82/01892B (registered on 16 April 1982)		Chocolate cream spread.

3	T04/09636H (registered on 15 June 2004)		Pastry and confectionery, chocolate candies, chocolate biscuits, chocolate bars, chocolate spreads and ice creams.
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4 For clarity, the trade mark reproduced in the first row above (T73/59592H) will be referred to as “the ‘Nutella’ word mark”, whereas all the three trade marks above will be referred to collectively as “the ‘Nutella’ trade marks”.

5 On 1 August 2007, the Defendant introduced a new gourmet hot coffee beverage served in a shot glass (the “‘Nutello’ drink”, or the “Defendant’s product”) under the “Nutello” sign (the “‘Nutello’ sign”), prepared at TCC outlets by the Defendant’s baristas. I have been careful to use the word “sign” in describing the term “Nutello”, as the word “sign” has a specifically defined meaning in the Trade Marks Act (Cap 332, 2005 Rev Ed) (“TMA”). Section 2(1) of the TMA defines the term “sign” as:

any letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape, colour, aspect of packaging or any combination thereof.

6 This is the most generic description available under the TMA, and it is necessary to use such a term so as to distinguish a “sign” from a “trade mark”, the latter having its own statutorily defined meaning of (s 2(1) of the TMA):





[a]ny sign capable of being represented graphically and which is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person

7 It is clear from the definitions of “sign” and “trade mark” reproduced above that all trade marks are signs, but that the converse is not true. Some confusion arose in this case as a result of counsel for the Defendant referring to “Nutello” as a “mark”, when what he appeared to have meant was that “Nutello” was a “sign” (see [\[37\]](#) *et seq*). To avoid such confusion, I have consistently used the generic term “sign” to describe “Nutello” throughout this judgment.

8 In the Defendant’s TCC Drinks Gallery Menu, the “Nutello” drink was featured under the “Espresso Specialties” section. The “Nutello” drink is served in a shot glass and consists of, *inter alia*, espresso, milk foam, cocoa powder and “Nutella” chocolate cream spread. The TCC Drinks Gallery Menu describes “Nutello” as “Espresso with lashings of nutella – perfect for cocoa lovers!” Each “Nutello” drink is priced at S\$5.60, excluding government taxes and service charge.

9 Since the launch of the “Nutello” drink, the “Nutello” name has been used in various representations in the Defendant’s promotional materials:

No	Menu	Representation

1	2009 Drinks Gallery menu	
2	Booklet	
3	Website	 

10 On 3 December 2009, the Plaintiff issued a cease-and-desist letter to the Defendant objecting to the Defendant's use of the "Nutello" name and the description "Nutello – Espresso with lashings of nutella – perfect for cocoa lovers!" The Plaintiff demanded, *inter alia*, payment of S\$50,000 as damages.

11 On 15 December 2009, the Defendant requested for an extension of one month, *ie* till 17 January 2010, to respond to the Plaintiff's letter. However, the Plaintiff refused to accede to such a request by way of a letter dated 16 December 2009. The Plaintiff initiated the present action on 6 January 2010.

12 In July 2010, by reason of an annual overhaul of the entire Drinks Gallery Menu, the Defendant discontinued sales of the "Nutello" drink.

### The Plaintiff's Claims

13 In the Plaintiff's statement of claim, the Plaintiff alleged that the Defendant:

(a) Infringed the Plaintiff's "Nutella" *word mark* under s 27(2)(b) of the TMA by using a similar sign on identical and/or similar goods (hereinafter, the "trade mark infringement claim"); and/or

(b) Infringed the Plaintiff's well known "Nutella" trade marks by (hereinafter, the "well known trade mark infringement claim"):

(i) using a similar sign on identical and/or similar goods, which is likely to cause confusion (under s 55(2) of the TMA);

(ii) using a similar sign, in relation to *any* types of goods, such as to indicate a connection between those goods and the Plaintiff, and is likely to damage the Plaintiff's

interests (under s 55(3)(a) of the TMA);

(iii) using a similar sign, in relation to *any* types of goods, which would:

(A) cause dilution in an unfair manner of the distinctive character of the Plaintiff's "Nutella" marks (under s 55(3)(b)(i) of the TMA); or

(B) take unfair advantage of the distinctive character of the Plaintiff's "Nutella" marks (under s 55(3)(b)(ii) of the TMA).

(c) Committed the tort of passing off (hereinafter, the "passing off claim").

14 This judgment proceeds to address the various claims made by the Plaintiff. I would note at the outset that many aspects of the various claims overlap with each other, even if, at times, they do not adopt the same legal parlance. Accordingly, in order to streamline the analysis, extensive use of cross-referencing – even across different heads of claim – will be adopted where appropriate.

15 It should be noted that while injunctions and damages may be ordered under the trade mark infringement claim and the passing off claim, the only relief with regard to the claim of well known trade mark infringement is limited to a restraining injunction.

16 I turn first to consider the trade mark infringement claim.

### **The trade mark infringement claim (s 27(2)(b) of the TMA)**

17 The Plaintiff's trade mark infringement claim is based only on one of the Plaintiff's registrations, viz, the "Nutella" word mark.

18 The issues presented by the trade mark infringement claim are multiple and complex. Accordingly, I shall provide a brief overview on the structure of the analysis adopted in this judgment.

19 The trade mark infringement claim is premised on s 27(2)(b) of the TMA which provides:

(2) A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he *uses in the course of trade* a sign where *because* —

...

(b) the sign is *similar* to the trade mark and is used in relation to *goods or services identical with or similar to those for which the trade mark is registered*,

there *exists a likelihood of confusion* on the part of the public.

[emphasis added]

20 Before infringement under s 27(2)(b) of the TMA can be considered, an important threshold issue is whether the infringing sign must be *used as a trade mark* in the course of trade ("the threshold issue"). This issue will be dealt with in greater detail below (see [\[29\]](#) *et seq*).

21 Assuming the threshold issue has been resolved in favour of the Plaintiff, the Plaintiff must still show three elements in order to establish an infringement under s 27(2)(b) of the TMA. The three elements are, namely (*The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd* [2006] 2 SLR(R)

690 ("*Polo*") at [8]; cited in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*City Chain*") at [43]):

- (a) The alleged offending sign must be similar to the registered mark (hereinafter, "similarity of marks");
- (b) Both the sign and the mark must be used in relation to similar goods or services (hereinafter, "similarity of goods"); and
- (c) On account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the public (hereinafter, "likelihood of confusion on the part of the public").

22 These elements will be analysed in greater detail below. However, two points should be noted here. First, although there is some link and overlap in the three conditions, it is clear that they are distinct conditions – the fact that a sign is *similar* to a registered mark, and/or that it is used on *similar goods*, *does not automatically mean* that there will be a likelihood of confusion on the part of the public (*Polo* at [8]; *City Chain* at [44]). Second, the third question of whether there exists a likelihood of confusion need not be considered if either of the first two conditions is not satisfied. This is because the "global assessment test" – a test which focuses on the ultimate question of whether there is a likelihood of confusion – has been decisively rejected by the Court of Appeal in *Polo* (see *Polo* at [8]; and see *City Chain* at [44]).

23 I now consider the threshold issue of whether the allegedly infringing mark must be used in a trade mark sense before the issue of trade mark infringement can be considered.

#### ***The threshold issue: Must there be trade mark use?***

24 The Court of Appeal in *City Chain* considered at length the threshold issue of whether the infringing sign must be used in a *trade mark sense* (hereinafter, referred to as either "trade mark use" or "used in a trade mark sense") before a trade mark infringement can be found (*City Chain* at [16]-[38]).

25 Before proceeding to consider whether trade mark use is necessary, it is necessary to first consider what amounts to "trade mark use". The cases cited to me have not provided a clear definition of what "trade mark use" constitutes.

#### ***The meaning of "trade mark use"***

26 In unpacking the concept of "trade mark use", the starting point is to seek recourse to the meaning of "trade mark". Flowing from this definition of "trade mark" in s 2(1) of the TMA (reproduced above at [6]), "trade mark use" must refer to the use of a mark in a manner that is *indicative of the trade origin of goods or services*. This is because – as is suggested by the s 2(1) definition of "trade mark" – a trade mark is, in essence, a *badge of origin*. In this regard, it is apposite to note the judgment of Lord Nicholls in *R v Johnstone* at [13] (also cited in *Nation Fittings (M) Sdn Bhd v Oystertec plc* [2006] 1 SLR(R) 712 ("*Nation Fittings*") at [64]):

[T]he essence of a trade mark has always been that it is a *badge of origin*. It indicates *trade source*: a connection in the course of trade between the goods and the proprietor of the mark. [emphasis added]

27 Therefore, where the allegedly infringing sign is used for, *inter alia*, decorative or descriptive purposes, this would *not* amount to trade mark use. For instance, in *City Chain*, the Court of Appeal found that the predominant use of the allegedly infringing sign was for decorative purposes and therefore was not trade mark use (*City Chain* at [38]). Again, in *Hölterhoff v Freiesleben* [2002] FSR 52 at [16], the European Court of Justice ("ECJ") noted that a reference made for purely descriptive purposes to reveal the characteristics of the product offered for sale to the potential customer was not trade mark use.

28 It should be noted that certain types of signs may not be capable of being used as trade marks. *Ex hypothesi* – and this flows from the definition of "trade mark" in s 2(1) of the TMA – where the allegedly infringing sign is *not* capable of indicating the trade origin of goods or services, it cannot be considered to be used as a trade mark. However, for the avoidance of doubt, I emphasise that the allegedly infringing sign does *not* have to be *registrable* as a trade mark before its use can constitute "trade mark use". Registrability is contingent on other requirements as found in s 7 of the TMA, and such requirements are not necessary for showing that there has been "trade mark use". Instead, for the purposes of demonstrating "trade mark use", it is sufficient that the allegedly infringing sign is shown to be capable of, and is in fact, used as a badge of origin.

#### *Whether trade mark use is necessary*

29 A controversial issue in the law of trade marks, not just in Singapore but also in other jurisdictions (and especially the European Community), is the issue of whether the alleged infringer must have used the allegedly infringing sign as a trade mark before trade mark infringement can even be considered. In *City Chain*, the Court of Appeal noted that there were two different approaches to this issue, namely: (1) the traditional approach in which infringing use must be trade mark use ("the traditional approach"); and (2) the broader approach adopted by the ECJ ("the broader Community approach").

30 The former approach (*viz*, the traditional approach) was considered by Andrew Phang Boon Leong J in *Nation Fittings*. The learned judge, albeit *in obiter*, dealt with the requirement of use of the infringing sign as a trade mark. He considered, *inter alia*, the approaches taken by Lord Nicholls of Birkenhead and Lord Walker of Gestingthorpe in *R v Johnstone* [2003] FSR 42 ("*R v Johnstone*"), the ECJ's decision in *Arsenal Football Club Plc v Reed* [2003] Ch 454 ("*Arsenal (ECJ)*") and the decision of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (see [57], [61], [63], [64], and [67]-[69] of *Nation Fittings*). After considering *inter alia* the abovementioned cases, the learned judge was of the view that the interpretation adopted must be consistent with logic and fairness (*Nation Fittings* at [72]). In the circumstances, he favoured Lord Nicholls' reasoning in *Johnstone* (*Nation Fittings* at [63] and [73]), *viz*, that before there can be a trade mark infringement, the alleged offending use must be of the nature of a trade mark use (*Nation Fittings* at [62]).

31 The latter approach (*viz*, the broader Community approach) had its genesis in the ECJ decision of *Arsenal (ECJ)*. In brief, and to adopt the interpretation of *Arsenal (ECJ)* taken by Aldous LJ in *Arsenal Football Club Plc v Reed* [2003] RPC 39 at [17] ("*Arsenal (CA)*"), the court in *Arsenal (ECJ)* held that the registration of a trade mark gave the proprietor a property right, and the relevant consideration regarding the allegedly infringing use is whether it is likely to "affect or jeopardise the guarantee of origin which constitutes the essential function of the mark [which] *did not* depend on whether the use complained of was trade mark use" (emphasis added). The test is whether the infringing use is liable to *affect the functions* of the registered trade mark (*City Chain* at [20], interpreting *Arsenal (ECJ)*).

32 Following a detailed exegesis of English and European cases as well as academic writing, the

Court of Appeal in *City Chain* noted at [36] that:

On balance, bearing in mind the object of a trade mark law, which is probably narrower than that of the law on passing off, and Art 5(5) of the Directive, *we are inclined to take the stricter approach* that the infringing use must be of a trade mark use. However, for the purposes of the present appeal, whichever approach we adopt, the same result will be obtained. [emphasis added]

33 The Court of Appeal noted that, on the facts of the case before it, the “predominant use” of the allegedly infringing mark was for “decorative purposes” rather than “trade mark use” (*City Chain* at [38]). However, although this finding “should conclude the question of [trade mark infringement under s 27 of the TMA]”, the Court of Appeal recognised that this would not conclude the issue under the broader Community approach (at [38]). The Court of Appeal therefore went on to analyse the three elements of trade mark infringement (set out at [21] above). It is therefore clear that the Court of Appeal in *City Chain* did not have to finally determine the correct approach to be applied *vis-à-vis* the threshold issue, because on the facts of that case the same outcome would be reached whichever approach was taken (see *City Chain* at [36], reproduced above at [32]). In other words, although the Court of Appeal favoured the narrower “trade mark use” approach, this was done *in obiter*.

34 In the present case, there is no need for me to decide which approach (*viz* the traditional approach or the broader Community approach) to apply. This is not because the same outcome would have been engendered whichever approach I took (which was the case in *City Chain*), but because I find that *there was trade mark use* in the present case. This is sufficient to pass the threshold test under the more stringent traditional approach, and *a fortiori*, also pass the test under the broader Community approach. I now elaborate on my reasons for finding that there was trade mark use.

*Was there trade mark use in the present case?*

35 As a preliminary matter, the Plaintiff argued that the Defendant had referred to the “Nutello” sign as a “mark” in its pleadings, and had used the same term (*viz*, “mark”) to refer to the Plaintiff’s “Nutella” trade marks. To my mind, this is not determinative of whether or not “Nutello” was used as a trade mark. Indeed, I note that under the previous edition of the Trade Marks Act (*viz*, Trade Marks Act (Cap 332, 1998 Ed)), the term “mark” was statutorily defined as:

[i]nclud[ing] a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof;

This definition of “mark” under the previous TMA is similar to the definition of the term “sign” under the present version of the TMA (on which see [5] above). Therefore, the use of the term “mark” would arguably be more closely linked with the use of the term “sign” under current legislation, than with the term “trade mark”. Indeed, as counsel for the Defendant was quick to point out, nowhere in the Defendant’s pleadings did the Defendant refer to the “Nutello” sign as a “trade mark”. I therefore think that the fact that counsel for the Defendant had referred to “Nutello” as a mark *did not indicate* that the Defendant was making an admission that “Nutello” had been used in a trade mark sense.

36 That said, however, I do not think that the Defendant should be permitted to argue that “Nutello” was not used in a trade mark sense, because the Defendant had omitted to plead the same. Indeed, as was openly conceded by counsel for the Defendant at trial:

We are not saying that we are using it in a non-trademark sense, in a descriptive sense, and therefore there is no – that is not our case. *If that is our case, we must expressly plead as such*

*that we are using the mark in a non-trademark sense ... [emphasis added]*

37 The absence of such a pleading, and the failure to apply to amend the pleadings in this regard, suggests to me that the current contention – that the “Nutello” sign was not used as a trade mark – was an afterthought. It was clear that even during the trial, counsel for the Defendant maintained that the defence was not that the “Nutello” sign was being used in a non-trade mark sense. Parties should be bound by their pleadings, and accordingly, the Defendant should not be permitted to raise, after the conclusion of the trial, an issue that was neither pleaded nor raised at the trial.

38 Indeed, more than just being an afterthought, I note that counsel for the Defendant repeatedly refrained from denying that the “Nutello” sign was used as a trade mark, even when the Defendant had ample opportunity to do so. In the Defendant’s written submissions filed for an application for summary judgment under O 14 of the Rules of Court (Cap 322, R 5, 2006 Rev Ed) (“the Rules of Court”) (dated 26 July 2010), the Defendant did not set out the threshold issue of whether there was trade mark use of the infringing sign, and instead agreed that the issues were the three elements of trade mark infringement (set out at [\[21\]](#) above). Again, in the Defendant’s written submissions for its application for security for costs (Summons No 453 of 2010), the Defendant particularised no less than 10 issues to be addressed in the present case, but the Defendant neither denied that “Nutello” was used as a trade mark, nor identified this as being an issue for the court. Further, in the Defendant’s opening statement, there was no denial that “Nutello” was used in a trade mark sense. Even when I stood down the Defence’s representative witness, Mr Christopher Tan, and explicitly queried counsel for the Defendant on the Defendant’s position *vis-à-vis* whether “Nutello” was being used in a trade mark sense, counsel for the Defendant confirmed that the Defendant was “not saying that [the Defendant was] using it in a non-trademark sense”, and further confirmed that the issues were limited to the three elements of trade mark infringement. After counsel for the Defendant had confirmed that the threshold issue was not an issue, Mr Christopher Tan was recalled from outside the court and counsel for the Plaintiff did not further cross-examine him on the issue of trade mark use. It would therefore be prejudicial to the Plaintiff for the Defendant to now argue that “Nutello” was not used as a trade mark.

39 In any case, quite apart from the fact that the Defendant had, prior to the closing submissions, run its case as if “Nutello” was used in a trade mark sense, I am of the view that the “Nutello” sign was in fact used as a trade mark. The definition of a “trade mark” in s 2(1) of the TMA (reproduced at [\[6\]](#) above) requires that the allegedly infringing sign must be (a) capable of being represented graphically; and (b) capable of distinguishing goods and services dealt with or provided by a person from goods or services so dealt with or provided by any other person. In the present case, it is clear that the “Nutello” sign is capable of being represented graphically (see the graphical reproduction of the “Nutello” sign in [\[9\]](#) above). Furthermore, being an invented word, the “Nutello” sign is capable of distinguishing goods and services.

