

**IN THE HEARINGS AND MEDIATION DEPARTMENT OF  
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE  
REPUBLIC OF SINGAPORE**

Trade Mark No. 40201705009X  
Hearing Date: 6 August 2020

**IN THE MATTER OF A TRADE MARK APPLICATION BY**

**KEEP WADDLING INTERNATIONAL PTE. LTD.**

**AND**

**OPPOSITION THERETO BY**

**(1) COMITE INTERPROFESSIONNEL DU VIN DE CHAMPAGNE, AND  
(2) INSTITUT NATIONAL DE L'ORIGINE ET DE LA QUALITE**

Hearing Officer: Mr Mark Lim  
Principal Assistant Registrar of Trade Marks

Representation:

Mr Foo Maw Jiun and Mr Joshua Woo (Rodyk IP) for the Opponents  
Mr Shawn Poon (One Legal LLC) for the Applicant

**GROUND OF DECISION**

1 Keep Waddling International Pte. Ltd. (“**the Applicant**”) seeks to register:

**CHAMPENGWINE**  
UNIQUE, BOUTIQUE, SPARKLING WINES OF CHILE

in Class 33 for “Sparkling wines, all originating from Chile” (“**the Application Mark**”).

2 Comité Interprofessionnel du Vin de Champagne (“**the 1st Opponent**”) and Institut National de l’Origine et de la Qualité (“**the 2nd Opponent**”) (collectively “**the Opponents**”) oppose the registration of the Application Mark. They rely on four (4) grounds of opposition:

- (1) the Application Mark is deceptive;
- (2) the use of the Application Mark will violate the Geographical Indications Act (Cap. 117B) (“**GIA**”);
- (3) the use of the Application Mark will constitute the tort of passing off; and
- (4) the Application Mark was applied for in bad faith.<sup>1</sup>

3 These grounds are all premised, to a greater or lesser extent, on the (alleged) similarity between the geographical indication “CHAMPAGNE” and the word element “CHAMPENG” in the Application Mark.<sup>2</sup>

4 I find that the Opponents succeed on the ground of bad faith, but fail on the other three (3) grounds of opposition. That, however, is sufficient to prevent the registration of the Application Mark. I set out my reasons below.

### **Chronology of Proceedings**

5 The Applicant applied to register the Application Mark on 28 March 2017. The Application Mark was published for opposition purposes on 13 July 2018.

6 The Opponents filed their Notice of Opposition on 13 November 2018. The Applicant filed its Counter Statement on 12 March 2019.

7 The Opponents filed evidence in support of the opposition on 31 October 2019 and 6 December 2019. The Applicant filed evidence in support of the application on 5 March 2020. The Opponents filed their reply evidence on 4 June 2020. The Pre-Hearing Review was held on 23 June 2020, after which the opposition was heard on 6 August 2020.

### **The Evidence**

- 8 The following Statutory Declarations (“**SDs**”) were tendered in evidence;
- a SD of Mr Vincent Perrin, the General Director of the 1<sup>st</sup> Opponent, dated 15 October 2019 (“**the Opponents’ SD**”);
  - b SD of Ms Marie Guittard, the Director of the 2<sup>nd</sup> Opponent, dated 21 October 2019;
  - c Supplemental SD of Mr Perrin dated 3 December 2019;
  - d SD of Mr Christopher Milliken, the Chief Executive Officer of the Applicant, dated 5 March 2020 (“**the Applicant’s SD**”); and
  - e SD in Reply of Mr Perrin dated 26 May 2020.

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<sup>1</sup> See Opponent’s Skeletal Submissions (Rebuttal) (“**OSSR**”) at [2]. These grounds are set out in greater detail below.

<sup>2</sup> See OSSR at [3].

## Applicable Law and Burden of Proof

9 As the applicable law is the Trade Marks Act (Cap 332, 2005 Rev Ed) (“TMA”), there is no overall onus on the Applicant either before the Registrar during examination or in opposition proceedings. The undisputed burden of proof in the present case falls on the Opponents.

## Background

10 The Applicant and its related companies have been using the trade mark “PENGWINE” as their house mark for their wines originating from Chile since April 2004. The “PENGWINE” house mark was named after the Chilean penguins. Each of the PENGWINE-branded wines is named after a different penguin native to South America, such as “King”, “Royal”, “Emperor”, “Chinstrap” and “Rockhopper”. According to Mr Milliken, this is *“part of the overall business strategy.”*<sup>3</sup>

11 PENGWINE-branded wines have been sold to consumers in various countries, including Singapore and many countries in South East Asia, Chile, the United States and China. The wines have also been promoted through print media, social media and sponsorship of various events. There have been numerous media articles featuring the Applicant and its wines. Sales of PENGWINE-branded products in Singapore have exceeded SGD 50,000 in 2015; SGD 200,00 in 2016; SGD 450,000 in 2017; SGD 300,000 in 2018; and SGD 300,000 in 2019.<sup>4</sup>

12 The 1<sup>st</sup> Opponent is a French trade association mandated under French law to represent the interests of all operators (including growers, cooperatives and production houses) with respect to the “CHAMPAGNE” geographical indication, and is also charged to protect the geographical indication around the world. To achieve this worldwide mandate, the 1<sup>st</sup> Opponent works with the 2<sup>nd</sup> Opponent, a national French public administrative institution under the French Ministry of Agriculture and Food that is responsible for the implementation of French policy on official signs of identification of the origin and quality of agricultural and food products in France and abroad.<sup>5</sup>

13 When used in connection with wine, the “CHAMPAGNE” geographical indication refers to wine adhering to detailed production requirements such as being made from grapes of a specific type, and grown in specific areas in the Champagne region in France.<sup>6</sup>

14 “CHAMPAGNE” has been exported outside France since 1814, and “CHAMPAGNE” was first recognized as a geographical indication in 1919. Worldwide sales of “CHAMPAGNE” have exceeded €4 000 000 000 per year since 2006 (save for 2009). In Singapore, sales have exceeded €22 000 000 per year since 2011. Advertising and marketing activities worldwide and in Singapore include widespread and intensive advertisements in the print, radio and television media as well as via the internet and social media channels. “CHAMPAGNE” has also been endorsed by numerous celebrities, is featured at many high-profile public events, and is the subject matter of multiple global competitions.<sup>7</sup>

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<sup>3</sup> See Applicant’s SD at [6] - [8].