40 With regard to this last-mentioned point (*viz*, that the “Nutello” sign is capable of distinguishing the Defendant’s products), I find that the “Nutello” sign was not only intended and used to identify the Defendant’s product, it was also perceived by members of the public as providing such identification. I am fortified in this observation for the reasons that follow.

41 First, although Mr Christopher Tan did deny during cross-examination that “Nutello” was used as a trade mark, his denial should be looked at in context: it should be noted that Mr Christopher Tan also denied that the Defendant’s company had any trade marks, when as a matter of fact the Defendant had registered its trade mark “tcc” in class 30, registration number T0313398G on 5 September 2003. Accordingly, Mr Christopher Tan’s bare denials that the “Nutello” sign was used as a trade mark should be regarded with circumspection since, with respect, he did not appear to



understand what a "trade mark" was.

42 Indeed, it should be noted that notwithstanding the bare denials mentioned above, the views espoused by Mr Christopher Tan during cross-examination suggest that "Nutello" was being used as a trade mark. The relevant extracts of cross-examination are reproduced below for easy reference.

(a) He testified that everybody knew that the "Nutello" sign referred to the particular product in question, and that everybody knew that the product came from the Defendant's company:

Q: I'm asking you: is this word – is there anywhere in this affidavit that you have stated that this mark is used in a descriptive sense?

A: No.

Q: This mark was created by your company; correct?

A: Yes.

Q: It's used in relation to a product which you've described already in court; correct?

A: Yes.

Q: It is not used for any other product which has Nutella in it; correct?

A: Correct.

Q: It's only this particular product which you've described in court; correct?

A: Yes.

Q: Everybody knows that "Nutello" means this product, correct?

A: Yes.

Q: They also know that this product comes from your company; correct?

A: Yes.

(b) He acknowledged that the "Nutello" sign was used by members of the public to indicate goods of the Defendant's company:

Q: In the blogs that you had, when the consumers refer to "Nutello" there, they are referring to your product found in your TCC outlet; correct?

A: Yes.

Q: The product is made by you; correct?

A: Yes.

Q: The mark is created by you, and the consumers, your customers, are using that mark to designate your product made with cocoa and milk and Nutella; correct?

A: Made with Nutella and coffee, I think, in the blog.

Q: And coffee as well, sorry, my fault. Isn't that correct, in the blogs?

A: Yes.

Q: They are using it as a trademark; correct? They are using it to indicate your goods; correct?

A: Yes.

(c) He confirmed that "Nutello" was the "name", rather than a "description", of the Defendant's product:

Q: It's a name?

A: Yeah, it's just –

Q: But it's not descriptive?

A: No, the description comes below the name that we have on the menu.

Q: The description comes below the name; right?

A: Yes.

Q: And what's the description? "Lashings of nutella"?

A: Yes.

Q: "Perfect for cocoa lovers". That's the description, right?

A: Yes.

Q: Above that is a mark; right? "Nutello"

A: The name of the drink, yes.

Q: The name of the drink is "Nutello"; right?

A: Yes.

43 Second, it was clear from the Internet blogs adduced in evidence that bloggers had used the "Nutello" sign to refer to the Defendant's product. In other words, the "Nutello" sign had been perceived by members of the public to designate the particular product produced by the Defendant. It is also evident from the Defendant's pleadings that the "Nutello" sign was used in the course of trade, in relation to gourmet coffees which were sold in the Defendant's exclusive TCC cafés.

44 The Defendant attempted, in the reply submissions, to characterise "Nutello" as being *descriptive*, relying on a statement by Christopher Tan that the name "Nutello" was coined to indicate that the drinks had included the ingredients of espresso and the "Nutella" spread. However, for the reasons given above this was, in my view, too little too late.

45 Therefore, I find that the use of the “Nutello” sign by the Defendant to label or mark this special drink at its TCC outlets and in its booklet, drinks menu and promotional materials (see [9]) so as to inform and identify for its customers and other members of the public that the drink labelled or marked as “Nutello” originates from the Defendant would amount to trade mark use. Such a finding concludes the threshold issue on both the traditional approach and the broader Community approach. Having crossed this threshold, I turn now to examine each of the three elements of trade mark infringement under s 27(2) of the TMA (see [21]).

### **Similarity of marks**

46 Similarity of marks is the *first* element to be considered. Whether the “Nutello” sign and the “Nutella” word mark are similar for the purposes of s 27(2)(b) of the TMA is a question of fact and degree for the court’s determination (*Polo* at [8]).

47 In a recent case, the High Court in *Ozone Community Corp v Advance Magazine Publishers Inc* [2010] 2 SLR 459 (“*Ozone Community*”) adopted a two-step approach in analysing the similarity of marks, namely:

- (a) Whether there is *visual, aural* and *conceptual* similarity between the allegedly infringing sign and the registered trade mark; and
- (b) Whether the registered trade mark is *distinctive*.

48 With regard to the former, it is trite that the court will consider whether there is *visual, aural* and *conceptual* similarity between the marks (*MediaCorp News Pte Ltd v Astro All Asia Networks plc* [2009] 4 SLR(R) 496 at [32] (“*MediaCorp*”). It is also well established that the law does not require all three similarities to be made out before the finding that the marks are similar can be made (*ibid*). On the other hand, the fact that one similarity is made out does not necessarily mean that the marks are similar (*ibid*). The relative importance of each type of similarity will depend on the circumstances at hand, including the goods and types of marks involved (*ibid*).

49 With regard to the latter, it is noted that the *Ozone Community* decision was made in the context of determining similarity for the purposes of *registrability* of trade marks, *viz* whether a sign was (un)registrable because it was similar to an earlier trade mark under s 8 of the TMA. However, it should be noted that the court in *Ozone Community* cited (at [45]) the Court of Appeal decision of *Polo* (a case dealing with trade mark infringement under s 27(2) of the TMA) in fleshing out the proposition that the distinctiveness of the registered trade mark is an important factor in the inquiry. Accordingly, the factor of distinctiveness of the registered trade mark should be considered in the present case as well.

50 Before turning to undertake the two-step approach just mentioned, several legal principles guiding such a determination should be emphasised:

- (a) First, the court considers the two signs/marks “as a whole” (*Polo* at [8]; *City Chain* at [47], [50]). However, the court would not take into account “any external added matter or circumstances” because the comparison is “mark for mark” (*MediaCorp* at [33], citing *Caterpillar Inc v Ong Eng Peng* [2006] 2 SLR(R) 669 at [55] (“*Caterpillar*”).
- (b) Second, the signs/marks are considered from the viewpoint of the average consumer – *not* an unthinking person in a hurry, but rather, a person who would exercise some care and good

sense in making his purchases (*Polo* at [34]).

(c) Third, when comparing the two signs/marks, what is relevant is the “imperfect recollection” of the customer (*MediaCorp* at [33], citing *Nautical Concept Pte Ltd v Jeffery Mark Richard* [2007] 1 SLR(R) 1071 at [30]). The court will not compare the two marks side by side and examine them in detail, because “the person who is confused often makes comparison from memory removed in time and space from the marks” (*MediaCorp* at [33], citing *Caterpillar* at [55]).

### Visual, Aural and Conceptual Similarity

#### (1) Visual similarity

51 In the case of word marks, a determination of visual similarity typically involves looking at the (a) length of the marks; (b) structure of the marks (*ie*, whether there are the same number of words); and (c) whether the same letters are used in the marks (*Ozone Community* at [49], citing *Bently & Sherman, Intellectual Property Law* (Oxford University Press, 3rd Ed, 2009) at 865 (“*Bently & Sherman*”)).

52 With respect to visual similarity, it is noted that both the “Nutella” mark and “Nutello” sign comprise 7 letters each, with the first 6 letters being identical and only the last being different. The type of similarity here alleged was considered in the case of *Hyundai Mobis v Mobil Petroleum Company Inc* [2007] SGIPOS 12 (*Mobil (SGIPOS)*), where the marks in question were as follows:

Mobil’s Mark	Hyundai’s Mark
	

In that case, the Principal Assistant Registrar (“PAR”) held at [41]:

In considering visual similarity, I will take into account only the Applicants’ mark as it appears on the application form and the Opponents’ registered trade marks in class 4 as they appear on the register. Both are in capital letters and appear as MOBIS and MOBIL. *Both comprise 5 letters. The first 4 letters are identical and only the last letter is different.* The Applicants relied on the UK IP office decision and the hearing officer’s view on visual similarity that the letters L and S will not be viewed as similar. However I am of the view that *when the marks are viewed as wholes, a large part of the marks are similar and only the ending parts of the marks are different.* Therefore the marks are visually similar. [emphasis added]

53 On appeal, the High Court in *Mobil Petroleum Co, Inc v Hyundai Mobis* [2008] 4 SLR(R) 427 (“*Mobil (HC)*”) did not disagree with the decision of the PAR (*Mobil (HC)* at [18]). Indeed, the High Court agreed that there was visual similarity between the marks, although it noted that the degree of resemblance was limited to some extent by the differences in font, capitalisation and colours (*ibid* at [32]).

54 The reasoning of the PAR, reproduced above at [52], applies to the present case. Here, both the “Nutella” word mark and “Nutello” sign are of identical length (*viz*, 7 letters), the first 6 letters of which are identical, with only the last letter (“a” *contra* “o”) being different. I note that the “Nutella”

word mark consists of bold, capitalised, sans-serif letters, whereas the "Nutello" sign is stylised and in sentence case. However, as in the *Mobil* case, such differences may not be sufficient to render the marks visually dissimilar. Furthermore, taking into consideration the consumer's "imperfect recollection" and that the marks are not to be compared side-by-side (*MediaCorp* at [34]), the marks are visually similar when viewed holistically.

55 At this juncture, I address the Defendant's argument that the "Nutella" word mark and "Nutello" sign bear different font, typeface and design. According to the Defendant, the "Nutella" word mark consists of plain letters in bold and capital letters, whereas the "Nutello" sign is stylised and in sentence case. This, the Defendant submits, constitutes visual dissimilarity between the two.

56 This argument is misconceived. It is trite law that word-only registered trade marks render infringing any offending use in any font or stylisation. As stated by the learned authors of *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 14th Ed, 2005) ("*Kerly's*") at para 2-036:

Consider a word-only registration. The graphical representation is the word in capitals in plain type. Such a registration covers the word in a very wide range of typefaces. The variation in presentation is permissible because the distinctive character of the mark resides in the word itself and that does not change.

57 The above passage from *Kerly's* was cited with approval in *Richemont International SA v Da Vinci Collections Pte Ltd* [2006] 4 SLR(R) 369 ("*Richemont v Da Vinci*"). The learned judge in *Richemont v Da Vinci* went on to quote from the English Court of Appeal case of *Morny Ltd's Trade Marks, in the Matter of* (1951) 68 RPC 131 ("*Morny*"), a passage which, for its relevance to the present case, justifies reproduction in full (*Richemont v Da Vinci* at [21]):

In the English Court of Appeal case of *Morny* ... , it was held that use of the mark "Morny" (which had been registered as "MORNY" in plain block capitals) in various stylised forms amounted to use of the registered mark. Evershed MR stated at 145:

The question is: Was or is the use of the word "Morny", in the form or manner which I have attempted to describe, user of the mark "Morny" as registered, consisting, as I have stated, of the five letters "M-o-r-n-y" in capital letters?

It seems to me that, if a name is registered, you may either register it under Para. (a) of Sec. 9 (1) (that is to say, in a particular representation) or not. And, if it is not registered as a particular representation of the name, then the inference, I should have thought, must be that it was not intended to confine it to the form in which it was registered, but that the thing that was intended was use of that particular name in any way representing it.

Similarly, Jenkins LJ observed at 149-150:

The mark in question is "Morny" in block capitals and I should have thought, as my Lord has in effect said, that it must really be obvious that the registration of a word in block capitals must cover use of that word in any clearly legible form of lettering and not be confined to its representation in block capitals. **Otherwise the registration of a mark consisting of a name in block capitals would give virtually no protection at all, for anyone could use the same word in some other form of type or lettering in imitation handwriting or some other form of that kind** ; and it would obviously be impossible for anyone seeking to register a particular word, such as "Morny", to cover in his application or applications every conceivable form of lettering in which it might be represented.

[emphasis in original; emphasis added in bold italics]

The learned judge went on to state (*Richemont v Da Vinci* at [32]):

Besides, Lord Walker's statement that "[t]he distinction between plain words and stylised words is legally significant" can be explained: Where, as registered, the words constituting a mark are in stylised script, as in the *Budweiser* case, their use in block capitals would likely fall outside the use in s 46(2) of the UK Trade Marks Act 1994. In contrast, as we have seen, ***the registration of the word mark in plain capitals covers use of the word in any other form of lettering*** : see *Morny*. [emphasis in original; emphasis added in bold italics]

The learned judge went on to hold that the use of the words "Da Vinci" in *cursive* form constituted an infringement of the registered trade mark "Da Vinci" in *block capitals*.

58 The reasoning in *Richemont v Da Vinci*, *Morny* and *Kerly's* is compelling. A block letter word mark is registered without any additional distinctiveness by virtue of stylisation by way of font type or graphical device. It would be illogical that the protection granted to a registered proprietor's trade mark may be circumscribed simply by tweaking the *font* or *style* of the lettering of the word mark, especially where the registered proprietor had deliberately registered the word mark in block letters to represent that the distinctiveness of the mark lies *in the word itself*. It would also be impractical for the proprietor of a trade mark to have to register *every possible stylistic permutation* for his word mark in order to protect his trade mark, just as it would be impractical for him to have to make a fresh registration every time he wishes to use his word mark in a different font.

59 Following from the above, the Defendant's argument that the cursive font of the "Nutello" sign renders it visually dissimilar from the block capital registration of the "Nutella" word mark fails. In this regard, I would further note that besides the use of the cursive font used in the Defendant's menu, the Defendant had also used the "Nutello" sign on its website and a booklet; these "Nutello" signs were not distinguished by the use of any special font whatsoever (see [\[9\]](#) above).

60 In the final analysis, therefore, the "Nutello" sign is visually similar to the "Nutella" word mark.

## (2) Aural similarity

61 In the present case, the Plaintiff's mark is "Nutella" and the Defendant's mark is "Nutello". The Plaintiff has confirmed that the correct pronunciation of "Nutella" is "*nootella*", based on the testimony of the Plaintiff's representative Mr Malatesta as well as the Plaintiff's video advertisements aired in Singapore. This pronunciation is borne out of the Italian pronunciation of the word "nut". To the credit of counsel for the Defendant, he pointed out that an article by Adnkronos Multimedia, featured on the Italian Institute for Foreign Trade's website asserted that the name is pronounced "*nutella*" (emphasis added). The Defendant nonetheless argued that – relying on the Italian pronunciation put forward by the Plaintiff – the pronunciation of the Plaintiff's mark is aurally dissimilar to the pronunciation of "Nutello" (which, the Plaintiff contends, begins with "nut" and stresses the last two syllables in the word "nutello").

62 The aural difference emphasised by the Defendant, however, is more apparent than real. First, it is important to consider the way that the average consumer *in Singapore* would pronounce the marks. In this regard, I refer to the *Mobil* case, where the learned PAR held that "Mobil" and "Mobis" were aurally similar. Comparing both marks, only the last consonant sound (at the ending of the second syllable) was different (*Mobil* (*SGIPOS*) at [39]). The PAR noted that although in the UK the same marks were considered not to be aurally similar, such a finding was based on the normal

pronunciation of the marks in the UK, which did not necessarily apply to Singapore (*Mobil (SGIPOS)* at [39]). On appeal, the High Court in *Mobil (HC)* did not disagree that there was aural similarity in the two marks. Returning to the facts of the present case, two of the three syllables ("nut-te-[la/lo]") will be pronounced the same way by the average consumer in Singapore. In this regard, notwithstanding the Plaintiff's evidence that "Nutella" is more precisely pronounced (at least, by Italians) as "nootella", it should be noted that in the course of cross-examination, Mr Christopher Tan read "Nutella" as "nutella" (as opposed to "nootella"). Mr Christopher Tan later confirmed that both he and his customers pronounced the first syllable as "nut". It is therefore clear that the first two syllables of the word "Nutella" are pronounced in a manner *identical* to the first two syllables of the word "Nutello". "Nutella" and "Nutello" are accordingly aurally *similar*.

63 Second, and subject to the caveat above that pronunciation may differ between UK and Singapore, it is generally accepted that the *first syllable* of a word is usually the most important for the purpose of distinction between words because there is a tendency of persons using the English language to slur the *termination* of words, although this principle should not be applied in a "blanket fashion" (*Valentino Globe BV v Pacific Rim Industries Inc* [2009] 4 SLR(R) 577 at [34], citing *London Lubricants (1920) Ltd's Application* (1925) 42 RPC 264 at 279). Accordingly, where the words compared terminate with vowels rather than consonants, there is arguably greater aural similarity between the words (*Opposition by The Coca-Cola Company to the registration of trade mark application 731335 in the name of The Big Australian (Australia) Pty Limited ("Coca-Cola")* at 9). In the present case, where the difference between "Nutella" and "Nutello" is the final vowel sound ("a" *contra* "o"), the Hearing Officer's observation in *Coca-Cola* is especially apposite:

... the English language vowel sounds for 'o' and 'a' at the ends of SOLO and SOLA could readily be mispronounced or misheard. The first part of each word, SOL-, is identical. On this basis ... I find that the marks SOLO and SOLA COLA are deceptively similar.