<sup>4</sup> See Applicant’s SD at [10] - [20].

<sup>5</sup> See Opponents’ SD at [3].

<sup>6</sup> See Opponents’ SD at [5] and Exhibit VP-3.

<sup>7</sup> See Opponents’ SD at [6] - [14], [16] - [23] for details.

## MAIN DECISION

### Ground of Opposition under Section 7(4)(b) TMA - Deceptiveness

15 Section 7(4) TMA reads:

- (4) A trade mark shall not be registered if it is —
- (a) contrary to public policy or to morality; or
  - (b) of such a nature as to **deceive the public** (for instance as to the nature, quality or **geographical origin of the goods or service**).
- (emphasis added)

16 Parties agree that the legal position in relation to this ground of opposition is as set out in the High Court decision of *Scotch Whisky Association v Isetan Mitsukoshi Ltd* [2020] 3 SLR 725 (“*Scotch Whisky*”) and the decision of the IP Adjudicator in the IPOS case of *Starbucks Corporation v Morinaga Nyugyo Kabushiki Kaisha* [2017] SGIPOS 18 (“*Starbucks*”).

17 Their disagreement lies in the application of the law to the facts of the present case.

### *The Legal Position*

18 It would be convenient to first set out the applicable legal principles. I have attempted to summarise them as follows:

- a Section 7(4)(b) TMA prevents the registration of deceptive marks. It is an absolute and not a relative ground for refusal.<sup>8</sup> Therefore, any deceptiveness must be inherent in the mark itself, as opposed to deception caused by the similarity of the mark to another. The provision is designed for the protection of the public, and not of other traders. This resonates with the overall object and purpose of Section 7(4) TMA as a whole, which is concerned with marks that are objectionable because they are contrary to public policy or morality.
- b The “public” in the context of Section 7(4)(b) TMA does not refer to the “general public” but the public in the general context of the relevant trade. Therefore, in assessing whether there is any deception, the mark must be considered against the goods or services applied for, and in the general context of the relevant trade.
- c The factors which impact the question of public deception under Section 7(4)(b) TMA may include:
  - i the nature of the mark and the impression it communicates/conveys to the public;
  - ii the nature of the goods claimed;

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<sup>8</sup> Section 8 TMA sets out “relative grounds for refusal of registration.” Under this section, the reasons for refusing to register a trade mark are considered “relative” to other earlier rights. In contrast, Section 7 TMA sets out “absolute grounds for refusal of registration.” Unlike “relative” grounds which deal with conflicts with earlier rights, “absolute” grounds are mainly concerned with the nature of the mark applied for itself.

- iii the connection which the geographic reference has with the goods claimed;
  - iv the knowledge and characteristics attributable to the public; and
  - v the trade/industry practice.
- d If a mark gives rise to an expectation (e.g. as to the geographical origin of the relevant goods or services) which will not be fulfilled, then registration will be refused. The expectation must be a real one, as opposed to something obscure or fanciful. The consumer is reasonably observant and circumspect, and thus sufficiently alert and sensible such as not to need protection from claims that might only deceive a relatively small number of customers. Overall, what is alleged to be misleading must be sufficiently serious and likely to affect the economic behavior of the public. The applicable threshold for deception is that of a “real tangible danger” rather than a “cause to wonder”.

(See *Scotch Whisky* at [10], [11] and [23] and *Starbucks* at [134] - [142], [147], [150] - [161] (and the authorities cited in these cases).)

19 It is useful to briefly examine how the above legal principles were applied in the *Scotch Whisky* and *Starbucks* cases.

20 In *Scotch Whisky*, the respondent applied to register the trade mark “Isetan Tartan” in Class 33 (all alcoholic beverages except beer; sake). The High Court accepted that “*there is ample evidence to show that tartan is an iconic symbol of Scotland,*” that “*from the evidence, it is clear that Singapore has an enduring association with Scotland,*” that “*there is sufficient evidence that the public in Singapore is familiar with tartan, and Scotland more generally,*” and that “*[from] the evidence presented... the word ‘Tartan’ is especially evocative of Scotland.*” The court also found that “*the average whisky consumer is likely to be particularly familiar with Scotland and its tartan. In the mind of the whisky drinker, any whisky bearing the label ‘tartan’, whether it be accompanied by the word ‘Isetan’, will call to mind Scotch whisky. The nature of the deception is also intensified because Scotland is globally renowned for its whisky.*” On these facts, the court held that the use of “Isetan Tartan” on non-Scotch whisky products would deceive the relevant public (i.e. consumers who drink and purchase whisky) as to the products’ geographical origins. Registration of the mark would have been allowed if whisky that is not Scotch whisky was excluded from the application. (See *Scotch Whisky* at [2], [11], [15] - [19], [21] and [47].)



21 In *Starbucks*, the applicant applied to register the trade mark in respect of various goods, including coffee. Mt Rainier is the name of a mountain in Seattle and the words in smaller font below the device of a mountain read “The Mountain of Seattle”. The opponent’s complaint, in essence, was that the mark implies that the goods originate from Seattle when they do not. The IP Adjudicator accepted that Seattle has a reputation for coffee from the perspective of the Singapore public, though she noted that other places and countries such as Italy and Australia also have strong and vibrant coffee cultures. She found that the

dominant impression of the mark is “Mt Rainier”, and that the phrase “The Mountain of Seattle” is informative (i.e. that Mt Rainier is a mountain in Seattle) rather than serving as a reference to the city of Seattle as such. Based on the evidence, she did not accept that the average Singapore coffee drinker would make the link between Mt Rainier and Seattle. She noted that “*it is common practice, amongst businesses in the food and beverage industry operating in Singapore and worldwide, to include geographical names or geographical icons in their marks, regardless of where the products literally originate. Such references may inform as to the particular inspiration, ambience, imagery, type of cuisine/beverage, or concept of the food/beverage product or service. The Applicant points to Georgia Coffee, Vermont Coffee, Java Curry, Café de Paris, and Paris Baguette as examples*” (at [182]; emphasis in original). After reviewing the evidence, she found that “*the relevant consumer will simply regard the Application Mark as a fanciful brand logo in the absence of any expression which makes a plain statement as to geographical origin, such as ‘Seattle’s Best Coffee.’*” (See *Starbucks* at [2], [145], [162] - [184], [187] - [192].)

22 As can be seen from these cases, whether or not an objection under Section 7(4)(b) TMA is made out depends very much on the facts and evidence adduced in each specific case.

23 Before moving on to examine the facts in the present case, it is worth repeating the IP Adjudicator’s concluding remarks in *Starbucks* (at [193] - [194]):

193 ... it is common for traders, especially in light of enhanced globalisation and travel... when sourcing for a trade mark, to borrow their concept or inspiration, so to speak, from something or somewhere, including landmarks, places, personas, locations and countries. This is part and parcel of a brand story, which – I am inclined to think – a customer will reasonably expect, considering the practices of the trade. Unless a particular reference to a geographical connotation is overt and obvious in the context of the specific goods, such references will, more likely than not, be considered fanciful in the mind of the average consumer.

194 Ultimately, if a brand does not live up to its story, it is for the market to decide whether to repeat or to avoid the experience associated with those goods or services to which the trade mark is applied. Unless a trade mark has made a clear and express indication or representation which is plainly false, I am of the view that one should be slow to exercise a refusal *at the stage of an application for registration*, on the basis of Section 7(4)(b).

(emphasis in original)

#### ***Decision on Section 7(4)(b) TMA***

24 At the outset, I note that the Application Mark is



and not “CHAMPENG”.

25 The goods of interest are “Sparkling wines, all originating from Chile”. I accept the Opponents’ submission (made in the course of oral arguments) that the “public” in the context of Section 7(4)(b) TMA refers to consumers who drink and purchase wines or sparkling wines. I agree that it would be unduly narrow to confine the “public” to consumers who drink sparkling wines from Chile. In any case, such consumers would in all likelihood also drink other types of wines, both sparkling and “non-sparkling”.

26 I also readily accept the Opponents’ contention that these consumers would recognise that wines bearing the “CHAMPAGNE” geographical indication originate (or should originate) from the Champagne region in France, and (should) adhere to a detailed set of production requirements (see [13] - [14] above).

27 However, the Application Mark is not for the word “CHAMPAGNE” on its own. Nor is it for the (invented) word “CHAMPENG”. It is a composite of the invented word **CHAMPENGWINE** (with the first letter of each consonant in a slightly larger font size than the rest of the word), and the phrase “UNIQUE, BOUTIQUE, SPARKLING WINES OF CHILE” in much smaller font and placed below the last two consonants (i.e. “PENGWINE”) of the invented word.

28 As mentioned at [18(d)] above, the applicable threshold for deception is that of a “real tangible danger” rather than a “cause to wonder”.

29 I agree with the Applicant that consumers who drink and purchase wines or sparkling wines are unlikely to be deceived into thinking that wines bearing the Application Mark originate from Champagne. With reference to the detailed and voluminous evidence adduced by both parties as to the practices in the trade/industry, my reasons are as follows:

- a The geographical origins of wines are always clearly displayed. This is the case regardless whether the wines are sold in brick and mortar retail outlets<sup>9</sup>, in restaurants/bars<sup>10</sup>, or online<sup>11</sup>. Consumers would therefore know whether the wines they are purchasing come from Champagne in France, Chile or somewhere else. In line with this practice, in the present case, consumers would be informed that wines bearing the Application Mark come from Chile.
- b Champagne refers to a category of wine (i.e. sparkling wine originating from Champagne in France). Sparkling wines originating from other regions will be categorised as “Sparkling Wines” (and the geographical origin of the sparkling wine will be clearly indicated).<sup>12</sup> Accordingly, wines bearing the Application Mark would be categorised under “Sparkling Wines” and consumers will further be informed that these wines are from Chile.

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<sup>9</sup> The geographical origin of the wines is displayed on the wine labels themselves: see Applicant’s SD at pages 736-760.

<sup>10</sup> The geographical origin of the wines is clearly stated on the menus of restaurants and bars: see Applicant’s SD at pages 764-925 and Opponents’ SD at pages 371-515.

<sup>11</sup> The geographical origin of the wines is displayed on the websites of speciality wine retailers: see Applicant’s SD at pages 581-734. This is the case for the online stores of supermarkets such Fair Price, Cold Storage and Redmart as well, though it is less apparent as the images of the wine bottles and the font sizes on the website are smaller: see Opponents’ SD at pages 517-524.