I note that the beginning syllable sounds of marks may not *always* be more important than the ending syllables – there may be some cases where emphasis may be placed on some other syllable. For instance, in *Mobil (SGIPOS)*, the PAR found that "Mobil" and "Mobis" were pronounced with emphasis on the second syllable (*Mobil (SGIPOS)* at [40]). Similarly, in *Opposition by MCT UNILABELS SA to Trade Mark Application No 462838 in the Name of PETER KATHOLOS*, the Hearing Officer suggested that the invented word "cappé" may be pronounced with an emphasis on the second syllable. In my view, however, "Nutella" and "Nutello" are probably pronounced with an emphasis on the first syllable, and the last syllable – being a vowel sound – is not sufficiently different to render the two words aurally dissimilar.

64 Third, as was exhorted in *Future Enterprises Pte Ltd v McDonald's Corp* [2006] 4 SLR(R) 629 (*"Future Enterprises (HC)"*) at [12], aural similarity must be considered in light of "imperfect recollection" and "careless pronunciation and speech", rather than as if the marks were being pronounced carefully by someone such as a "teacher of elocution". In *Future Enterprises (HC)*, the court found that "MacCoffee" (pronounced "mac-kof-fee") was aurally similar to "McCafe" (pronounced "mac-caf-fay" or "mc-kah-fay"). *A fortiori*, "Nutella" (pronounced "nut-te-la") is clearly aurally similar to "Nutello" (pronounced "nut-te-lo").

65 I therefore find that the Defendant's sign, "Nutello", is aurally similar to the Plaintiff's "Nutella" word mark.

### (3) Conceptual similarity

66 In considering whether there is *conceptual* similarity between marks, it is necessary to consider

the *ideas that lie behind or inform the earlier mark* (*Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 ("*Festina*") at [38], citing *Bently & Sherman* at p 866).

67 In *Festina*, the High Court considered several cases dealing with conceptual similarity. The illustrations provide some guidance on how conceptual similarity is analysed. The relevant paragraphs in *Festina* are reproduced here (*Festina* at [40]-[42]):

40 A clear case of conceptual dissimilarity can be seen in *Phillips – Van Heusen*, T- 292/01 [2003] ECR II – 4335 where "BASS" was found to be conceptually dissimilar to "PASH" as the former was understood as a musical reference whereas the latter either had no meaning or referred to German dice.

4 1 *Itochu Corporation v Worldwide Brands, Inc* [2007] SGIPOS 9 ("*Itochu*") offers a more nuanced illustration of conceptual similarity. In *Itochu*, the PAR (and subsequently the High Court) held that the marks "CAMEL" and "SWEETCAMEL" were conceptually dissimilar: the "CAMEL" mark evoked a sense of "ruggedness, adventure and masculinity" whereas the applicant's mark "SWEETCAMEL" which was preceded by the adjective "SWEET" projected a totally opposite impression.

42 In the case of *Ozone Community Corp*, the two marks in issue were "GLAMOUR" and "HYSTERIC GLAMOUR". The PAR found that both marks were in some way conceptually similar as both marks used the "glamour" concept, despite one appealing to the orthodox meaning while the other giving the concept a spin without completely altering its texture. This finding was upheld by the High Court at [64].

68 On the facts of *Festina* itself, the court considered that (at [45]):

insofar as the two marks comprise an invented word, in that "FESTINA" and "J.ESTINA" are not English terms found in dictionaries, and that both employ a pictorial element that hints at "class" and "status", there are *some* conceptual similarities between the two marks, as opposed to complete or significant similarities, bearing in mind that the crest and crown devices evoke a sense of class but only the crown device evokes a sense of royalty.

69 Considering the three cases analysed in the quotation from *Festina* (reproduced at [67] above), the present case most closely resembles the facts in *Festina* itself: the "Nutella/Nutello" comparison is closer to the "Festina/Jestina" comparison, than it is with the "Bass/Pash", "Came/Sweetcamel" and "Glamour/Hysteric Glamour" comparisons. Conceptually, both "Nutella" and "Nutello" are invented words, in that they are not English words found in dictionaries. The imperfect recollection of an average consumer, who does not juxtapose the two marks side-by-side, will probably consider the marks to be conceptually similar. Indeed, it should also be noted that Mr Christopher Tan admitted under cross-examination that the word "Nutello" was *derived* from the words "Nutella" and "espresso"; having been so derived, and with only a minor change being made to the word "Nutella", it is difficult to see how "Nutella" and "Nutello" are conceptually dissimilar.

### *Distinctiveness*

70 As alluded to above, the relevance of the distinctiveness of the registered trade mark was discussed in *Polo*. The Court of Appeal held that the *distinctiveness* in the registered trade mark (*ie*, the "Nutella" word mark in this case) is an important factor in the inquiry into the similarity between the marks, stating that (at [23]):



We recognise that some marks are inherently **distinctive** because they consist of **inventive words without any notional or allusive quality** . An example would be "Volvo". "Polo" is certainly not an inventive word and could claim no inherent distinctiveness. **Where common words are included in a registered mark, the courts should be wary of granting a monopoly in their use** : see *The European Limited v The Economist Newspaper Limited* [1998] FSR 283 at 289-290 and "FRIGIKING" Trade Mark [1973] RPC 739 at 753. [emphasis in original; emphasis added in bold italics]

The Court of Appeal went on to find that the word "polo" was an "ordinary English word meaning a game played on horseback", and was accordingly "not an inventive word and could claim no inherent distinctiveness" (*Polo* at [23]).

71 The factor of distinctiveness is important because it affects the question of whether marks are similar. As was noted in *Bently & Sherman* at pp 866-868 (and cited in *Ozone Community* at [44]):

*Distinctiveness.* The question of whether marks are similar will often be dependent on the inherent or acquired distinctiveness of the mark (for the goods or services for which it is registered). This has a number of effects.

First, the *less distinctive* the earlier trade mark, the **less literal or visual alteration is necessary to ensure that the later mark is not similar** . ... [The learned authors go on to cite examples to illustrate such a principle] ...

Second, if the earlier mark is *highly distinctive*, then a mark that has been **substantially modified might still be similar** . ... [The learned authors go on to cite examples to illustrate such a principle] ...

[footnotes omitted, emphasis in original, emphasis added in bold italics]

72 The policy motivating these principles was alluded to by the High Court in *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* [2005] 4 SLR(R) 816 at [27] ("*Polo (HC)*"):

The question, then, is whether these differences [between the allegedly infringing sign and the registered trade mark] are enough so as not to capture the distinctiveness of the registered mark. In order to decide this, I first have to consider whether the plaintiff's mark can be considered to be **so distinctive that the differences would not negate the similarity** . **This is an important issue because a more distinct mark generally receives greater protection** : *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 ("*Premier Brands*") ... [emphasis in original; emphasis added in bold italics]

73 In *Festina*, in the context of *registrability* of trade marks under s 8 of the TMA, the High Court noted that invented words such as "FESTINA" possess inherent distinctiveness, and such distinctive quality would be taken into account in the overall assessment of similarity between the marks (*Festina* at [58]). The court further held that for such invented words with inherent distinctiveness, a "modification of at least a substantial degree has to be done for the Respondent's mark to be found to be dissimilar to it" (*Festina* at [60], emphasis added). The court went on to find that the respondent's mark ("J.ESTINA") was similar to the registered "FESTINA" mark as the latter was an inherently distinctive invented word.

74 It is undisputed that the word "Nutella" has no dictionary meaning. It is an invented word which is inherently distinctive. Merely changing the last letter of the mark from an "a" to an "o" is

insufficient, as such a change does not amount to “modification of at least a substantial degree” (*Festina* at [60]).

*Concluding analysis: the marks are similar*

75 As demonstrated above, there is visual, aural and conceptual similarity in the marks “Nutella” and “Nutello”. The “Nutella” mark, being an invented word, is inherently distinctive, and the Defendant has not made sufficient modification to it such as to render “Nutello” dissimilar to “Nutella”. In the final analysis, I find that the marks are similar, and accordingly, that the *first* element of s 27(2)(b) of the TMA is made out. I would here add that although the similarity of the marks is an objective inquiry to be undertaken by the court (rather than by witnesses), I am fortified in my view that the marks are similar by the fact that at least two of the Defendant’s witnesses, *viz* Mr Christopher Tan and Mr Robin Ng, agreed to the same under cross-examination.

### ***Identity or Similarity of goods***

76 In order for the requirement of identity or similarity of goods to be fulfilled, the Plaintiff must show that the “Nutello” sign is used in relation to goods that are identical or similar to those for which the “Nutella” word mark is *registered* (see s 27(2)(b) of the TMA, reproduced at [19] above). In other words, the Plaintiff must show that the “Nutello” sign is used in relation to goods identical or similar to “[c]onfectionery, baking powder, chocolate products, cream comprising cocoa with or without other ingredients” (see [3] above).

77 The identity or similarity of goods is to be determined by taking into account all relevant factors, including the nature of the goods, end users, method of use and whether they are in competition or complementary (*Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* [1999] ETMR 1 at [23]).

*Are the goods identical?*

78 In *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 (“*British Sugar*”), Jacob J formulated a set of guidelines to assist the court in assessing the *similarity* of goods (the guidelines are set out in [83] below). For the avoidance of doubt, it should be emphasised that these factors are considered only in situations where the goods are being analysed for *similarity*. In other words, once it has been determined that the goods are *identical* from a comparison of the goods’ specifications, there is no need to consider the said guidelines (*Richemont International SA v Goldlion Enterprise (Singapore) Pte Ltd* [2006] 1 SLR(R) 401 (“*Richemont v Goldlion*”) at [18]).

79 The Plaintiff argued in closing submissions that the “Nutello” sign was used on goods (*viz*, the Defendant’s “Nutello” drink) which fall within the broad specification of “chocolate products” (for which the “Nutella” mark is registered – see [3] above). Therefore, the Plaintiff argues that the “Nutello” sign is used in relation to goods *identical* to those for which the “Nutella” mark is registered.

80 This argument depends on the Plaintiff being able to show that the Defendant’s product fell within the specification of “chocolate products”. To this end, the Plaintiff argued that the Defendant’s product was a chocolate product for the following reasons:

- (a) First, the *main ingredient* in the Defendant’s “Nutello” drink is the use of the Plaintiff’s “Nutella” chocolate spread. The “Nutello” drink was promoted as being “[e]spresso with *lashings* of Nutella” (emphasis added), the word “lashings” being defined as “a *copious* amount of something, especially food or drink” (as defined by *The New Oxford Dictionary of English* (Oxford

University Press, 1998) at p 1038);

(b) Second, the product is *marketed* by the Defendant in the Defendant's menu as being "[p]erfect for *cocoa lovers*" (emphasis added). It should be noted that Mr Christopher Tan agreed under cross-examination that the Defendant attempted to attract chocolate lovers when promoting the "Nutello" drink.

(c) Third, the *manner* in which the "Nutello" drink is served shows that it is a chocolate product. In cross-examination, Mr Christopher Tan confirmed that the Defendant's customers could, when drinking the "Nutello" drink, either scoop up the portions of the "Nutella" chocolate spread which was not dissolved in the espresso, or scoop out the "Nutella" chocolate spread before it dissolved so as to consume the chocolate spread directly. The manner of consumption of the "Nutello" drink, *viz* where the consumer could actually consume the chocolate spread directly, was confirmed by the Plaintiff's witness Mr Ramakuddy in oral testimony. It was also confirmed by other consumers of the "Nutello" drink in their Internet blogs. For example, one customer noted that "[T]hey provide a small spoon for you to nibble and scrape the chocolate...", another noted "[w]hen you put your spoon in, you will haul out a spoonful of gooey Nutella mixed with rich coffee", and yet another noted that the drink was "a single e[s]presso shot with lotsa [sic] [N]utella in it".

(d) Fourth, the Defendant's customers *perceive* the "Nutello" drink to be a chocolate product. The Plaintiff attempted to substantiate this contention from two different sources.

(i) In the market survey conducted by the Defendant, when survey respondents were asked regarding the most likely reason for them to purchase the "Nutello" drink, most (*viz*, 30%) of the respondents indicated that they liked "the taste of Nutella *chocolate*" (emphasis added). A further 24.8% responded that they wanted to "try new drinks/new flavour/new taste of *Nutella flavour*" (emphasis added), while 16% said that they would purchase the "Nutello" drink because they "[l]ike[d] the *taste of chocolate*" (emphasis added). It is notable that, of the respondents who would *not* purchase the "Nutello" drink, the largest percentage (*viz*, 5.2%) indicated that they would *not* purchase the drink because they "do not drink *chocolate drinks*" (emphasis added). Analysing the survey response, the survey report concluded that with regard to the "Nutello" drink, most of the surveyed respondents provided "mostly positive [feedback] with people being attracted to *chocolate* and *specifically the Nutella ingredient*. Some would reject the drink for being too sweet or for not liking *chocolate drinks*" (emphasis added). It should be noted that most of the survey respondents were attracted by the *chocolate character* of the "Nutello" drink. It is also significant that most of the survey respondents who would not purchase the drink were repelled by the drink's *chocolate character*.

(ii) In addition, perusal of Internet blogs (which were, incidentally, adduced in evidence by the *Defendant* rather than the Plaintiff) reveals that many of the consumers of the "Nutello" drink emphasised the *chocolate content* of the drink. For example, one customer noted that "Nutello" was a shot of espresso with "nutella smeared all over... I[f] you are a *chocolate lover*, this is the drink for you..." (emphasis added), another noted "[i]f you *like chocolate*, try Nutello!" (emphasis added) and yet another complimented the "*thick layer of Nutella... [with] fragrant espresso and a layer of whipped cream, finally dusted with cocoa powder*" (emphasis added).

81 Despite the rigorous arguments just outlined, I am ultimately not convinced that the "Nutello" drink is a "chocolate product".

(a) First, although the “Nutello” drink was recommended for “chocolate lovers” (see [80(b)] above), it was advertised under the “Espresso Specialties” section of the Defendant’s menu.

(b) Second, the fact that one of the ingredients in the “Nutello” drink is a chocolate spread does not *per se* make the drink a *chocolate product*. I note that it is possible for a product to fall within one or more categories. However, I do not think that the “Nutello” drink is a “chocolate product” simply by virtue of the fact that there was “Nutella” chocolate spread in it. To do so would be akin to describing coffee drinks as milk products (by virtue of milk being one of the ingredients) and describing certain teas as fruit products (by virtue of dried fruits being one of the ingredients).

(c) Third, the Defendant rightly pointed out that Class 30 of the International Classification of Goods and Services (under which the Plaintiff’s “Nutella” mark was registered) comprises a list of specific goods indications, which include categories of goods such as “Beverages (Chocolate-based)”, “Beverages (Cocoa-based)”, “Chocolate beverages with milk”, “Chocolate-based beverages”, *etc.* The Plaintiff *could* have, but did not or chose not to, include any beverage-related specifications in the registration of the “Nutella” mark. The specification of “chocolate products” thus does not appear to me to have been intended to cover *all* beverages with some chocolate content.

82 I turn next to consider whether the “Nutello” sign is used in relation to goods *similar* to those for which the “Nutella” mark is registered.

*Are the goods similar?*

83 As alluded to above at [78], Jacob J in *British Sugar* formulated a set of guidelines to assist the court in assessing the similarity of goods. The factors laid out in *British Sugar* were adopted by Singapore courts (see, *eg*, *Caterpillar* at [57]; *MediaCorp* at [41] and *Ozone Community* at [75]). The factors are as follows (*British Sugar* at 296-297):

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, whether in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in the trade classify goods, for instance whether market research

companies, who of course act for the industry, put the goods or services in the same or different sectors.

84 Relying on the above factors, the Defendant argued that:

(a) First, the *uses* of the respective goods are different. The Plaintiff's "Nutella" product is not a beverage but a bread spread, is not usually consumed by itself but in conjunction with bread, and is usually consumed during breakfast. In contrast, the Defendant's "Nutello" drink is used in relation to liquid gourmet coffee beverage, and is used for purposes distinctly different from those of the Plaintiff's semi-solid, semi-liquid viscous cream spread.

(b) Second, the *users* of the respective goods are different. The users of the Plaintiff's "Nutella" product are mainly ordinary shoppers looking for bread spreads for breakfast for their families, while the users of the Defendant's "Nutello" drink are mainly discerning and well-informed professionals, managers, executives and business people.

(c) Third, the *physical nature* of the respective goods is different. The Defendant's "Nutello" drink is a concoction comprising a number of ingredients, and is served in a shot glass rather than a jar. On the other hand, the Plaintiff's product is a dark brown, viscous cream spread presented in a jar.

(d) Fourth, the *trade channels* of the respective goods are different. The Plaintiff's "Nutella" product is sold in supermarkets, convenience stores and neighbourhood shops, on shelves alongside jams and breads. In contrast, the Defendant's "Nutello" drink is promoted and sold exclusively at TCC outlets in a restaurant setting.

(e) Fifth, the respective goods are neither *competitive* with, nor *substitutes* for, one another. The Plaintiff's goods compete with other brands of bread spreads, while the Defendant's goods compete with other coffee companies and cafés.

85 In addition, the Defendant pointed out that in *British Sugar*, Jacob J also held that in construing a word used in a trade mark specification (in the present case, "chocolate products"), the court is (*British Sugar* at 289):

... concerned with how the product is, as a *practical matter*, regarded for the *purposes of trade*. After all, a trade mark specification is concerned with *use in trade*. [emphasis added]

Relying on this observation by Jacob J, the Defendant argued that a product specification must be construed in accordance with its *use in trade*. Accordingly, the Defendant argues that the expression "chocolate products" (in the product specification under which the "Nutella" word mark is registered) must be construed in accordance with the Plaintiff's products as used in practice, *viz*, as a sweet bread spread rather than a beverage.