<sup>12</sup> See the evidence referred to in footnotes 10 and 11 above.

- c “Champagne” always appears as a standalone word on its own; it is never combined with the word “wine”.<sup>13</sup>

30 Consumers who drink and purchase wines or sparkling wines would be familiar with these industry practices. I would add that they are also likely to know that champagne is not spelled as “champeng”. In my view, it is fanciful to suggest that consumers would be deceived.

31 Even in the unlikely situation where some of the relevant consumers are “caused to wonder” as to whether or not the wines originate from Champagne in France, they would realise that the wines originate from Chile by simply taking a closer look at the Application Mark, as this is clearly stated in the mark itself.

32 For the above reasons, the ground of opposition under Section 7(4)(b) TMA fails.

### **Ground of Opposition under Section 7(5) TMA read with Sections 3(2)(a), 3(4) and 4 of the GIA – Objections under the Geographical Indications Act**

#### ***Relevant Statutory Provisions***

33 Section 7(5) TMA reads:

7(5) A trade mark shall not be registered if or to the extent that its **use is prohibited** in Singapore **by any written law** or rule of law.  
(emphasis added)

34 The “*written law*” relied on by the Opponents is Sections 3(2)(a), 3(4) and 4 of the GIA. Surprisingly, the Opponents are not relying on the additional protection accorded to geographical indications for wines under Section 3(2)(c) GIA.

35 The relevant provisions of the GIA read as follows:

3. — (1) Subject to the provisions of this Act, an interested party of goods identified by a geographical indication may bring an action against a person for carrying out an act to which this section applies in relation to the geographical indication.

(2) This section shall apply to the following acts:

- (a) **the use of a geographical indication** in relation to any goods which did not originate in the place indicated by the geographical indication, **in a manner which misleads the public** as to the geographical origin of the goods;
- (b) .....
- (c) **any use of a geographical indication, being a geographical indication which identifies a wine**, in relation to a wine which did not originate from the place indicated by the geographical indication, whether or not —
  - (i) the true geographical origin of the second-mentioned wine is used together with the geographical indication;
  - (ii) the geographical indication is used in translation; or

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<sup>13</sup> See the evidence referred to in footnotes 10 and 11 above.



- (iii) the geographical indication is accompanied by any of the words “kind”, “type”, “style”, “imitation” or any similar word or expression;<sup>14</sup>

...

(4) For the purposes of subsection (2), **“use of a geographical indication” includes the use of a trade mark which contains or consists of the geographical indication in question.**

.....

## **7 Exceptions regarding prior users**

(3) Section 3 shall not apply to the use by a person of a **trade mark which is identical or similar to a geographical indication** if —

- (a) the application for the registration of the trade mark was made in good faith, or the trade mark was registered in good faith, under the Trade Marks Act 1998 or any previous law relating to trade marks; or
- (b) he, or he and his predecessor in title, have continuously used that trade mark in good faith in Singapore in the course of trade,

either —

- (i) before the commencement of this Act; or
- (ii) before the geographical indication in question is protected in its country or territory of origin.<sup>15</sup>

.....

[Definition of “geographical indication” in Section 2 GIA]

“geographical indication” means any indication used in trade to identify goods as originating from a place, provided that —

- (a) the place is a qualifying country or a region or locality in the qualifying country; and
- (b) a given quality, reputation or other characteristic of the goods is essentially attributable to that place;

(emphasis added)

36 It is not disputed that “champagne” is a geographical indication, and that the Applicant’s goods of interest do not originate from Champagne in France.

37 In the context of the present case, and to summarise the rather wordy provisions in the GIA reproduced above, to succeed under Section 7(5) TMA read with Sections 3(2)(a), 3(4) and 4 of the GIA, the Opponents would additionally need to establish that:

- a the Application Mark “contains or consists” of the geographical indication “champagne”; and

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<sup>14</sup> As mentioned in the preceding paragraph, the Opponents do not rely on Section 3(2)(c) GIA. However, I am reproducing this provision as it is relevant to the discussion which follows.

<sup>15</sup> Section 7(3) GIA is also reproduced as it is relevant to the discussion which follows.

- b the use of the Application Mark would mislead the public as to the geographical origin of the Applicant's wines.

38 Had the Opponents relied on Section 3(2)(c) GIA, they would not have needed to establish the second element (i.e. that the public would be misled).

39 In a similar vein, the Opponents would also not need to establish the second element had they relied on Section 7(7) TMA as a ground of opposition. Inexplicably, they did not do so. Section 7(7) TMA reads:

(7) ..... a trade mark shall not be registered if it **contains or consists of a geographical indication in respect of a wine** or spirit and the trade mark is used or intended to be used in relation to a wine or spirit not originating from the place indicated in the geographical indication.

(emphasis added)

***Decision on Section 7(5) TMA read with Sections 3(2)(a), 3(4) and 4 of the GIA***

40 The relevant statutory provisions were considered by the High Court in the *Scotch Whisky* case. However, this ground of opposition failed at the threshold as the court did not accept that "Tartan" is a geographical indication, or that the applicant had "used" the "Scotch Whisky" geographical indication<sup>16</sup>. Consequently, the issues which arise in the current case were not considered by the court.

41 As noted at [37] above, to succeed on this ground of opposition, two (2) elements which the Opponents need to establish are that:

- a the Application Mark "contains or consists" of the geographical indication "champagne"; and
- b the use of the Application Mark would mislead the public as to the geographical origin of the Applicant's wines.