86 The arguments raised by the Defendant have some weight, and do appear to suggest that the respective goods are not similar under the *British Sugar* guidelines. However, in the final analysis, I find that the Defendant's "Nutello" drink is *similar* to the "chocolate products" specification for which the "Nutella" word mark is registered. As a matter of law, in determining the similarity of goods, the comparison is made not only with the actual product in use (*viz* the Plaintiff's sweet bread spread) but with the type of products for which the Plaintiff has registered its word mark "Nutella". In this case, the comparison has to be with the possible range of "chocolate products" as used in the trade and not only with the Plaintiff's sweet bread spread as such.

87 It is also important to keep in mind that the *British Sugar* factors “must not be regarded as requirements that must all be satisfied before the goods can be treated as similar” (*Johnson & Johnson v Uni-Charm Kabushiki Kaisha (Uni-Charm Corp)* [2007] 1 SLR(R) 1082 at [18]; *Mobil (HC)* at [25]). Indeed, Jacob J himself cautioned that he did not think that the list “can provide other than general guidance” (*British Sugar* at 297).

88 Second, it should be noted that in *British Sugar* the goods in question fell into *different classes* of product specification – the proprietor’s mark was registered in Class 30, while the alleged infringer’s products fell into Class 29. As was noted in *Polo (HC)* at [33]:

Accordingly, I have very little doubt that the goods carried by the plaintiff and the defendant are similar, if not identical, for the purposes of s 27(2)(b) of the TMA. The plaintiff’s trade marks were registered under Class 25 of the ICGS and the defendant’s products which are being complained of (mainly T-shirts) **would qualify to be registered in the same class**, as evidenced by their attempted registration. This being the case, **it is not necessary for the court to engage in the test set down in *British Sugar*** ... . The test in that case was employed because the **defendant’s product would not have been registered in the same class as the plaintiff’s and thus there was a need to decide if it was similar enough to the plaintiff’s product**. It would be a **very rare case**, if ever, **that a defendant could claim that its products, if listed in the same classification as the plaintiff’s, were not similar** . ... . [emphasis in original; emphasis added in bold italics]

In other words, the *British Sugar* guidelines may not have as much weight (if any at all) in a situation where the respective products *fall within the same class of products*. On the present facts, the Defendant had pointed out (as alluded to earlier in [81(c)] above), and accordingly must be taken to concede, that the Defendant’s “Nutello” drink was likely to fall within the categories of “beverages”. Such beverage-related specifications are still *within* the Class 30 classification. I also take cognisance of the arguments addressed in [80] above, albeit in the context of assessing whether the Defendant’s “Nutello” drink was a “chocolate product”.

89 Third, the High Court in *Mobil (HC)* noted at [25] that an “important” factor to be considered in determining whether the respective goods are similar is “whether such goods will be considered by consumers to be similar goods”. In this regard, the point made in [80(d)] above demonstrates that the consumers *do indeed* consider the respective goods to be similar.

90 For the reasons stated, I find that the “Nutello” drink is similar to a chocolate product although it may not be regarded as a chocolate product. Accordingly, the *second* element of s 27(2)(b) of the TMA is made out.

### ***Whether there exists a likelihood of confusion on the part of the public***

91 The *third* element of s 27(2)(b) of the TMA is the issue of the likelihood of confusion on the part of the public. Before proceeding to apply the law to the facts of the present case, I will summarise the relevant legal principles governing this particular issue.

#### *The law on “likelihood of confusion”*

92 The issue of likelihood of confusion is to be determined as at the time when the alleged infringing use of the sign commenced (*City Chain* at [51]), the test being whether a *substantial portion* of the *relevant public* will be *confused*. The three italicised portions indicate three different aspects of the test. I shall address them in the following order: (a) the meaning and nature of the

"confusion" required by s 27(2)(b); (b) the meaning and nature of the "relevant public"; and (c) the requirement of a "substantial portion" of the relevant public being confused.

93 With regard to the meaning and nature of the "confusion" required, the Court of Appeal in *City Chain* noted that in determining confusion, one should be cognisant of the risk that the public might believe that the goods come from the *same source* or *economically-linked* sources (see *City Chain* at [52]). In other words, the relevant confusion is not limited to the "classic confusion" scenario where consumers believe that the goods or services emanate from a particular origin (when they in fact come from another origin). There is instead a "broader" kind of confusion stemming from the consumer's (incorrect) assumption of some kind of economic connection between the users of the marks (eg that the goods are being provided by a subsidiary or licensee of the trade mark proprietor) (see *Bently & Sherman* at p 872).

94 It should further be noted that, by virtue of the wording of s 27(2) of the TMA, the likelihood of confusion must arise *because* of the similarities in the respective marks and goods concerned. It is insufficient that the confusion arises for *any other reason*. For instance, it would clearly not be sufficient if a member of the public appears confused as to the origin of the "Nutello" drink, such confusion stemming from his incapability of understanding the survey questions directed at him (eg his inability to understand what it means to "produce" a drink, or to "licence / authorise" a drink, etc). This has important implications on the framing of survey questions, and will be dealt with in greater detail at [136] *et seq*.

95 With regard to the meaning and nature of the "relevant public", it is trite that the issue of likelihood of confusion is to be determined by reference to average consumers of the goods and services in question. Such consumers are reasonably well-informed, reasonably observant and circumspect, and will exercise ordinary care and intelligence. They are also literate, educated, "constantly exposed to the world, either through travel or media" and are unlikely to be "easily deceived or hoodwinked" (*McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR(R) 177 at [64]).

96 With regard to the requirement that a "substantial portion" of the relevant public must be confused, it is insufficient that only a "single member of the public", or "a very small unobservant section of society", or "a moron in a hurry", would be confused (*Mobil Petroleum Co Inc v Hyundai Mobis* [2010] 1 SLR 512 ("*Mobil (CA)*") at [79], citing *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 1 SLR(R) 903 ("*Tong Guan*") at [24]). The degree of confusion must be taken above a "*de minimis* level", and while there does not have to be a "majority" of the relevant public that is confused, there must be a "not insubstantial number" (*Mobil (CA)* at [77]-[78]).

97 I turn now to other relevant principles *vis-à-vis* the test for likelihood of confusion. First, it is now well-settled that the issue of likelihood of confusion is to be addressed *globally*, taking into account all the circumstances of the case. This would include, *inter alia*, the closeness of the goods, the impression given by the marks, the possibility of imperfect recollection and the risk that the public might believe that the goods come from the same source or economically-linked sources (*City Chain* at [52], *Polo (CA)* at [28]).

98 Second, following from the phrasing of s 27(2)(b) of the TMA, the requirement of confusion is not automatically made out just because the marks and the respective goods on which they are used are similar (*Polo (CA)* at [25]). In other words, there is *no presumption* that confusion arises where the marks and goods are similar (*Polo (CA)* at [8]). However, it is also clear from s 27(2)(b) that the likelihood of confusion which is relevant is the likelihood of confusion which is *caused* by the similarity of the respective marks and goods to each other. Accordingly, it stands to reason that where there is *greater similarity* in the marks and the goods, it would be easier to find a likelihood of confusion

(*Mobil (CA)*); *Future Enterprises (HC)* at [22]). For the same reason, where the earlier mark is *distinctive*, it is more likely that a court would find that a likelihood of confusion exists (see *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199 at 224).

99 Third, it should be noted that steps taken by the alleged infringer to differentiate his goods from those of the registered proprietor are also relevant (*City Chain* at [53], *Polo (CA)* at [28]). Where the alleged infringer has taken pains to distinguish his products from those of the registered proprietor, the likelihood of confusion may turn out to be “merely hypothetical or speculative” (*City Chain* at [53], citing *Polo (HC)* at [21]).

100 Finally, the “mere association” of the public between the two marks based on their similar use is not *in itself* a sufficient basis for concluding that there is a likelihood of confusion in the absence of any possibility of misapprehension as to the *origin* of the goods or services (*City Chain* at [58]). I emphasise that this holding is *not inconsistent* with the point made in [93] above with regard to the “broader” kind of confusion stemming from the consumer’s (incorrect) assumption of some kind of economic connection between the users of the marks. The “economic connection” point relates to the *origin* of the goods or services, *viz*, the (erroneous) belief that the goods are originating from a licensee of the registered proprietor’s goods. This must be contrasted with the “mere association” point, which relates to – as the phrase itself suggests – a *mere* association, without any confusion as to *origin*.

101 Before turning to apply the law to the facts of the present case, it should be noted that the question as to whether consumers are likely to be confused is an issue to be determined by the court. The court does not, and cannot, abdicate this decision to witnesses (*Payton & Co, Limited v Snelling, Lampard & Co Limited* [1901] AC 308 at 311, *Electrolux Limited v Electrix Limited* (1954) 71 RPC 23 at 31 *per* Evershed MR).

#### *Application to the facts*

102 For the purposes of the present case, the relevant date is 1 August 2007, which was the time when sale of the “Nutello” drink in Singapore commenced (see also [\[5\]](#) and [\[92\]](#) above, as well as [\[199\]](#) below).

103 In many of the cases cited before me, the issue of likelihood of confusion was often determined without the help of direct survey evidence on the point (see, for instance, *City Chain* at [57]). In the present case, however, separate market surveys were done by the Plaintiff and the Defendant. There are, however, notorious difficulties with the probative value of market surveys, and I pause to note that this case raised interesting questions about the design of surveys in ascertaining whether there is a likelihood of confusion on the part of the public. At appropriate junctures in the analysis that follows, I will evaluate the design of the said surveys. I shall consider the Defendant’s survey first, followed by the Plaintiff’s, before analysing whether the element of likelihood of confusion is made out in the present case.

#### (1) The Defendant’s survey

104 The Defendant engaged a market research company, Kadence International Pte Ltd, to conduct a survey on the question of whether the use of the “Nutello” sign in relation to the Defendant’s product would cause a likelihood of confusion. The Defendant’s expert witness, Mr Piers Lee, testified as to the truth and accuracy of the survey. The survey was an exit survey conducted with the Defendant’s customers at 20 different TCC outlets in Singapore. The sample size of the survey was 500. The results of the Defendant’s survey showed that 27% of the Defendant’s



consumers who were surveyed believed that the “Nutello” drink was produced by the manufacturer of the “Nutella” chocolate spread (*viz*, the Plaintiff), and that another 3% were of the opinion that “Nutello” was produced by *both* the Defendant and the Plaintiff. An additional 12% of the respondents answered that they “can’t say” who produced the “Nutello” drink, while 58% thought that the Defendant produced the “Nutello” drink.

105 According to the Defendant’s survey, therefore, *at least* 30% of the consumers would be confused into thinking that the “Nutello” product was either produced by the Plaintiff, or the Plaintiff in association with the Defendant. This is, the Plaintiff alleges, a substantial number of the relevant public who would be confused as to the origin of “Nutello” product.

106 Indeed, the Plaintiff goes on to argue that had the Defendant’s survey been carried out properly, it would have shown that more than 30% of the relevant public would be confused. Five arguments are raised to substantiate this claim.

(a) First, the sequence in which the questions were asked and the manner in which the questions were framed attempted to “teach” or “lead” the survey respondents to the desired answer that it must be the Defendant which produced the “Nutello” drink at its TCC outlet and not the Plaintiff.

(b) Second, in the most crucial question where the survey respondents were asked regarding who they thought the producer of the “Nutello” drink was, the respondents were forced to make a choice between the Plaintiff and the Defendant, without any option of indicating that *both* the Plaintiff and the Defendant produced the drink (see Question 8, reproduced in [\[109\]](#) below).

(c) Third, the relevant question is not whether the survey respondents thought that the Plaintiff produced the “Nutello” drink; instead, the relevant question is whether the respondents thought that the Plaintiff produced *or licensed* the “Nutello” drink.

(d) Fourth, the Defendant’s expert admitted that if more facts or time had been given, some of the 12% who indicated that they “can’t say” could have said that the “Nutello” drink was either produced by the Plaintiff, or the Plaintiff in association with the Defendant.

(e) Fifth, the Defendant’s survey was conducted on the Defendant’s customers as an exit survey, *viz*, after they had patronised the Defendant’s outlet and as they were leaving it. The Defendant had consistently characterised its customers as being well-educated and discerning. It is therefore possible that had the survey been conducted on the *general public*, the proportion of the persons who would have been confused might have been higher.

107 Although the Defendant attempted, in Reply Submissions, to dismiss the abovementioned arguments as being merely “speculative”, there is, in my view, much merit in the Plaintiff’s arguments. I limit my elaboration to the points raised in sub-paragraphs (a), (b) and (c).

108 With regard to sub-paragraph (a) (*viz*, the framing of the questions to “teach” or “lead” the respondents to the correct answer), I am reminded of the caution expressed by Whitford J in *Imperial Group Ltd v Philip Morris & Co* [1984] RPC 293 (“*Imperial Group*”) at 303, that “[g]reat importance inevitably attaches to the way in which the questions are cast” (emphasis added). The framing of questions, however, is not (and should not be taken to be) an easy task. Indeed, Whitford J opined that it was “very difficult in connection with [the particular market survey in *Imperial Group*] to think of questions which, even if they are free from the objection of being *leading*, are not in fact going to direct the person answering the question into a field of speculation upon which that person would

never have embarked had the question not been put" (emphasis added).

109 Unfortunately, and with respect, the Defendant's survey fell foul of Whitford J's specific exhortation against leading questions. It is useful to illustrate this with reference to the actual survey questions used in the Defendant's survey. This should be taken as a message that utmost care should be taken in framing survey questions, so as to avoid "teaching" or "leading" the survey respondents which may affect the objectivity of the survey and render the survey results less reliable. In brief, there are two questions (viz, Questions 6 and 7) leading to the crucial question (viz Question 8) which addresses the issue of who – in the mind of the survey respondent – produced the "Nutello" drink. All three questions are set out in full, in the order in which they were asked:

Q6. Are you aware that coffee chains buy ingredients **of their drinks** from the **manufacturers of the ingredients** ?

- 1 Yes
- 2 No
- 3 Don't know

Q7. If the coffee chain buys the ingredients from these **other sources** , and makes the drink in their coffee chain using these ingredients, who in your view who [*sic*] produces the drink? Is it...

- 1 The manufacturer of the ingredients
- 2 The Coffee Chain
- 3 Both equally
- 4 Other (write in)
- 5 Don't know

Q8. There is a drink on the TCC menu called 'Nutello' that uses the **Nutella chocolate spread** as an ingredient in the drink. In your view would the drink 'Nutello' be produced by the manufacturer of the Nutella chocolate spread or by TCC themselves?

- 1 Nutella – the manufacturer of the ingredients
- 2 TCC – the coffee chain
- 3 Other (write in)
- 4 Can't say

[emphasis in original]

110 Question 6, which purports to determine whether the survey respondents are aware that

coffee chains buy ingredients of “**their**” (emphasis in original) drinks from manufacturers, is not relevant at all to the issue of whether the relevant public would be likely to be confused *vis-à-vis* the origin of the “Nutello” drink. In my view, it appears that the leading nature of Question 6 laid the ground work and injected new information into the minds of the survey respondents, preparing them for the questions to follow. It subtly teaches the survey respondents that coffee chains do buy ingredients of “**their**” drinks from the manufacturers of the ingredients. Furthermore, the emphasis on the possessive term “their” may have created the impression that the drinks were *produced by the coffee chain* – a subtle but nonetheless possibly significant suggestion that the Defendant, being the “coffee chain”, produced *their* own drinks.

111 Although Question 7 is framed as a hypothetical, nevertheless it does inject new information into the minds of the respondents. Not only does it repeat the point that coffee chains buy the ingredients of their drinks from “**other sources**” (emphasis in original), it attempts to clarify that coffee chains still “*make[]* the drink in their coffee chain” using the ingredients they had bought (emphasis added). In cross-examination, the Defendant’s expert witness, Mr Piers Lee, admitted that Question 7 had indeed injected these two pieces of information. Once again, it appears to be a subtle but nonetheless possibly significant suggestion that the Defendant, being the “coffee chain”, *made* the drinks and not the manufacturer of the ingredients.

112 The framing of Question 8 – which was the most crucial question in the survey – impacts on both the concerns expressed in [106] sub-paragraphs (a) and, especially, (b). The survey respondents were asked who they thought produced “Nutello”. However, they were not given an option of indicating their (incorrect) belief that *both* the Plaintiff and the Defendant produced the “Nutello” drink. This was in stark contrast to an earlier (and more generic) question where the survey respondents had been given the option of “both equally” when asked whether it was the “manufacturer of the ingredients” or the “coffee chain” which could be considered to have “produced” the drink (see Question 7, reproduced in [109] above). Had the option of “both equally” been similarly given when asking the crucial Question 8, this may have increased the number of survey respondents who would (incorrectly) indicate that the “Nutello” drink was produced by *both* the Plaintiff and the Defendant (which must have meant that they thought that the “Nutello” drink was produced by the Plaintiff in association with the Defendant).

113 In my view, instead of Questions 6 to 8, it would have been more appropriate for the surveyor to simply show survey respondents the menu containing the “Nutello” drink and ask them who – in their opinion – had produced the drink. This would perhaps provide for a more neutral context, without teaching the survey respondents about what happens in practice, who bought what ingredients, that coffee chains make their own drinks from ingredients that they purchase from outside sources *etc.* It is crucial for framers of surveys to take into consideration the manner of framing questions, so as to avoid any “skewing effect” which leads me to question the credibility of the Defendant’s survey.

114 With regard to sub-paragraph (c) in [106] (*viz*, the issue of whether the Plaintiff produced or licensed the “Nutello” drink), the way that the questions were framed and the sequencing of the questions in the Defendant’s survey did not allow the respondent a chance to contemplate at least two additional possibilities, *viz* (1) the possibility of a *ready-made drink* being produced by the Plaintiff (and simply poured into the shot glass by the Defendant in the kitchen); and (2) the possibility that the Plaintiff had *licensed* the manufacture of the drink to the Defendant.

115 When questioned, the Defendant’s expert witness Mr Piers Lee admitted that the survey was undertaken from the perspective of “what happens in reality within the TCC chain”, and therefore the survey “[did not] allow for other options like opening it from a jar... or a licensing arrangement”.

116 In this regard, it has earlier been observed in [93] above that there is instead a “broader” kind of confusion stemming from the consumer’s (incorrect) assumption of some kind of economic connection between the users of the marks (eg that the goods are being provided by a subsidiary or licensee of the trade mark proprietor). The failure to allow survey respondents to contemplate the possibility of *licensing* meant that the results generated from the survey may not be as credible as they may have been had the questions been framed in a more open-ended fashion. Hence, before undertaking a survey, the methodology of survey questioning should have been carefully scrutinised to ensure that it will produce a more accurate set of results to assist the court in deciding whether or not there is any likelihood of confusion on the part of the relevant public arising out of the identical nature or similarity of the signs/marks and the goods or services in question.

## (2) The Plaintiff’s survey

117 The Plaintiff had also engaged a market research company, FORBES Research Pte Ltd, to conduct a survey on the question of whether the use of the “Nutello” sign in relation to the Defendant’s product would cause a likelihood of confusion. The Plaintiff’s expert witness, Dr Chan Wai Ming, testified as to the truth and accuracy of the survey. Unlike the Defendant’s survey, which was an exit survey conducted on the Defendant’s customers, the Plaintiff’s survey was targeted at the general public. A total of 410 respondents were interviewed for the Plaintiff’s survey at 10 different locations across Singapore.

118 The first two questions of the Plaintiff’s survey were in relation to each respondent’s awareness of “Nutella”. Of the 410 survey respondents, 363 indicated awareness of “Nutella”. These 363 respondents were thereafter shown a picture of the Defendant’s menu with the “Nutello” drink and its accompanying description, and asked:

### **Question 3**

<DISPLAY SHOWCARD C AND READ THIS PARA...> **This is a picture of an extract of the menu of a coffee chain outlet known as TCC in Singapore of a drink they offer for sale by the brand called “Nutello” and is described as an “ *Espresso with lashings of nutella– Perfect for cocoa lovers* ”.**

**How likely would it be that the manufacturer of the NUTELLA sweet spread produces the drink named NUTELLO?**

1. Likely → <ASK QUESTION 4A>
2. Unlikely → <ASK QUESTION 4B>
3. Don’t Know → <ASK QUESTION 4C>

[emphasis in original]

119 Among the 363 respondents who were aware of “Nutella”, 3 declined to answer this question, thus reducing the sample size to 360. Of the 360 respondents, 104 (28.90%) were of the (incorrect) view that it was *likely* that “Nutello” was produced by the manufacturer of “Nutella”, while 106 (29.40%) were of the (correct) view that it was *unlikely* that the manufacturer of “Nutella” produced “Nutello”, and 150 (41.70%) indicated that they “don’t know” about the likelihood that the manufacturer of “Nutella” produced “Nutello”.

120 The 106 respondents who thought it was *unlikely* that the manufacturer of “Nutella” produced “Nutello” were asked the following question:

**Question 4B**

**You said that it is unlikely that the drink named NUTELLO is produced by the manufacturer of NUTELLA sweet spread, how likely is that the manufacturer of NUTELLA sweet spread authorized the TCC coffee chain outlet to use the name NUTELLO?**

1. Likely
2. Unlikely
3. It should be

[emphasis in original]

Of these 106 respondents, 2 declined to answer. Of the remaining sample size of 104 respondents, 16 (15.40% of this group) felt that it was likely that the manufacturer of Nutella had *authorised* the Defendant’s coffee chain to use the name “Nutello” for the drink.

121 I must, at this juncture, make two comments regarding the framing of Question 4B.

(a) First, I express my doubts as to the meaning and relevance of the third option to Question 4B (“[i]t should be”). There was some uncertainty as to what this option meant, and the label in Dr Chan’s graph somewhat confusingly presented the third option as “Don’t Know”. I therefore disregard the 7 respondents who answered this question by indicating the third option. Accordingly, all that matters for present purposes is that 16 of the 104 respondents who did not decline to answer this question indicated that it was *likely* that the manufacturer of “Nutella” authorised the use of the name “Nutello”.

(b) Second, I note that although (unlike the Defendant’s survey) the Plaintiff’s survey provided for the possibility of a licensing arrangement (“how likely is that the manufacturer of NUTELLA sweet spread *authorized* the TCC coffee chain outlet to use the name NUTELLO”), the framing of the question was not the most ideal. As I had noted in [\[115\]](#) above, questions in general and the “licensing” question in particular should be framed in a more open-ended fashion. The manner in which the Plaintiff’s survey respondents were asked the question may have planted the possibility of licensing in their minds when they would not, of their own accord, consider such a possibility.

122 The 150 respondents who answered that they “[d]on’t [k]now” about the likelihood that the manufacturer of “Nutella” produced “Nutello” were asked the following question:

**Question 4C**

**You said that you do not know if the drink named NUTELLO is produced by the manufacturer of NUTELLA sweet spread, how likely is that the manufacturer of NUTELLA sweet spread authorized the TCC coffee chain outlet to use the name NUTELLO?**

1. Likely
2. Unlikely

3. It should be

[emphasis in original]

Of these 150 respondents, 17 respondents declined to answer or indicated that they did not know the answer. Of the remaining sample size of 133 respondents, 27 (20.30% of this group) thought that it was likely that the manufacturer of Nutella had authorised the Defendant's coffee chain to use the name "Nutello" for the drink. I pause here to note that the same problem regarding the third option ("[i]t should be") arises in relation to this question. I therefore disregard the 48 respondents who answered this question by indicating the third option. Accordingly, I note that 27 of the 133 respondents indicated that it was *likely* that the manufacturer of "Nutella" authorised the use of the name "Nutello".

123 Following from this analysis, it would appear that 147 respondents in all (*ie* the 104 respondents in [119], 16 respondents in [120] and 27 respondents in [122]) believed or perceived that "Nutello" was either produced by the manufacturer of "Nutella", or that the manufacturer of "Nutella" had authorised the Defendant's coffee chain to use the name "Nutello" on the drink. This represents about 35.85% of the total sample size of 410 respondents.

124 The Defendant contended that the Plaintiff's survey did not meet the mandatory requirements regarding expert reports as contained in Order 40A of the Rules of Court and Form 58 of the Subordinate Courts Practice Directions (2006 Ed) ("Form 58"). The Defendant cited *Pacific Recreation v SY Technology Inc* [2008] 2 SLR(R) 491 ("*Pacific Recreation*"), where the Court of Appeal noted that (at [65]):

The requirements of an expert's report are contained in O 40A r 3(2) of the Rules, and apply to all manner of experts. We will discuss each of the relevant requirements in turn. For now, it is pertinent to note that these requirements are *mandatory* except where the court otherwise directs. We would also like to highlight Form 58 of the Subordinate Courts Practice Directions (2006 Ed) ("Form 58"). Form 58 is a note which parties are obliged to furnish to their intended expert witnesses under para 152(2) of the Subordinate Courts Practice Directions. Although the Supreme Court Practice Directions (2007 Ed) do not contain similar provisions, as a matter of good practice, the same procedure should generally be adopted for proceedings in the Supreme Court.

125 Referring to the prescribed statement in Form 58, the Defendant pointed out that Dr Chan's report did not contain a statement concerning his duty to the court ("the Form 58 prescribed statement"). The Form 58 prescribed statement reads:

I confirm that insofar as the facts stated in my report are within my own knowledge I have made clear they are and I believe them to be correct, and that the opinions I have expressed represent my accurate and complete professional opinion.

I also confirm that in preparing this report, I am aware that my primary duty is to the Court and not the person(s) from whom I have received my instructions or by whom I am paid.

126 It was confirmed in cross-examination that the Form 58 prescribed statement was not in the Plaintiff's survey report. However, it should be noted that paras 2, 3 and 12 of Dr Chan's affidavit of evidence-in-chief stated:

2. I am duly authorized to affirm this affidavit by Forbes Research for the purpose of

introducing a survey report that Forbes Research carried on the instructions of Messrs Ravindran Associates acting on behalf of the Plaintiff herein. ...

3. The facts deposed to herein are based on my *personal knowledge* or are *based on the documents of Forbes Research to which I have been given unrestricted access*. Insofar as they are within my personal knowledge, they are *true*. Insofar as they are based on the Forbes Research's documents they are *true to the best of my knowledge and belief*.

...

12. Though I make this Affidavit in my *capacity as an expert witness* on conducting of market research surveys engaged by the Plaintiff, I understand and appreciate that my *overriding duty to assist the Honourable Court* in matters within my expertise, and this *duty overrides any obligations to the Plaintiff*.

[emphasis added]

127 These paragraphs largely resemble the prescribed statement in Form 58. Indeed, referring to para 12 of his affidavit, Dr Chan confirmed that the Plaintiff's survey report complied in spirit with the Form 58 prescribed statement.

128 In any case, I note that the Form 58 prescribed statement applies to expert witnesses in the *Subordinate Courts*. Although the Court of Appeal in *Pacific Recreation* noted at [65] that "as a matter of good practice, the same procedure should generally be adopted for proceedings in the Supreme Court", on a close reading of the judgment, the court did not go on to say that the Form 58 prescribed statement was *mandatory*. Instead, the court had limited its observation on mandatory requirements to those contained in Order 40A rule 3. In this regard, Order 40A rule 3 merely states that the report must, *inter alia*, contain a statement of belief of correctness of the expert's opinion, and contain a statement that the expert understands that in giving his report, his duty is to the Court and that he complies with that duty. This, in my view, Dr Chan had done in paras 2, 3 and 12 of his affidavit. I note that no statement is prescribed under the Rules of Court, or under the *Supreme Court Practice Directions*. Therefore, I do not think that the Plaintiff's survey report should be disregarded due to its omission of the Form 58 prescribed statement.

(3) Analysis: Was there likelihood of confusion in the present case?

129 I re-emphasise that whether or not there is a likelihood of confusion is ultimately for the court to decide (see [\[101\]](#) above). Survey results are not conclusive of the issue.

130 In this regard, it should be pointed out that a number of cases have cautioned that great care and circumspection must be taken with respect to market surveys. This is because, as was noted by the English High Court in *Whirlpool Corporation v Kenwood Ltd* [2009] RPC 2 ("*Whirlpool*") at [35]:

The need for circumspection in the assessment of questionnaire survey evidence is well-understood. The concern is that to a greater or lesser degree: "Interviews and questionnaires intrude as a *foreign element* into the social setting they would describe, they create as well as measure attitudes, they *elicit atypical roles and responses*, they are limited to those who are accessible and will co-operate and the responses obtained are produced in part by dimensions of individual differences irrelevant to the topic at hand" [citing *Webb et al, Unobtrusive Measures* (Sage Publications Inc, 2000)]. ... [footnotes omitted]

131 The danger is that evidence obtained under the circumstances mentioned in the quotation above does not constitute the *spontaneous reaction* of members of the public who have been exposed to the relevant signs/marks and goods in question. As was noted by the English High Court in *O2 Holdings Ltd v Hutchison 3G Ltd (No 2)* [2006] RPC 30 at [12], market survey evidence is sometimes obtained as a result of the artificial application to members of the public of stimuli directed at provoking reactions and responses “under controlled conditions”. In *Imperial Group Ltd v Philip Morris & Co* [1984] RPC 293, the English High Court opined that “[h]owever satisfactory market research surveys may be in assisting commercial organisations as to how they can best conduct their business, they are by and large, as experience in other cases has indicated, *an unsatisfactory way of trying to establish question of fact which are likely to be matters of dispute*” (emphasis added).

132 Keeping in view the numerous difficulties above mentioned, the court in *Whirlpool* suggested (at [35]) that:

There is, accordingly, a practical requirement for information relating to the structure, method and results of questionnaire surveys to be full enough to enable the strengths and weaknesses of the research work to be evaluated. It is now the practice for the utility of any proposed survey work to be considered as a matter of case management during the interim stages of actions for infringement of registered trade mark and passing off. [footnotes omitted]

133 This eloquently worded caution should be considered by all parties seeking to do surveys in general, and, of particular relevance to the present issue, surveys ascertaining the substantiality of confusion amongst the relevant public.

134 In *Imperial Group*, albeit in the context of “confusion” in the law of passing off, Whitford J provided useful analysis of the market surveys in that case, as well as the weight to be accorded to them. The following guidelines may be distilled from the learned judge’s observations. These should, of course, not be taken as an exhaustive list – they are merely guidelines to consider in determining the weight to be accorded to survey results. The guidelines are:

- (a) the interviewees in the survey must be selected so as to represent the relevant cross-section of the public;
- (b) the size of the survey must be statistically significant;
- (c) the survey must be conducted fairly;
- (d) all the surveys carried out must be disclosed, including the number of surveys carried out, how they were conducted and the totality of the persons involved;
- (e) the totality of the answers given must be disclosed and made available to the defendant;
- (f) the questions must neither be leading, nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put;
- (g) the exact answers and not some abbreviated form should be recorded;
- (h) the instructions to the interviewers as to how to carry out the survey must be disclosed; and
- (i) where the answers are coded for computer input, the coding instructions must be



disclosed.

135 As was alluded to earlier (see [\[108\]](#)-[\[112\]](#) above), the Defendant's survey was plagued by the problem of leading questions. As such, I doubt the accuracy of the results obtained in that survey. Had the Defendant's survey been carried out properly, it *could* have shown that more than 30% of the relevant public would be confused. I have also noted above that the Plaintiff's survey had a similar (although less severe) issue of leading the survey respondents when it explicitly asked survey respondents whether there was a possibility of licensing. That said, I note that if some correction is made for leading questions in both surveys, the percentage of persons confused might well have hovered at around the 30-35% level.

136 One general shortcoming that applies to *both* the Plaintiff's and the Defendant's surveys is that neither survey actually directly ascertains the *cause* of the confusion. This is unfortunate, because, as was explained in [\[94\]](#) above, the confusion for the purposes of s 27(2) of the TMA must be *caused* by the similarities in the respective marks and goods concerned. Failure to ascertain that the confusion came from the aforementioned similarities would effectively result in the problem that the Court of Appeal in *Polo* attempted to avoid – a conflation of the three tests (*viz*, identity/similarity of signs/marks, identity/similarity of goods, and likelihood of confusion) (see [\[22\]](#) above).

137 On this point of ascertaining the cause of confusion, I note that the Plaintiff's survey *did* include a question for the 104 respondents who indicated that it was "likely" that "Nutello" was produced by the manufacturer of "Nutella", which read:

Q4A. You said that it is likely be [*sic*] that the drink NUTELLO is produced by the manufacturer of NUTELLA sweet spread. Can you state your reason or reasons for concluding so? [multiple response]

However, the Plaintiff's survey *did not* include a similar question for the respondents who did not think it "likely" that "Nutello" was produced by the manufacturer of "Nutella", but nevertheless thought it "likely" that "Nutello" was "authorised" by the manufacturer of "Nutella" (see [\[120\]](#)-[\[122\]](#) above).

138 The results to Question 4A (just reproduced above) provide some indication that *not every respondent who was "confused" into thinking that the manufacturer of "Nutella" produced "Nutello" was so confused due to the similarity in the respective marks and goods concerned*. Responding to Question 4A, 55 respondents (52.9% of this group) indicated that they thought it likely that "Nutello" was produced by the manufacturer of "Nutella" because the name "Nutello" must have *derived* from "Nutella". 36 (34.6%) indicated that they thought it likely because the "Nutello" drink was made using "Nutella" sweet spread, while 14 (13.5%) thought that "Nutello" was a new brand name given by the manufacturer of "Nutella" for drinks. One respondent thought that it was possible that the manufacturer of "Nutella" had expanded their product range. The remaining 4 respondents provided other reasons, such as the fact that the "Nutello" drink had "Nutella" taste.

139 Therefore, it is *crucial* that questions relating to the *cause* of the confusion should have been asked. Of course, these questions must not be asked in a *leading* way. One possible way, and I am by no means suggesting that this is the only or best possible way, of ascertaining the cause of the confusion in the present case is for broad open-ended questions to be asked, for instance:

Q. [Interviewer shows survey respondent a picture of the "Nutello" drink from the menu, and asks:] Who do you think produced this product?

1 The manufacturer of "Nutella"

- 2 The coffee chain "TCC"
- 3 Both the manufacturer of "Nutella" and "TCC"
- 4 Don't know

[If the survey respondent responds with either (1), (2) or (3), move to the next question]

Q. Why do you say that the "Nutello" drink was produced by (the manufacturer "Nutella"; or the coffee chain "TCC"; or both the manufacturer of "Nutella" and "TCC")? [open-ended response invited from survey respondent]

140 In my view, these two questions would have more appropriately and accurately captured the essence of the survey objective, *viz*, to determine *whether*, and if so *why*, the relevant public is confused as to the *origin* of the "Nutello" drink.

141 Keeping in mind the difficulties associated with market surveys, and also the exhortation that the issue of confusion is to be determined by the court rather than by (expert) witnesses and/or their surveys, I find on a balance of probabilities that the Plaintiff has, for the reasons stated below, established the requirement of likelihood of confusion arising out of (a) the similarity of "Nutello" with "Nutella"; and (b) the similarity of Defendant's drink labelled or marked "Nutello" with "chocolate products" for which the Plaintiff had registered its "Nutella" mark.

142 First, as observed in [\[98\]](#) above, where there is *greater similarity* in the marks and the goods, it would be easier to find a likelihood of confusion. Similarly, where the earlier mark is *distinctive*, it is more likely that a court would find that a likelihood of confusion exists. In the present case, there is great similarity between the "Nutello" sign and "Nutella" word mark. There is also similarity in the goods represented by the "Nutello" sign with the product specification ("chocolate products") for which the "Nutella" word mark is registered – indeed, they fall within the same class of the International Classification of Goods and Services (see [\[88\]](#) above). Furthermore, the "Nutella" word mark, being an invented word, is inherently distinctive (see [\[74\]](#) above).