42 In rejecting the ground of opposition under Section 7(4)(b) TMA, I have found that consumers who drink and purchase wines or sparkling wines are unlikely to be **deceived** into thinking that wines bearing the Application Mark originate from Champagne for the reasons set out at [29] - [31] above. It is arguable that the threshold to establish that the use of the Application Mark would **mislead** the public as to the geographical origin of the Applicant's wines under Section 3(2)(a) GIA is lower than that of "deception". Parties have not addressed me on this issue. However, it is not necessary for me to make a decision on the applicable threshold; even if I were to accept that a lower threshold would suffice, the matters set out at [29] - [31] would, in my view, lead ineluctably to the conclusion that the public would not be misled into thinking that the Applicant's wines originate from Champagne.

43 This is sufficient to dispose of the ground of opposition under Section 7(5) TMA read with Sections 3(2)(a), 3(4) and 4 of the GIA. But in case I am wrong, I now consider whether the Application Mark "contains or consists" of the geographical indication "champagne". This is an important issue since, if the Opponents are able to establish this, they would have been

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<sup>16</sup> See [34] - [45] of the judgment. It is not necessary for me to discuss these aspects as they do not arise in the present case.

able to succeed in an opposition under Section 7(5) TMA had they also relied on Section 3(2)(c), and/or raised Section 7(7) TMA as a ground of opposition. As noted above, these provisions do not require the Opponents to establish that the public would be misled into thinking that the Applicant's wines originate from Champagne.

44 It is not disputed that the Application Mark “contains or consists” of **CHAMPENG**. The Opponents submit that this is sufficient on the basis that **CHAMPENG** is similar to “champagne”, applying the well-known test in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another* [2014] 1 SLR 911 (“*Staywell*”)<sup>17</sup>.

45 On the other hand, the Applicant argues that “*Section 3(2)(a) and 3(4) GIA would only apply to the exact actual geographical indication in question and not to similar indicia*” (emphasis in original).<sup>18</sup>

46 Among other things, the Applicant points out that “*the legislature consciously made a decision to include the phrase “identical or similar” in Section 7(3) GIA, but not in Section 3(2)(a) GIA or Section 3(4) GIA*” (emphasis in original)<sup>19</sup> (see [35] above for the text of Section 7(3) GIA). On this point, the Opponents argue that since “*Section 7(3) of the GIA is meant to be an exception to the uses specified in Section 3 of the GIA... trademarks that are ‘identical or similar’ must thus necessarily fall within the scope of an action brought under Section 3 if it is to be excepted.*”<sup>20</sup> I think there is some merit in both arguments and ultimately Section 7(3) GIA does not help to cast light on how Section 3(2)(a) GIA should be interpreted.

47 Both parties were unable to locate any authorities on the interpretation of what is meant by the words “*a trade mark which contains or consists of the geographical indication in question*” within the meaning of Section 3(4) GIA, or of the almost identical words in Section 7(7) TMA. Does the trade mark in question need to be identical to the geographical indication in question? If not, how similar must the trade mark be to the geographical indication for it to fall within these provisions?

48 In the absence of any authorities, I approach this question on the basis of principle.

49 I note that to succeed in an opposition under Section 7(5) TMA read with Section 3(2)(c) and 3(4), or an opposition under Section 7(7) TMA, an opponent only needs to establish that the mark opposed “contains or consists of a geographical indication”.<sup>21</sup> There is no further requirement to establish that, for example, there exists a likelihood of confusion on the part of

<sup>17</sup> See Opponent's Written Submissions (“**OWS**”) at [16] - [46]. Very briefly, the test in *Staywell* entails a consideration of three aspects of similarity (i.e. visual, aural and conceptual similarities), leading to an overall conclusion as to whether the marks, when observed in their totality, are more similar or dissimilar: see [15] - [30] of the decision for a much more detailed analysis. In light of the decision which I have reached (as discussed below), I do not need to go into these details.

<sup>18</sup> See Applicant's Supplementary Written Submissions (“**ASWS**”) at [4] - [39]; the text quoted can be found in [15]. In the alternative, the Applicant argues that even if exact identity is not required, the provision should not be extended to prohibit the use of signs which just have some similarities to the geographical indication in question: see ASWS at [51] - [60].

<sup>19</sup> ASWS at [29].

<sup>20</sup> OSSR at [14].

<sup>21</sup> The mark must of course also be used on a wine which does not originate from the place indicated by the geographical indication. However, this is a given since there would otherwise be no reason for an opponent to object to the mark in the first place.

the public, which is necessary if an opposition was brought under Section 8(2)(b) TMA on the basis that a mark applied for is similar to an earlier trade mark.

50 A useful analogy can be made to the contrast between Section 8(1) and Section 8(2)(b) TMA. The relevant portions of these provisions read as follows:

8. – (1) A trade mark shall not be registered if it is **identical with an earlier trade mark** and the goods or services for which the trade mark is sought to be registered are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because –

.....

(b) it is **similar to an earlier trade mark** and is to be registered for goods or services identical with... those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public.

(emphasis added)

51 Section 8(1) TMA (cases of “double-identity”, where the marks are identical and the goods or services are identical) does not require a likelihood of confusion to be established. In contrast, where the marks are similar and the goods or services are identical, under Section 8(2)(b) TMA, it is necessary to additionally establish that there exists a likelihood of confusion on the part of the public.

52 In *SA Société LTJ Diffusion v Sadas Vertbaudet SA* [2003] FSR 34 (“*LTJ Diffusion*”), the European Court of Justice (ECJ)<sup>22</sup> had to rule on what it means for trade marks to be considered “identical”. The ECJ held, in material part, as follows:

[48] As regards Article 5(1)(b) of the directive<sup>23</sup>, the Court has already held that that provision is designed to apply only if, because of the identity or similarity between the signs and marks and between the goods or services which they designate, there exists a likelihood of confusion on the part of the public...