143 Second, in determining the likelihood of confusion, all that has to be shown is that a *not insubstantial* number of the relevant public would have been confused (see [\[96\]](#) above). There is no requirement under Singapore law, contrary to what the Defendant appeared to assert, that the absence of a *majority* who would be confused meant that there was insubstantial "likelihood of confusion". Indeed, I note that given the court's reference to "single member of the public" (emphasis added), "*de minimis* level", "*very small* unobservant section of society" (emphasis added), or "[where] the *only* person who would be misled would be a moron in a hurry" (emphasis added), the Court of Appeal in *Mobil (CA)* was not looking at a high threshold or a threshold that would constitute at least a majority of the relevant members of the public when using the phrase "a not insubstantial number" (see *Mobil (CA)* at [78]-[79]).

144 The survey results, although not entirely satisfactory, fortify my view that the requirement of likelihood of confusion of the kind as described is made out. With regard to the Defendant's survey, I have earlier expressed my view that had the survey been carried out properly, it *could* have shown that more than 30% of the relevant public would be confused (see [\[135\]](#) above) for a variety of reasons, some of which may be irrelevant for our consideration. With regard to the Plaintiff's survey, I note that the survey indicated that about 35.85% would be confused (see [\[123\]](#) above), also for a

variety of reasons, some of which may be irrelevant for our consideration. It thus appears from both surveys that about 30% of the relevant public would be confused *per se*. While some discount on this percentage has to be made given the shortcomings I have observed in [121(b)] and [136]-[138] above, I am of the view that the requirement of a "not insubstantial number" has been made out on a balance of probabilities.

### **Conclusion on s 27(2)(b) trade mark infringement**

145 I have found that the Defendant's use of the "Nutello" sign amounted to trade mark use, that the "Nutello" sign and "Nutella" word mark are similar, that there is similarity in the goods represented by the "Nutello" sign with the product specification ("chocolate products") for which the "Nutella" word mark is registered, and that because of the similarity in marks and goods, there exists a likelihood of confusion on the part of the public. I therefore hold that the Defendant had infringed the Plaintiff's "Nutella" word mark under s 27(2)(b) of the TMA. Accordingly, the Plaintiff will be granted damages to be assessed and an injunction to restrain the Defendant from infringing the Plaintiff's "Nutella" word mark.

146 It would have been sufficient for practical purposes to conclude the case at this point. However, because the Plaintiff is also seeking a declaration that the Plaintiff's "Nutella" marks are well known trade marks within the definition of s 2(1) of the TMA, and is also claiming damages for passing off, it is necessary for me to proceed to analyse both the well known trade mark infringement claim and the passing off claim. I turn next to consider the former.

### **Infringement of "well known" trade marks (s 55 of the TMA)**

147 The Plaintiff claimed relief under s 55 of the TMA for protection of well known trade marks in relation to *all* its "Nutella" marks (see [3] above).

148 As a preliminary point, the Defendant argued that the "Nutella" word mark (and, *a fortiori*, the "Nutello" sign) was dissimilar to the other "Nutella" marks (which incorporate the device of a bread, knife, hazelnuts and milk glass). The Defendant further argued that the Plaintiff had to show that *all* the Nutella marks were well known. I am of the view that this argument is without merit; it is clear from the surveys that the general public is familiar with all the Nutella marks.

149 Under s 55 of the TMA, the protection for trade marks varies according to whether the trade mark is (1) "well known in Singapore"; or (2) "well known to the *public at large* in Singapore". The relevant provisions are ss 55(2) and 55(3), which are reproduced here for convenience:

(2) Subject to subsections (6) and (7), the proprietor of a well known trade mark shall be entitled to restrain by injunction the use in Singapore, in the course of trade and without the proprietor's consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor's trade mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

(3) Subject to subsections (6) and (7), the proprietor of a well known trade mark shall be entitled to restrain by injunction the use in Singapore, in the course of trade and without the proprietor's consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor's trade mark, in relation to any goods or services, where the use of the trade mark —

(a) would indicate a connection between those goods or services and the proprietor, and is likely to damage the interests of the proprietor; or

(b) if the proprietors trade mark is well known to the public at large in Singapore —

(i) would cause dilution in an unfair manner of the distinctive character of the proprietor's trade mark; or

(ii) would take unfair advantage of the distinctive character of the proprietor's trade mark.

150 For all claims under s 55 of the TMA, the Plaintiff must first establish, as a preliminary issue, that its "Nutella" marks are either "well known in Singapore" (for the claims under ss 55(2) and 55(3) (a)) or "well known to the public at large in Singapore" (for the claim under s 55(3)(b)). I first analyse whether the Plaintiff's trade marks are "well known to the public at large in Singapore" or "well known in Singapore", before turning to determine whether the claims under ss 55(2) and 55(3) are successfully made out.

***Whether the trade marks are "well known in Singapore" and/or "well known to the public at large in Singapore"***

151 Under s 2(1) of the TMA, the definition of the term "well known trade mark" is as follows:

"well known trade mark" means —

(a) any registered trade mark that is well known in Singapore; or

(b) any unregistered trade mark that is well known in Singapore and that belongs to a person who —

(i) is a national of a Convention country; or

(ii) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in Singapore;

152 In assessing whether a trade mark is "well known in Singapore", regard must be had to the factors listed in ss 2(7), 2(8) and 2(9) of the TMA. It is clear that these factors are *not exhaustive* (*Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 ("*Amanresorts*") at [137]). For convenience, ss 2(7), 2(8) and 2(9) of the TMA are reproduced here:

(7) Subject to subsection (8), in deciding, for the purposes of this Act, whether a trade mark is well known in Singapore, it shall be relevant to take into account any matter from which it may be inferred that the trade mark is well known, including such of the following matters as may be relevant:

(a) the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore;

(b) the duration, extent and geographical area of —

(i) any use of the trade mark; or

(ii) any promotion of the trade mark, including any advertising of, any publicity given to, or any presentation at any fair or exhibition of, the goods or services to which the trade mark is applied;

(c) any registration or application for the registration of the trade mark in any country or territory in which the trade mark is used or recognised, and the duration of such registration or application;

(d) any successful enforcement of any right in the trade mark in any country or territory, and the extent to which the trade mark was recognised as well known by the competent authorities of that country or territory;

(e) any value associated with the trade mark.

(8) Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.

(9) In subsections (7) and (8), "relevant sector of the public in Singapore" includes any of the following:

(a) all actual consumers and potential consumers in Singapore of the goods or services to which the trade mark is applied;

(b) all persons in Singapore involved in the distribution of the goods or services to which the trade mark is applied;

(c) all businesses and companies in Singapore dealing in the goods or services to which the trade mark is applied.

153 The TMA does not define the phrase "well known to the public at large in Singapore". However, in *City Chain*, the Court of Appeal emphasised that the test "well known to the public at large in Singapore" must mean *more* than just "well known in Singapore"; to come within the former test, the trade mark must necessarily enjoy a *much higher* degree of recognition (*City Chain* at [94]). It "must be recognised by most sectors of the public though we would not go so far as to say all sectors of the public" (*City Chain* at [94]). Such an approach, as the Court of Appeal recognised, would be in line with the United States' approach in determining famous marks (*City Chain* at [94]). It flows from the logic in *City Chain* that *if* a trade mark is shown to be "well known to the public at large in Singapore", it is *necessarily* also "well known in Singapore".

*Whether the Plaintiff's trade marks are "well known to the public at large in Singapore"*

154 In determining whether a trade mark is "well known to the public at large in Singapore", regard must nonetheless be had to s 2(7) of the TMA, which deals with trade marks that are "well known in Singapore" (*City Chain* at [92]; and see s 2(7) of the TMA, reproduced at [\[152\]](#) above).

155 I find that the "Nutella" marks are well known to the *public at large* in Singapore, for the following reasons:

(a) First, Mr Malatesta gave evidence that the "Nutella" bread spread is carried by between 94% to 98% of the stores in Singapore that sell food items, and that about 2 million units of "Nutella" bread spread are sold every year in Singapore (where there are only 1.1 million

households). Mr Malatesta also gave evidence on how the “Nutella” bread spread can be found throughout Singapore at various trade outlets such as hypermarkets, supermarket chains, convenience stores, petrol kiosks, neighbourhood shops and even kiosks operating at some bus stops. The Defendant did not cross-examine Mr Malatesta on any of these claims. Mr Malatesta’s evidence must therefore be taken to be accepted.

(b) Second, the results of the Plaintiff’s survey were telling in illustrating that the Plaintiff’s “Nutella” mark is well known in Singapore. The survey report evidences the awareness or existence of certain beliefs or opinions held (whether rightly or wrongly) by the respondents to the survey, and to the extent that it is a representative sample of a certain section of the public, it is reflective also of the awareness or existence of those beliefs or opinions of that section of the public with a certain confidence level which depends, *inter alia*, on the size of the survey sample with respect to the size of the population that constitutes that section of public in question. (see also *Saga Foodstuffs Manufacturing (Pte) Ltd v Best Food Pte Ltd* [1994] 3 SLR(R) 1013 at [7]-[16]). The survey revealed the following:

(i) “Nutella” was the most recognised brand among all other listed brands of sweet spreads, with 292 (71.2%) of the 410 survey respondents selecting “Nutella” as a sweet spread that they were familiar with. It should be noted that of the 292 survey respondents who were familiar with “Nutella”, a vast majority (239 survey respondents) stated that they have known “Nutella” for more than five years.

(ii) Of the 118 survey respondents who did not indicate “Nutella” as being a sweet spread that they were familiar with, a majority (71 survey respondents) indicated that they were familiar with the product when showed a photograph of the “Nutella” spread. It should be noted that of the 71 survey respondents who indicated familiarity after being shown the photograph, a majority (46 survey respondents) indicated that they had known “Nutella” for more than five years.

(iii) In all, 363 of the 410 survey respondents (88.53%) were familiar with “Nutella”, with 288 (70.2%) of the respondents indicating that they had known “Nutella” for more than five years.

(c) Third, the Defendant’s own evidence is that the “Nutella” mark is well known and that consumers are attracted by the “Nutella” mark.

(i) The Defendant had used the “Nutella” mark on its menu without explaining it, on the assumption that all its customers would be aware of “Nutella”, and even know the taste of the same. Indeed, Mr Christopher Tan explicitly agreed under cross-examination that the “Nutella” mark is well-known.

(ii) The Defendant’s other witnesses, Mr Robin Ng and Mr Desmond Tan, testified that they were aware of “Nutella” and had consumed the “Nutella” spread before.

(iii) The Internet blog postings (which were adduced by the Defendant) show that the “Nutella” mark is well known to the public, indicating *inter alia* that the bloggers have personally consumed “Nutella” and/or that their family members have tried “Nutella” before. Indeed, many of the bloggers seem to have presumed that the viewers of their comments (which, it is assumed, is the general public) were familiar with “Nutella”, given that they did not explain the composition or taste of “Nutella” (in contrast, these bloggers endeavoured to explain what “Nutello” is). Mr Christopher Tan further agreed under cross-examination that

the bloggers appeared not only to know the "Nutella" product well, but that they were in fact – to use his words – "passionate" about "Nutella".

(d) Fourth, the Plaintiff adduced evidence of no less than twenty independent articles in the print media making reference to the "Nutella" spread. As early as 9 July 1989, "Nutella" spread was listed as one of the five most-liked sandwich choices in terms of popularity. In an article published by the Straits Times on 30 August 2000 titled "Rise and shine with chocolate", the "Nutella" spread was voted as the "King of chocolate bread spreads" by a panel assembled by the Straits Times. I note that the Defendant did not object to the admissibility of these reports, and rightly so: the newspaper articles were not tendered to prove the truth of the facts stated therein, but rather, to prove the fact that they were written and published in the mass media having a very wide circulation, thereby showing that the public at large would have the opportunity of reading the articles and learning about "Nutella", even if they were not previously aware of the existence of the "Nutella" spread.

156 For the reasons above cited, I am of the view that the Plaintiff's trade marks are "well known to the public at large in Singapore".

*Whether the Plaintiff's trade marks are "well known in Singapore"*

157 Even assuming that I am wrong on the forgoing point, I am of the view that the Plaintiff's trade marks are, *at the very least*, "well known in Singapore".

158 In *Amanresorts*, the Court of Appeal held that in determining whether a trade mark is well known in Singapore, the *most crucial factor* is that set out in s 2(7)(a) of the TMA, *viz*, "the degree to which the trade mark is known to or recognised by any relevant sector of the public in Singapore" (at [139]):

139 There has been some significant and interesting debate among legal commentators on the actual scope of ss 2(7)(c)-2(7)(e) of the current TMA. However, as the instant case does not turn on the consideration of these factors, we shall limit our discussion to s 2(7)(a) (primarily) and s 2(7)(b) of the current TMA. Despite what has been said earlier, ***it can be persuasively said that s 2(7)(a) is arguably the most crucial factor*** when determining whether a trade mark is well known in Singapore. This is because, by virtue of s 2(8) of the current TMA:

Where it is determined that a trade mark is well known to any relevant sector of the public in Singapore, the trade mark shall be deemed to be well known in Singapore.

140 This deeming provision suggests that the court cannot disregard s 2(7)(a) (which looks at "the degree to which the trade mark is *known to or recognised by any relevant sector of the public in Singapore*" [emphasis added]) in its deliberations. Indeed, it appears that ***all the other factors listed in s 2(7) are irrelevant once it is determined that the trade mark in question is well known to "any relevant sector of the public in Singapore" (per s 2(7)(a)).***

[emphasis in original; emphasis added in bold italics]

159 The Court of Appeal in *Amanresorts* also clarified that the relevant sector of the public, for the purposes of proving that the trade mark is "well known in Singapore", comprises the *actual and/or potential customers* of the *trade mark proprietor's goods or services* (*Amanresorts* at [154]).

160 Finally, the Court of Appeal also recognised that it is "*not too difficult* for a trade mark to be

regarded as 'well known in Singapore'" (emphasis added), since the trade mark in question only has to be recognised by *any* relevant sector of the public in Singapore, which sector could "in certain cases be *miniscule*" (*Amanresorts* at [229], emphasis added).

161 Applying the legal principles as elaborated on in [158]-[160] above, for the same reasons that I found the Plaintiff's trade marks to be well known to the public at large in Singapore (see [155] above), I find that the Plaintiff's trade marks are well known in Singapore.

***Infringement of s 55(2) of the TMA ("confusing use")***

162 With regard to s 55(2) of the TMA, the elements that have to be established before liability is made out are:

- (a) First, that the Plaintiff's trade marks are "well known trade marks";
- (b) Second, that the Defendant's "Nutello" sign, or an essential part of which, is identical or similar to any of the Plaintiff's trade marks;
- (c) Third, that the product on which the Defendant's "Nutello" sign is used is identical or similar to any of the goods or services for which the Plaintiff's trade marks are registered; and
- (d) Fourth, that there exists a likelihood of confusion because of such identity or similarity.

163 It is evident that save for the first element (sub-para (a) in the preceding paragraph), the rest of the elements are the same as that required for trade mark infringement under s 27(2)(b) of the TMA. Having found earlier that the Plaintiff's trade marks are "well known in Singapore" (see [161] above), and that the remaining three elements were made out in the context of the claim under s 27(2)(b) (see [145] above), I find that the claim under s 55(2) of the TMA is established. The Plaintiff is therefore entitled to an injunction under s 55(2) of the TMA to prevent the Defendant from using the "Nutello" sign.

***Infringement of s 55(3)(a) ("damaging connection")***

164 With regard to s 55(3)(a) of the TMA, the elements that have to be established before liability is made out are:

- (a) First, that the Plaintiff's trade marks are "well known trade marks";
- (b) Second, that the Defendant's "Nutello" sign, or an essential part of which, is identical or similar to any of the Plaintiff's trade marks;
- (c) Third, that the product on which the Defendant's "Nutello" sign is used in relation to *any* goods or services (including dissimilar goods or services); and



- (d) Fourth, that the Defendant's use of the "Nutello" sign in relation to the Defendant's product would indicate a *connection* between the Defendant's products and the Plaintiff, and is *likely to damage* the interests of the Plaintiff.

165 By parity of reason to the analysis regarding the claim under s 55(2) of the TMA, it is evident that the first and second elements have been established (see [\[163\]](#) above). The third element is not in dispute either, since it is clear that the Defendant had used the sign "Nutello" in relation to its goods (specifically, the "Nutello" drink).

166 With regard to the fourth element, the Court of Appeal in *Amanresorts* held that the term "connection" in s 55(3)(a) does not mean mere connection, but a connection which is *likely to give rise to confusion* (*Amanresorts* at [161]-[177], [229] and [233]). In *Amanresorts*, the Court of Appeal noted that the tests relating to the s 55(3)(a) requirements of "connection" and "likely to damage the [plaintiff's] interests" were "substantively the same as" the tests relating to misrepresentation and damage under the law of passing off, although there was one difference between the two tests: the s 55(3)(a) test concerns the plaintiff's *interests* whereas the latter concerns the plaintiff's *goodwill* and *not* its interests (*Amanresorts* at [234]). However, despite this last-mentioned difference, the s 55(3)(a) and passing off claims in *Amanresorts* yielded the same results. In the present case, similarly, the difference noted by the Court of Appeal in *Amanresorts* would not make any practical difference between the s 55(3)(a) and passing off claims. In this regard, for the reasons that I will give in the context of passing off, I find that the fourth element is made out.

167 I therefore find that the claim under s 55(3)(a) of the TMA is established. The Plaintiff is entitled to an injunction under s 55(3)(a) of the TMA to prevent the Defendant from using the "Nutello" sign.

***Infringement of s 55(3)(b) (trade marks "well known to the public at large in Singapore")***

168 With regard to trade marks that are "well known to the public at large in Singapore", a proprietor of such a trade mark is entitled to obtain an injunction under s 55(3)(b) of the TMA if he can prove following elements:

- (a) First, that the Plaintiff's trade marks are "well known to the public at large in Singapore";
- (b) Second, that the Defendant's "Nutello" sign, or an essential part of which, is identical or similar to any of the Plaintiff's trade marks;
- (c) Third, that the product on which the Defendant's "Nutello" sign is used in relation to *any* goods or services (including dissimilar goods or services); and
- (d) Fourth, that the Defendant's use of the "Nutello" sign in relation to the Defendant's product would *either*:

- (i) cause *dilution* in an *unfair manner* of the *distinctive character* of the “Nutella” marks (see s 55(3)(b)(i)); or
- (ii) take *unfair advantage* of the *distinctive character* of the “Nutella” marks (see s 55(3)(b)(ii)).

169 By parity of reason to the analysis regarding the claim under s 55(3)(a) of the TMA, it is evident that the second and third elements of s 55(3)(b) have been established (see [\[165\]](#) above). I have also found that the Plaintiff’s trade marks are “well known to the public at large in Singapore” (see [154]-[156]).

170 I turn to analyse whether the Defendant’s use of the “Nutello” sign in relation to the Defendant’s product would *either* (a) cause *dilution* in an *unfair manner* of the *distinctive character* of the “Nutella” marks (see s 55(3)(b)(i)); or (b) take *unfair advantage* of the *distinctive character* of the “Nutella” marks (see s 55(3)(b)(ii)).

#### *Unfair dilution of distinctiveness of well known trade mark*

171 With regard to “unfair dilution” under s 55(3)(b)(i) of the TMA, it is necessary to first clarify the meaning of “dilution” as some confusion seemed to have surfaced in the submissions in the present case. The term “dilution” in the context of the TMA should *not* be confused with the use of the term “dilution” in a passing off action. I must belabour this point because the Defendant’s submissions at times have appeared to conflate the concept of “dilution by blurring and/or tarnishment” under s 55 of the TMA with the concept of “blurring and/or tarnishment to goodwill” under the passing off action. As will be seen shortly, the Court of Appeal has explicitly cautioned against this confusion.

172 The (misleading and erroneous) use of the term “dilution” in the context of passing off purports to refer to the blurring or tarnishment of *goodwill in the Plaintiff’s get-up* (*Amanresorts* at [97] and [131]). This must be contrasted with the use of the term “dilution” in the context of well known trade mark infringement, which involves the dilution of the *distinctive character of the Plaintiff’s trade mark* (see the phrasing of s 55(3)(b)(i) and the definition of “dilution” in s 2(1)). To avoid further confusion, the Court of Appeal has eschewed using the term “dilution” in the context of passing off claims (*Amanresorts* at [131] and *Mobil (CA)* at [96]).

173 “Dilution” is defined, for the purposes of s 55(3)(b)(i) of the TMA, in s 2(1) of the TMA:

“dilution” , in relation to a trade mark, means the lessening of the capacity of the trade mark to identify and distinguish goods or services, regardless of whether there is —

- (a) any competition between the proprietor of the trade mark and any other party; or
- (b) any likelihood of confusion on the part of the public;

174 It is clear that “dilution” in the context of the TMA refers to both dilution by *blurring* and by *tarnishment* (*Amanresorts* at [225]; *Mobil (CA)* at [96]). In the present case, however, it is undisputed that there has been no dilution by *tarnishment*. Accordingly, I focus only on dilution by *blurring*.

175 In *Amanresorts*, the Court of Appeal noted that the protection against dilution by blurring was

to ensure that a trade mark well known to the public at large should be protected from “the gradual whittling away or dispersion of [its] identity and hold upon the public mind... by its use upon non-competing goods” (*Amanresorts* at [179], citing Frank I Schechter, “The Rational Basis of Trademark Protection” (1926-1927) 40 Harv L Rev 813 at 825). An example that perfectly illustrates the dilution by blurring under s 55(3)(b)(i) is given by Frank I Schechter in *Hearings Before the House Committee on Patents*, 72d Cong 15 (1932) (also cited in *Amanresorts* at [179]):

If you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce candy, in ten years you will not have the Rolls Royce marks any more.

The Court of Appeal in *Amanresorts* elaborated on Schechter’s example thus (at [179]):

... although consumers although consumers may not think that the other “Rolls Royce”-labelled goods or services really originate from the same source as “Rolls Royce” cars, it may become more difficult for consumers to associate the “Rolls Royce” name with hyper-luxurious cars specifically as the use of that name for non-automobile related goods or services becomes established.

As the court went on to observe (at [187]):

The importance of the preceding discussion on the US law of dilution lies in the fact that *Singapore has imported elements of this area of US law* both indirectly through the adoption of (*inter alia*) Art 4(1)(b) of the Joint Recommendation (which has been translated into s 55(3) of the current TMA) and directly through the incorporation in s 2(1) of the current TMA of the definition of “dilution” set out in the 1996 version of s 45 of the Lanham Act. However, our importation of the US law of dilution took place in 2004, before the TDRA was enacted and under the shadow of the US Supreme Court’s view in the *Victoria’s Secret* case that dilution under the FTDA included dilution by blurring only and not dilution by tarnishment. As the amendments effected by the TDRA show, Congress had in fact intended for dilution to include both forms, just as the 1995 House Report ([182] *supra*) had stated. ... [emphasis added]

176 It should be noted that the *first use* of an identical or similar sign may suffice in some circumstances to cause actual and present detriment to the distinctive character of the earlier mark, or to give rise to the serious likelihood that such detriment will occur in the future (*Intel Corporation Inc v CPM United Kingdom Ltd* [2009] Bus LR 1079 at [75] (“*Intel*”). This is because even the *first use* begins the process of dilution; the proprietor of a trade mark that is well known to the public at large should not be required to wait until harm is actually done to the distinctive character of the trade mark before he may obtain an injunction against the dilution.

177 In the circumstances, I am of the view that – unless the Defendant is restrained from using the sign “Nutello” – it is possible that the Plaintiff’s “Nutella” mark will lose its distinctiveness. While Schechter’s example (on the “Rolls Royce” mark) was created based on use of *identical* marks, there is no reason in principle why the use of *similar* marks may not likewise dilute by blurring. If the sign “Nutello” is used on various goods, it will make it more difficult for the public to associate the “Nutella” mark with the Plaintiff’s products. Indeed, if other entities were to follow suit and use signs such as “Nutellu”, “Nutelli”, Nutelle” *etc*, the distinctiveness of the “Nutella” mark will be greatly diluted.

*Taking unfair advantage of distinctive character of well known trade mark*

178 The Court of Appeal in *Amanresorts* did not take a firm stand on the meaning of “taking unfair advantage” under s 55(3)(b)(ii) of the TMA. However, the court proffered a detailed account on the

concept of “taking unfair advantage” of the distinctive character of a trade mark under European law, thus seemingly analogising s 55(3)(b)(ii) to Art 5(2) of the EU Directive.

179 In *L’Oreal SA v Bellure NV* [2010] RPC 1 (“*L’Oreal*”) at [41], the ECJ considered that the concept of taking unfair advantage of the distinctive character or repute of a trade mark related not to the *detriment caused to the mark*, but rather, to the *advantage taken by the third party* as a result of the use of an identical or similar sign. It follows that no detriment to the proprietor of the mark or the distinctive character of the mark needs to be shown in order to demonstrate that unfair advantage had been taken of the mark (*L’Oreal* at [43]).

180 The concept of taking unfair advantage covers, in particular, cases where there is clear exploitation on the coat-tails of the mark with a reputation, *viz*, when the defendant’s mark freely rides on the coat-tails of the well known mark in order to benefit from its power of attraction, its reputation and its prestige and to exploit the marketing effort of the proprietor without any financial compensation (*L’Oreal* at [41] and [49]).

181 It should be noted that the mere taking of advantage is insufficient – there must be *unfair* advantage taken. The English Court of Appeal in *Whirlpool Corporation & Ors v Kenwood Ltd* [2010] RPC 2 (“*Whirlpool*”) at [113] *disagreed* with counsel’s contention that “where the third party, using a sign which is sufficiently similar to a mark with a reputation for a link to be established, obtains any commercial boost or other advantage from the link, then that advantage is of itself unfair, without proof of any additional factor”. The Court of Appeal opined that such a reading would equate any advantage with an unfair advantage, and would effectively deprive the word “unfair” of any added meaning (*Whirlpool* at [114]-[115]). On the facts of *Whirlpool* itself, the court held that it was not sufficient for the proprietor to show that the alleged infringer had obtained an advantage; there must be an “added factor of some kind for that advantage to be categorised as unfair” (*Whirlpool* at [136]).

182 The question of unfair advantage has to be considered using a global assessment (*Intel* at [79], *Whirlpool* at [137]). On a reading of the decisions of *Intel*, *L’Oreal* and *Whirlpool*, it is evident that there are several factors to consider in determining whether an *unfair* advantage had been taken. It is trite that none of the factors are determinative, and in the final analysis, it must be shown that the alleged infringer had drawn some unfair advantage from the use of the similar sign (*Whirlpool* at [137]). Each of these factors will be discussed in the context of the present factual circumstances.

183 The first factor to consider is the strength of the mark’s reputation and the degree of distinctive character of the mark (*Intel* at [65], *L’Oreal* at [44] and *Whirlpool* at [137]). With regard to this factor, I had earlier found that the “Nutella” mark is distinctive (see [\[74\]](#) above). I would also note that the evidence of the Plaintiff’s survey, the Internet blogs and the newspaper articles (all referred to in [155]) suggest that the “Nutella” mark had a strong reputation.

184 The second factor is the degree of similarity between the marks at issue (*L’Oreal* at [44], *Whirlpool* at [137]). With regard to this factor, I had earlier found that although the “Nutella” mark and the “Nutello” sign were not *identical*, they were *similar* visually, aurally and conceptually.

185 The third factor is the nature and degree of proximity of the goods or services concerned (*L’Oreal* at [44], *Whirlpool* at [137]). With regard to this factor, I had also earlier found that there is *similarity* in the goods represented by the “Nutello” sign with the product specification (“chocolate products”) for which the “Nutella” mark is registered.

186 The fourth factor is the immediacy and strength with which the mark is brought to mind by the sign (*L'Oreal* at [44]):

... the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them ...

In this regard, I note that Mr Christopher Tan had stated that the "Nutello" sign was derived from the "Nutella" mark. I would also note that Mr Christopher Tan conceded that it was intended that customers would be reminded of and attracted to the name "Nutello", and that the name *per se* – without any description on the website and in the Defendant's booklet – would inform customers that the drink contained both espresso and Nutella. Two excerpts from the transcripts will illustrate this point.

(a) The first excerpt reads as follows:

Q: Looking at the mark here at page 542, where does the name Nutello come from?

A: "Nutello", it's a word created by our marketing department. It's just a fancy word to describe the drink which consists of espresso and Nutella as two ingredients in the drink.

Q: It's derived from the word "Nutella"; correct?

A: "Nutella" and "espresso", I think. It's a merge of these two words.

...

Q: The marks are almost identical except for the last letter; correct?

A: Yes.

Q: Wouldn't you say that the name of the drink is derived from the ingredient "Nutella"?

A: I would say it's just a play on the words.

Q: So it's derived from the plaintiff's mark; correct? I agree it's a play on the words.

A: Yes.

Q: But it's derived from the plaintiff's mark; correct?

A: Yes.

(b) The second excerpt reads as follows:

Q: When you choose names for your drinks and your food products, you choose them to be attractive to your customers; correct?

A: Yes.

Q: That's the same with Nutello as well; correct?

A: Yes.

Q: So when your customers see "Nutello", you intend that they will be attracted to the name "Nutello" and hopefully buy the drink; correct?

A: Yes, and they would think that it's a mixture of espresso and Nutello – Nutella, sorry.

...

Q: So your customers would know that it's a mixture of espresso and Nutella; correct?

A: Yes.

Q: You're sure of that?

A: Very certain, because it's not just the word "Nutello" alone on the menu. We have a one-sentence description at the bottom that clearly states it's "espresso with lashings of nutella".

Q: But in the website there is, and that's for potential customers. But still, because it's a play on words, they will know it's espresso and Nutella, correct?

A: Yes.

Q: So you coined the word "Nutello" to inform your customers that it had these two ingredients: espresso and Nutella. Correct?

A: Correct.

Q: That was your intention; correct?

A: Yes.

187 Ultimately, however, and as was earlier alluded to, it must be shown that the alleged infringer had *drawn some unfair advantage* from the use of the similar sign. On the facts of *Whirlpool*, the English Court of Appeal found that the alleged infringer had no need to ride on the proprietor's coat-tails, and that despite the goods being "*very similar (even identical...)*" (emphasis added) and the mark being "distinctive, but not strongly so", there was insufficient proof that the association of the earlier mark would enhance the performance of the later sign (*Whirlpool* at [138]). In other words, there was insufficient evidence to show that the alleged infringer had in fact drawn, or was likely to draw, any commercial advantage from the perceived similarity (*Whirlpool* at [138]).

188 In the final analysis, there was insufficient proof to convince me on the balance of probabilities that the Defendant gained *any* advantage from naming the drink "Nutello", let alone an *unfair* advantage. In cross-examination, counsel for the Plaintiff suggested to Mr Christopher Tan that the good sales of "Nutello" in the first four months since its release was due to the fact that the drink was being marketed using a mark *similar* to the Plaintiff's "Nutella" mark. Mr Christopher Tan admitted that this was "possible", but that it was "[n]ot necessarily so" because the Defendant trained staff to "upsell" every new drink to customers and accordingly it was natural that new items on the menu would sell better. The Plaintiff had no other evidence that "Nutello" sold better *because* it was named in a manner similar to "Nutella". Therefore, I conclude that the claim under s 55(3)(b)(ii) is not made out, because it had not been satisfactorily proven that the Defendant had taken unfair advantage of

the "Nutella" mark.

### **Summary on infringement of "well known" trade marks**

189 I have found that the Plaintiff's "Nutella" marks are well known to the public at large in Singapore. I have also found that the claim under s 55(3)(b)(i) is made out because *inter alia* there was unfair dilution of the distinctiveness of the Plaintiff's trade marks. However, I disagreed that the Defendant had taken unfair advantage of the distinctive character of the Plaintiff's trade marks, and accordingly find that the claim under s 55(3)(b)(ii) fails.

190 In the event that I am wrong regarding the Plaintiff's "Nutella" marks being well known to the public at large in Singapore, I have found that at the very least, the Plaintiff's marks are well known (to the relevant sector) in Singapore. In the circumstances, I found that the claim under s 55(2) is made out because – for the reasons given with regard to trade mark infringement under s 27(2)(b) above – the Defendant's use of the "Nutello" sign was likely to cause confusion. I have also found that the claim under s 55(3)(a) is made out because *inter alia* the Defendant's use of the "Nutello" sign was likely to damage the Plaintiff's interests.

191 I turn finally to consider the passing off action.

### **Passing off**

192 There is a conceptual difference between an action for infringement of a registered trade mark and an action for passing off: the action for infringement of a trade mark aims directly at protecting the property in the mark itself and is brought to stop the wrongful use of the mark, but the passing off action is for protection of the Plaintiff's trade which the mark may be used to promote (*Tan Lee Keng v R* [1950] 1 MLJ 175 at 176).

193 To succeed in an action for passing off, the Plaintiff must establish the following elements of the "classical trinity" (*Amanresorts* at [36]-[37], citing *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 ("CDL Hotels") at [86]):

(a) First, that the plaintiff has goodwill attached to the goods which he supplies in the mind of the purchasing public by association with the identifying "get-up" (including, *inter alia*, brand names) under which his particular goods are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods (hereinafter, referred to as the element of "goodwill").

(b) Second, that the defendant has made a misrepresentation to the public (whether intentional or otherwise) leading or likely to lead the public to believe that goods offered by the defendant are those of the plaintiff (hereinafter, referred to as the element of "confusing misrepresentation"); and

(c) Third, that the plaintiff suffers, or is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation (hereinafter, referred to as the element of "damage").

194 The law on passing off in Singapore has been analysed in detail by the Court of Appeal in *Amanresorts*. Reference will accordingly be liberally made to this case. Such reference is especially apposite also because the arguments raised by parties in the present case mirror many of the arguments raised and considered in *Amanresorts*.

## **Goodwill**

### *The law on goodwill*

195 A passing off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another (*Amanresorts* at [38], citing *Star Industrial Company Limited v Yap Kwee Kor* [1976] FSR 256 at 269).

196 Goodwill is the association of a good, service or business on which the plaintiff's mark, name, labelling etc (referred to generically as the plaintiff's "get-up") has been applied with a particular source (*Amanresorts* at [39]; *City Chain* at [62]). It is an "attractive force which brings in custom" (*ibid*).

197 In determining whether goodwill exists in a name, *exposure* of the name is the relevant criterion (*Amanresorts* at [53]). Proving goodwill or distinctiveness is a question of fact (*City Chain* at [62]). Possible indicia of goodwill include volume of sales, trading, advertisements and promotion expenditure (*ibid*; *Caterpillar* at [64]). However, mere sales figures without more are not necessarily coincident with goodwill (*Nation Fittings* at [158]).

198 The relevant date on which the reputation of the plaintiff in a passing-off action should be considered is the date on which the conduct complained of commences (*City Chain* at [63], citing *CDL Hotels* at [34]).

### *Was there goodwill on the present facts?*

199 Two preliminary points should be noted in determining whether there was goodwill in the "Nutella" name. First, the relevant date is 1 August 2007, which was the time when sale of the "Nutello" drink in Singapore commenced (see also [\[5\]](#) and [\[102\]](#) above). Second, in ascertaining whether the Plaintiff's "Nutella" mark is well known in Singapore, the relevant figures to be taken into account ought only be those in connection to the Plaintiff's "Nutella" mark, and only in relation to the sale of "Nutella" in Singapore.