[49] On the other hand, Article 5(1)(a) of the directive<sup>24</sup> does not require evidence of such a likelihood in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services.

[50] The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects [...]

[51] There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.

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<sup>22</sup> Now known as the Court of Justice of the European Union.


<sup>23</sup> Which corresponds to Section 8(2)(b) TMA.

<sup>24</sup> Which corresponds to Section 8(1) TMA.

[53] Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by an average consumer.

[54] In those circumstances, the answer to the question referred must be that [...] a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.

53 *LTJ Diffusion* has been cited with approval in a number of local decisions including *Nation Fittings (M) Sdn Bhd v Oystertec plc and anor* [2006] 1 SLR(R) 712 (see [78] - [86]) and *Mitac International Corp v Singapore Telecommunications Ltd and another action* [2009] 4 SLR(R) 961 (“*Mitac*”) (see [92] - [96]).

54 To give an example of how the test for “identity” applies in practice, in *New Yorker S.H.K. Jeans GmbH & Co. KG v Daidoh Limited* [2017] SGIPOS 16<sup>25</sup>, my colleague found the marks  to be identical.

55 I am of the view that it would be appropriate to apply the same test to determine whether a trade mark “contains or consists of a geographical indication” within the meaning of Section 3(4) GIA and Section 7(7) TMA. This means that, to paraphrase *LTJ Diffusion*, the relevant component of the trade mark must: (a) reproduce, without any modification or addition, all the elements constituting the geographical indication; or (b) viewed as a whole, contain differences so insignificant that they may go unnoticed by an average consumer.

56 This would capture close misspellings of a geographical indication, where the spelling may be unfamiliar to the average consumer in Singapore (e.g. “Parmiggiano Reggiano” (with an extra “g” in “Parmigiano”) instead of “Parmigiano Reggiano”).

57 Further, I note that the protection extended to geographical indications for wines under Section 3(2)(c) GIA<sup>26</sup> is in fact more extensive than the protection for trade marks in “double-identity” situations under Section 8(1) TMA.

58 Firstly, the protection extended to geographical indications which identify wines covers situations where the “*geographical indication is used in translation*” (see Section 3(2)(c)(ii) GIA) or when the “*geographical indication is accompanied by any of the words ‘kind’, ‘type’, ‘style’, ‘imitation’ or any similar word or expression*” (see Section 3(2)(c)(iii) GIA).

59 In the present case, for example, protection would extend to “champagner” (the German translation) and “champansky” (the Russian translation).<sup>27</sup>

<sup>25</sup> The citations in [52] and [53] above were taken from this decision (at [19] and [20]).

<sup>26</sup> And also for spirits since the additional protection conferred on spirits under Section 3(2)(d) GIA is identical to the additional protection for wines under Section 3(2)(c) GIA.

<sup>27</sup> See the Opponents’ SD at [9] and page 321 respectively.

60 Secondly, the comparison under Section 8(1) TMA is mark for mark, whereas under Section 3(2)(c) GIA (and also Section 7(7) TMA), the comparison can be between a portion of the mark applied for and the geographical indication.

61 Thus, in the present case, the comparison is between “champagne” and **CHAMPENG**, and not between “champagne” and the Application Mark as a whole, i.e.



62 In my view, requiring “identity” (in the sense discussed above) between the relevant portion of the mark complained against and the geographical indication in question is eminently reasonable. Conversely, applying a test of “similarity” would lean too far in favour of protecting geographical indications.

63 Applying this test, it is clear that **CHAMPENG** is not “identical” to “champagne”. It follows that the Application Mark does not “contain or consist” of the “champagne” geographical indication.

64 For the reasons set out above, the ground of opposition under Section 7(5) TMA read with Sections 3(2)(a), 3(4) and 4 of the GIA fails.

### **Ground of Opposition under Section 8(7)(a) TMA – Passing Off**

65 Section 8(7)(a) TMA reads:

8(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade.

66 To succeed in a passing off action, the Opponents must prove three elements: (a) ownership of goodwill, (b) a misrepresentation by the Applicant leading to deception, and (c) damage: see *The Audience Motivation Company Asia Pte Ltd v AMC Live Group China* [2016] SGCA 25 at [80].

67 Goodwill, in the context of passing off, is concerned with goodwill in the business as a whole, and not specifically in its constituent elements. Evidence of sales and income are a “proxy for the attractive force of the business”: see *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading* [2016] 4 SLR 86 at [58]. It is not disputed that the Opponents enjoy the requisite goodwill.

68 As for misrepresentation, the comparison is to be made between “champagne” and the Application Mark as a whole, i.e.,

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69 By virtue of the matters set out at [29] - [31] in the discussion of the ground of opposition under Section 7(4)(b) TMA, I find that the use of the Application Mark would not result in any misrepresentation leading to deception.

70 It follows that the Opponents will also not suffer any damage arising from the use of the Application Mark.

71 The ground of opposition under Section 8(7)(a) TMA therefore fails.

## Ground of Opposition under s 7(6) TMA - Bad faith

72 Section 7(6) TMA provides that a trade mark “*shall not be registered if or to the extent that the application is made in bad faith*”.

### *The Legal Position*

73 The leading case in this area is the Court of Appeal’s decision in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”). It is helpful to summarise the applicable principles which are particularly pertinent in the present case:

- a “Bad faith” embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve ‘*no breach of any duty, obligation, prohibition or requirement that is legally binding*’ upon the applicant: *Valentino* at [28].
- b The test for determining bad faith is the combined test of bad faith which contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think). Thus, “bad faith” as a concept is context-dependent. In the final analysis, whether bad faith exists or not hinges on the specific factual matrix of each case: *Valentino* at [29].
- c Once a *prima facie* case of bad faith is made out by the opponent, the burden of disproving any element of bad faith on the part of the applicant would arise: *Valentino* at [36].
- d An allegation of bad faith is a serious claim to make and it must be sufficiently supported by the evidence, which will rarely be possible by a process of inference: *Valentino* at [30]. (As observed by Professor Ng-Loy Wee Loon in *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2<sup>nd</sup> Edition, 2014) (“*Ng-Loy Wee Loon*”) at [21.4.1], footnote 109, this is not an absolute prohibition against drawing inferences. In support of this observation, Professor

Ng-Loy cited the decision in *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 (“*Festina*”) at [115], where the High Court pointed out that a finding of bad faith was largely, if not invariably, based on circumstantial evidence.)

- e Once bad faith is established, the application for registration of a mark must be refused even though the mark would not cause any confusion: *Valentino* at [20].

74 It is helpful to look at the *Festina* case in greater detail. In that case, the appellant was the proprietor of trade marks which are variations of “FESTINA and device”. The appellant opposed the respondent’s application to register “J.ESTINA and device” as a trade mark. The court considered that the respondent’s brand story for the name “J.ESTINA” (the letter “J” was said to have been derived from “Jovanna” who was an Italian princess and Bulgarian queen) appeared to be extremely contrived. In any event, the alleged use of Princess Jovanna’s name did not explain how and why the meaningless word “ESTINA” came into being. The respondent’s failure to furnish a credible explanation in respect of the derivation of “ESTINA” was especially pertinent since six out of seven letters were identical in sequence between the two competing marks, which led to the irresistible conclusion that “ESTINA” was blatantly copied from “FESTINA”. The High Court held, at [122] - [124], that “[s]uch outright copying of the Appellant’s mark [was] an act that falls short of the acceptable commercial behaviour observed by reasonable and experienced men in the relevant trade” and that the respondent’s application was undoubtedly made in bad faith.

75 The court observed at [114] - [116]:

114 ... the numerous attempts in drawing the parameters of “bad faith” by various courts are vivid illustrations of the inherently abstract nature of this concept. The concept of bad faith is extremely wide in the sense that the courts can infer instances of bad faith and decide according to the justice of individual cases. Naturally, the court should also be cautious in not over-extending this concept lest it becomes a weapon of terror against competitors of trade mark proprietors.

115 The categorisation by *Bently & Sherman* ([38] *supra*) as seen above<sup>28</sup> hints that despite the broad nature of the notion of bad faith, one must show *some sort of nexus* between the parties in dispute. Otherwise, the notion of bad faith would have to be decided in vacuum. A clear-cut example of such a nexus would be an outright copying of the proprietor’s mark such that the two competing marks are practically identical. However, the nexus may be in the guise of something more subtle. In finding a nexus between the parties, a parallel may be drawn between ss 8(2)(b) and 7(6) [of the Act]. For example, there may be cases where although there is *some* similarity of marks or of the goods or services, it falls short of confusing similarity (*ie*, no likelihood of confusion) within the meaning of s 8(2)(b) [of the Act]. Nevertheless, the evidence of this similarity may be taken into account and considered against the background facts from which bad faith may be inferred. In other words, while the finding of bad faith is largely, if not invariably, based on circumstantial evidence, the party alleging bad faith needs to show some link between the parties, perhaps by way of a pre-existing relationship or some acts of association with the proprietor or some nexus between the two competing marks.

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<sup>28</sup> The authors noted that instances of “bad faith” can be placed into three categories: (1) no intention to use the mark; (2) abuse of relationship; and (3) where the applicant was aware that a third party had some sort of claim to the goodwill in the mark: see *Festina* at [103].



116 There may be a fine line between being inspired by another’s trade mark as opposed to blatant copying or copying with some modifications made to the mark. The former would not attract punitive measures whereas the latter would lead to the mark being rejected. Where the dividing line between “inspiration” and “infringement” should be drawn is a matter best left to the facts peculiar to any case.

76 One final point to note is that although the relevant time for determining whether there is bad faith is the time of filing the application for registration, in certain cases, the consideration of matters which occurred after the date of application may assist in determining the applicant’s state of mind at the date of registration: see, for example, *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* [2010] 2 SLR 109 at [91]. In that case, the defendant registered “EMPEROR MARTIN” as a trade mark. In actual use, the word “EMPEROR” was in much smaller font than the word “MARTIN”, which happened to be one of the plaintiff’s marks.

### ***Decision on Section 7(6) TMA***

77 Whether bad faith exists or not hinges on the specific factual matrix of each case (see discussion at [73(b)] and [75] above). I will look first at the derivation of the Application Mark as this would cast light on the subjective intention of the Applicant.