200 For the same reasons that I found that the Plaintiff's trade mark was "well known" to the relevant public, as well as the public at large, in Singapore, I find that "Nutella" has goodwill in Singapore (see [\[155\]](#) above). I now turn to consider the next element of passing-off, that of "misrepresentation".

## **Confusing misrepresentation**

201 In order to establish an actionable tort of passing off, the plaintiff, apart from proving that it has goodwill in the goods, services or business in question, must also show that the defendant has made a misrepresentation to the relevant sector of the public, and that such misrepresentation has resulted in or is likely to result in damage to the Plaintiff's goodwill (*Amanresorts* at [69]).

202 I turn to analyse the element of misrepresentation in the context of the facts of the present case. In so doing, I respectfully adopt the headings and methodology used by the Court of Appeal in *Amanresorts*.

### *The content of the misrepresentation*



203 With regard to the *content* of the “misrepresentation”, the Plaintiff contends that the use of the “Nutello” sign by the Defendant constitutes a misrepresentation that the “Nutello” product is produced by the Plaintiff or that it is in some way connected to the Plaintiff. In other words, the Plaintiff is contending that there are two alternative forms of misrepresentation, *viz* misrepresentation as to the *trade origin* of the goods and misrepresentation as to the *connection* between the defendant’s goods and the plaintiff.

204 The former type of misrepresentation (*viz*, trade origin) may take the form of a false representation by the defendant that his goods are those of the plaintiff, or that there is a business connection between the plaintiff and the defendant in relation to the goods provided by them (*CDL Hotels* at [72]). Such misrepresentation occurs when a defendant represents that his goods, services or business are the plaintiff’s by using a name, word, device or other mark which is deceptively similar to the plaintiff’s. The representation may be express or implied, and deceives either by diverting customers from the plaintiff to the defendant or by occasioning a confusion between the parties’ businesses, *eg* by suggesting that the defendant’s business is an extension, branch or agency or otherwise connected with the plaintiff’s business.

205 The latter type of misrepresentation (*viz*, connection) refers to the situation where the defendant represents that his goods are connected with the plaintiff’s in such a way as would lead people to accept them on the faith of the plaintiff’s reputation (*Bulmer v Bollinger* [1978] RPC 79 (“*Bulmer*”) at 117). It would be sufficient if the defendant’s goods are mistakenly assumed by the relevant public to be made under licence, or under some trading arrangement which gave the plaintiff control over the defendant’s goods (*Bulmer* at 117). In such circumstances, even though the plaintiff and the defendant are not competing traders in the same line of business, a false suggestion by the defendant that their businesses were connected with one another would damage the reputation and thus the goodwill of the plaintiff’s business (*Erven Warnink Besloten Vennootschap v Townend & Sons (Hull) Ltd* [1979] AC 731).

#### *The target audience of the misrepresentation*

206 Whether the misrepresentation is believed and relied upon is subject to the reaction of the relevant sector of the public. In this regard, counsel for the Defendant argued that the *Defendant’s* customers should form the target audience of the misrepresentation because the damage, if any, would only arise if the *Defendant’s* customers were confused as to the source or origin of the “Nutello” drink.

207 The Defendant’s argument is misconceived. It was clearly held in *Amanresorts* that the target audience comprises of the “actual and potential customers of the [Plaintiff]” (*Amanresorts* at [73] (emphasis added)). The rationale behind this holding is that “only misrepresentations directed to [the Plaintiff’s customers] are likely to damage the [Plaintiff’s] goodwill” (*Amanresorts* at [73]). It is difficult to see how the Plaintiff can suffer from a misrepresentation made to a person who is neither an actual nor potential customer of the Plaintiff (*Amanresorts* at [73]).

208 Therefore, I find that the relevant sector of the public in the present case comprises the actual and potential customers of the Plaintiff.

#### *Whether the misrepresentation resulted in confusion*

209 A misrepresentation is actionable under the law of passing off only if it gives rise to *confusion* (*Amanresorts* at [77]). However, evidence of *actual* confusion is not required before a passing off action can succeed; it is open to the court to infer a *likelihood* of confusion from the surrounding

facts (*Amanresorts* at [77]).

210 The elements of misrepresentation and confusion together form the “deception” referred to by Lord Diplock in *Erven Warnink Besloten Vennootschap v Townend & Sons (Hull) Ltd* [1979] AC 731 (*Amanresorts* at [77]). Although “deception” is a key element in a passing off claim (*Nation Fittings* at [161]), it is not necessary to prove that the defendant has an *intention to deceive* or to mislead the public (*Tessensohn t/a Clea Professional Image Consultants v John Robert Powers School Inc* [1994] 1 SLR(R) 470). For this reason, it has been said that the state of mind of the defendant is immaterial; rather, what matters is the impact on the relevant sector of the public (*Nation Fittings* at [165]). If the impact on these persons is such that they would be deceived, the element of misrepresentation is made out and the defendant cannot avoid a finding of passing off by the mere fact that the misrepresentation was made innocently (*Johnson & Johnson v Uni-Charm Kabushiki Kaisha (Uni-Charm Corporation)* [2007] 1 SLR(R) 1082 at [25]; *Amanresorts* at [83]).

211 The test of whether there is a likelihood of confusion is whether a reasonable member of the relevant sector of the public would be likely to be confused or misled by the Defendant’s misrepresentation. In determining whether there is confusion, the court is not concerned with the “moron in a hurry” being confused (*Tong Guan* at [24]). Instead, the court is concerned with the ordinary sensible purchaser, *viz*, the purchaser using ordinary caution.

*Whether there was confusing misrepresentation in the present case*

212 I have earlier held in the context of trade mark infringement under s 27(2)(b) of the TMA, that the “Nutello” sign and “Nutella” mark are similar and are being used on similar goods, and that these similarities have resulted in a likelihood of confusion (see [145] above). For the same reasons, I find that there is a likelihood that the relevant public would have been led to believe that the “Nutello” product is produced by the Plaintiff or is in some way connected to the Plaintiff. Therefore, there was misrepresentation giving rise to a likelihood of confusion in the present case.

213 I now turn to consider the final element of passing-off, that of “damage”.

### ***Damage***

214 The tort of passing off protects the plaintiff against damage caused to the goodwill attached to its business, goods or services by the defendant’s misrepresentation (*Amanresorts* at [94]). Thus, even if the defendant’s misrepresentation is shown to have caused or to be likely to cause confusion between the plaintiff’s business, goods or services and those of the defendant, such misrepresentation is not in itself actionable under the law of passing off unless it has caused (or is likely to cause) damage to the plaintiff’s goodwill (*Amanresorts* at [94]). The test for damage in passing off cases is either “actual or probable damage” (*Amanresorts* at [94]).

215 As recognised by the Court of Appeal in *Amanresorts* at [96], the law relating to which heads of damage are (or should be) judicially recognised under the tort of passing off is notoriously difficult.

216 In the present case, the Plaintiff claims three heads of damage:

- (a) First, restriction on the Plaintiff’s expansion into the drinks industry in Singapore;
  - (b) Second, the likelihood of damage should the Defendant’s activities become reprehensible;
- and

(c) Third, the loss of licensing opportunity.

I will address each of the alleged heads of damage in the following sub-sections.

*Restriction on the Plaintiff's expansion into the drinks industry in Singapore*

217 The Plaintiff claimed that the use of "Nutello" by the Defendant restricted the Plaintiff's ability to expand into the drinks industry in Singapore.

218 In *Amanresorts*, the Court of Appeal held that the respondents' high-end hotel and resort business was closely related to the appellant's residential accommodation business, since both fields concern accommodation (*Amanresorts* at [121]). Importantly, the Court of Appeal emphasised that the fact that the respondents have already expanded into the residential accommodation business overseas buttressed its conclusion that the fields were closely related (*Amanresorts* at [121]). For these reasons, the Court of appeal held that the head of damage, viz restriction on the respondents' expansion into the residential accommodation business, had been proved (*Amanresorts* at [121]).

219 The reasoning in *Amanresorts* is applicable to the present case. Here, the Plaintiff's field of business (including, *inter alia*, chocolate products) is closely related to the Defendant's (although in the café business, the "Nutello" drink has a chocolate character). The fact that the Plaintiff had already expanded its product line to include a Nutella-based drink ("Nutella Milk Shake") overseas buttresses this point. Indeed, under cross-examination, Mr Malatesta testified that the Plaintiff "may go also in [*sic*] the drink business" in Singapore. Accordingly, I find that this head of damage, viz restriction on the Plaintiff's expansion into the drinks industry in Singapore, has been proved. The use of the "Nutello" sign by the Defendant is likely to restrict the Plaintiff's expansion of its line of products in Singapore to the drinks industry.

*Likelihood of damage should the Defendant's activities become reprehensible*

220 The Plaintiff claimed that because it has no control over the Defendant's activities, should the Defendant's activities become reprehensible (*eg* selling a tainted "Nutello" product), the sales of the Plaintiff's "Nutella" spread may also be affected. A specific example was given by Mr Malatesta under cross-examination, viz, "[i]f something happens, and tomorrow someone eats, drinks your drink [*ie*, "Nutello"], and for any reason there is any problem with what they drink, this can be affected [*sic*] my product because it's branded Nutello".

221 This argument is similar to the argument raised by the respondents in *Amanresorts* that there was likelihood of damage should the appellant get into financial, legal or other trouble. More specifically, the respondents argued that (*Amanresorts* at [102]):

... if the Appellant were to get into any sort of financial, legal or other trouble, persons who had confused the Project with the Respondents' resorts might assume that it was the Respondents which were having difficulties; in effect, the Respondents would have lost control over the goodwill or reputation attached to the "Aman" names. It was submitted that if, for instance, a newspaper article headed "Fire at Amanusa Due To Faulty Wiring" were published, the public might assume that the article was referring to the Amanusa Bali as opposed to the Project. People who made that assumption might decide not to stay at the Amanusa Bali and might also assume that the quality of the other Aman resorts had likewise deteriorated.

222 The Court of Appeal in *Amanresorts* went on to analyse the case authorities which indicated that the threshold which a plaintiff has to cross to prove this particular head of damage (*viz*, a

likelihood of damage to the plaintiff's goodwill should the defendant encounter financial, legal or other trouble) is relatively low (*Amanresorts* at [103], analysing *British Legion v British Legion Club (Street) Ltd* (1931) 48 RPC 555 ("*British Legion*"), *Dawnay Day & Co Limited v Cantor Fitzgerald International* [2000] RPC 674 ("*Dawnay Day*"). The Court of Appeal disagreed with the propositions in *British Legion* and *Dawnay Day*, observing that mere allegations that evil days may befall the defendant – if accepted as sufficient proof – would render the requirement of damage otiose (*Amanresorts* at [105]). Instead, a "real tangible risk of substantial damage" must be shown (*Amanresorts* at [105]).

223 Applying the reasoning in *Amanresorts*, the present head of damage is not made out. To borrow the phrase of the Court of Appeal in *Amanresorts* at [105], it is "too much of a stretch to allege, without more, that there is a real tangible risk" that the Defendant's activities may become reprehensible, resulting in damage to the Plaintiff's goodwill.

#### *The loss of licensing opportunity*

224 The Plaintiff argues that – as a result of the Defendant's actions – it would be likely to suffer the loss of licensing opportunity, *viz*, that it would lose out on an opportunity to licence its "Nutella" trade mark.

225 The Court of Appeal in *Amanresorts* noted that loss of licensing opportunity or licensing income has been held, in the UK, to be a distinct head of damage in passing off actions (*Amanresorts* at [108]-[109], citing *Irvine v Talksport Ltd* [2002] 1 WLR 2355 and *Lego System Aktieselskab v Lego M Lemelstrich Ltd* [1983] FSR 155). However, the Court saw "much force" in the analysis of Fisher J in *Tot Toys Ltd v Mitchell* [1993] 1 NZLR 325 at 362 (*Amanresorts* at [110]):

It is axiomatic that damage must be proved or presumed as one of the ingredients of passing off. It has never been sufficient for plaintiffs to fill this gap by arguing that their loss is loss of the right to charge the defendant a fee for continuing conduct the lawfulness of which is the subject currently under inquiry. To accept that proposition would be to deny that damage is an essential and independent ingredient of the tort. And if the defendant's conduct is otherwise lawful, it cannot be rendered unlawful upon the ground that it might induce others to act in the same way without the plaintiff's permission.

226 In this regard, the Court of Appeal cautioned that recognition of loss of licensing opportunity or licensing income as a distinct head of damage for the purposes of passing off should be approached *conservatively* (*Amanresorts* at [113]). It noted that it is only if passing off is *first proved* that the plaintiff then has the right to demand that those who wish to use its distinctive get-up must first obtain a licence from it (*Amanresorts* at [111]). Otherwise, if the "damage" element is automatically fulfilled by the mere fact that the misrepresentation in passing off *could have been* sanctioned by the plaintiff for payment, this would render the element of "damage" illusory (*Amanresorts* at [111], citing and agreeing with Christopher Wadlow, *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 3rd Ed, 2004) at para 4-38).

227 Unfortunately, the Court did not make any specific pronouncement on whether or not such a head of damage would be recognised under Singapore law. On the facts of that case, the Court opined that *even if* the loss of licensing opportunity was accepted as being recoverable in passing off actions under Singapore law, it was not clear on the evidence adduced by the respondents of their licensing agreements with real estate developers overseas really proved damage arising from misrepresentation and confusion *in Singapore* (*Amanresorts* at [113]). Although the respondents were entitled to license the "Aman" names overseas because they had been registered as trade marks overseas for other reasons, this did not mean that their "Aman" names had a natural capacity for

generating licensing opportunities or licensing revenue in Singapore (*Amanresorts* at [113]).

228 In the present case, the Plaintiff attempted to distinguish *Amanresorts* in two ways. First, unlike in *Amanresorts*, the Plaintiff has trade mark registrations for the “Nutella” marks. Second, licensing in the confectionery industry is common with chocolate manufacturers licensing their marks in relation to chocolate products such as ice cream and cakes which use the licensors’ chocolate as an ingredient (citing Cadbury UK’s licensing of its mark to Frederick’s Dairies (ice-cream) and Premier Foods (chocolate cakes)).

229 There is little force in the second argument just cited. The Court of Appeal in *Amanresorts* had opined that “[e]ven if the plaintiff does have an existing business of licensing its get-up for use by others, this might only mean that its licensees *mistakenly* think that a licence is necessary before they can use the plaintiff’s get-up [and therefore does not indicate that the element of “damage” has been fulfilled by a loss of licensing opportunity *per se*]” (*Amanresorts* at [111]); *a fortiori*, where the Plaintiff has not even proven that it has an existing business of licensing its get-up, there is little force in attempting to argue that other chocolate manufacturers have previously licensed their get-ups. However, I recognise that there is reason to distinguish *Amanresorts* from the present case on the basis of the first argument, *viz*, that unlike in *Amanresorts* the Plaintiff has trade mark registrations for the “Nutella” marks.

230 Nonetheless, there is no need for me to consider whether or not the loss of a licensing opportunity would be recognised as a distinct head of damage under the law of passing off in Singapore. This is because although the Court of Appeal was reticent in accepting the loss of licensing opportunity or licensing income as a distinct head of damage, it readily held that if passing off is proved (based on some other head of damage which is well established as being recoverable), the plaintiff – *in addition to* claiming for any loss of sales occasioned by such damage – can *also* claim for loss of licensing revenue (*Amanresorts* at [114]). The loss of licensing opportunity or licensing revenue therefore goes towards *quantifying* rather than *proving* damage (*Amanresorts* at [114]). On the present facts, I have already found that damage had been caused in the form of restricting the Plaintiff’s expansion of its line of products in Singapore to the drinks industry. Any *additional* damage caused by the loss of licensing opportunity can be taken into account at the stage of assessing damages. Accordingly, there is no need for me to determine whether the loss of licensing opportunity would be recognised as a distinct head of damage under the law of passing off in Singapore.

### ***Conclusion on the passing off claim***

231 I find that passing off has been made out in the present case. Goodwill exists in the “Nutella” name, which reaches across a large proportion of the public in Singapore. The public, which *includes* the Defendant’s clientele, would have been exposed to the Defendant’s use of the name “Nutello” for its drink – *ie*, to the Defendant’s misrepresentation that “Nutello” had the same source as or was in some way connected with the Plaintiff. Although the Plaintiff has not succeeded in convincing me on all their pleaded heads of damage, this is not significant because the Plaintiff has successfully demonstrated a likelihood of damage in the form of restriction on the Plaintiff’s expansion into the drinks industry in Singapore.

### **Conclusion**

232 In the circumstances, I grant the Plaintiff the injunctions to restrain the Defendant from infringing the Plaintiff’s “Nutella” marks and from passing off its products as being products of (or connected to) the Plaintiff. I find that:

(a) First, the Defendant had infringed the Plaintiff's "Nutella" word mark under s 27(2)(b) of the TMA;

(b) Second, the Plaintiff's "Nutella" marks are well known trade marks within the definition of s 2(1) of the TMA, and are well known both to the relevant sector of the public as well as to the public at large. Accordingly, I find that the Defendant had infringed the Plaintiff's "Nutella" marks under ss 55(2), 55(3)(a) and 55(3)(b)(i) of the TMA. However, the Defendant had not infringed the Plaintiff's "Nutella" marks under s 55(3)(b)(ii) of the TMA;

(c) Third, the Defendant had passed off by promoting, selling and offering for sale the "Nutello" drink (not being a product of the Plaintiff) as being the product of the Plaintiff, or as being connected to or associated with the Plaintiff.

233 The Plaintiff shall thus have interlocutory judgment against the Defendant, with damages to be assessed and costs reserved to the registrar hearing the assessment.

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