78 According to the Applicant, the main component of the Application Mark “CHAMPENGWINE” was formed by combining the prefix “CHAM” with the Applicant’s house mark “PENGWINE”. The choice of the prefix “CHAM” is an allusion to the method of production used to produce the sparkling wine sold under the Application Mark, viz, “methode champenoise”.<sup>29</sup>

79 I am unable to accept the Applicant’s explanation, as the evidence clearly establishes that “CHAMPENG” was indisputably selected because of its similarity to “champagne”. I say this for several reasons:

- a The Applicant undoubtedly knew about champagne, which is well-known to consumers of wine, much less a producer and retailer of wines such as the Applicant.
- b Apart from a bare assertion in the Applicant’s SD (at [48(c)(ii)]), there is no evidence at all that the choice of the prefix “CHAM” is an allusion to the method of production used to produce the sparkling wine sold under the Application Mark. Instead, as discussed below, the evidence points to “CHAMPENG” being selected due to its similarity to “champagne”.
- c According to the Applicant, the naming convention is for each of its PENGWINE-branded wines to be named after a different species of penguin

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<sup>29</sup> Counter-Statement at [24(c)], Applicant’s SD at [48(c)(ii)] and AWS at 120(c). Under this method, “*the wine undergoes a secondary fermentation inside the bottle, creating bubbles (as opposed to the ‘charmat’ method where the second fermentation takes place in a pressurised tank rather than in a bottle and the wine is then filtered under pressure and bottled).*”: see Applicant’s SD at [48(c)(ii)].

native to South America.<sup>30</sup> Clearly, using a prefix as an allusion to the method of production of a wine is not in line with this long-standing convention.

d “Methode champenoise” is recognised in the European Union as only to be used in reference to wines from the Champagne region in France.<sup>31</sup> The method of production for sparkling wines produced in the same way outside the Champagne region is usually described as “methode traditionnelle”<sup>32</sup>. Although I agree with the Applicant that the evidence indicates that the description “methode champenoise” is not proprietary to the Opponents in Singapore<sup>33</sup>, the fact remains that this description alludes to champagne.

e Interviews given by Mr Milliken, the Chief Executive Officer of the Applicant, confirm that the term “ChamPeng” was based on champagne:

i *Question: Which of PengWine’s offerings is your favourite?*

*Answer by Mr Milliken: I love our Chinstrap sparkling wine... Some customers have even given it a nickname – ChamPengWine!*<sup>34</sup>

ii *The wine will be named after the Chinstrap penguin – called as such due to the narrow black strip under its head. The strap resembles the wire cage that encases champagne corks.*<sup>35</sup>

80 Although the Application Mark (filed on 28 March 2017) includes the phrase “UNIQUE, BOUTIQUE, SPARKLING WINES OF CHILE”, this phrase does not appear when the Applicant actually uses the “ChamPengWine” mark on its sparkling wine.<sup>36</sup> In particular, it is not used in menus listing this wine (as “*Chinstrap ChamPengWine 2014*”)<sup>37</sup> or in the Applicant’s advertisements for its sparkling wine (advertised as “*CHAMPENGWINE CHINSTRAP*”)<sup>38</sup>. Other instances in the evidence showing use of “ChamPengWine” include: use of a Facebook handle “Champengwine” in a Facebook post by the Applicant dated 10 February 2018<sup>39</sup>, description of the Applicant’s range of wines as including “*our very own sparkling ChamPengWine*” in the Applicant’s write-up (dated 9 March 2019) of an event which it sponsored<sup>40</sup>, and reviews of the Applicant’s “*ChamPengWine Chinstrap*” in

<sup>30</sup> See [10] above.

<sup>31</sup> Opponents’ SD at [32].

<sup>32</sup> Opponents’ SD at pages 617-618.

<sup>33</sup> Applicant’s SD at [48(c)(iii)].

<sup>34</sup> Interview with Mr Milliken dated 14 February 2019 in *Robb Report (Singapore)*: see Applicant’s SD at page 354.

<sup>35</sup> Article in *The Edge Singapore* dated 17 October 2016, which was based on an interview with Mr Milliken: see Applicant’s SD at page 359.

<sup>36</sup> The only instance which I could locate of the Application Mark being depicted as filed is in a photograph (apparently taken during an event held on 18 August 2018) of Mr Milliken carrying a bottle of wine and standing beside a banner bearing the Application Mark: see Applicant’s SD at page 222.

<sup>37</sup> Applicant’s SD at pages 196 (set menu for dinner; undated), 415 (set menu for dinner included in publication dated 17 August 2019).

<sup>38</sup> Applicant’s SD at page 314 (advertisement in *Asian Journeys* (December - January 2018)).

<sup>39</sup> Applicant’s SD at page 79.

<sup>40</sup> Applicant’s SD at page 118. The event in question was the Garden Beats Festival 2019.

publications dated 10 August 2017<sup>41</sup> and 28 December 2018<sup>42</sup>. These uses occur after the filing date of the Application Mark, but can assist in determining the Applicant's state of mind when filing the application (see discussion at [76] above).

81 From the above, I readily conclude that the subjective element in the test for bad faith (i.e. what the Applicant in this case knows) is satisfied.

82 I move on to consider the objective element in the test for bad faith. Would the Applicant's dealings be considered to be commercially unacceptable by reasonable and experienced persons in a particular trade? What would ordinary persons adopting proper standards think? (See discussion at [73] above for the relevant legal propositions.)

83 I have found, in relation to the other grounds of opposition, that consumers would not be deceived or misled into thinking that wines bearing the Application Mark originate from Champagne in France. However, "bad faith" is a separate and distinct ground of opposition. Once bad faith is established, the application for registration of a mark must be refused even in the absence of deception, the public being misled or misrepresentation (see discussion at [73(e)] above).

84 From an objective standpoint, I find that reasonable and experienced men in the wine trade would take umbrage with the Appellant's dealings:

- a First, as noted in *Festina*, "*outright copying... [is] an act that falls short of the acceptable commercial behaviour observed by reasonable and experienced men in the relevant trade*" (see discussion at [74] above). For the reasons set out at [79] above, I have no doubt that the word "CHAMPENG" in the Application Mark was copied from the "champagne" geographical indication.
- b Secondly, I note from the evidence that no other sparkling wine sold online, in brick-and-mortar retail wine shops or supermarkets, or in restaurants and bars, have a name that is remotely similar to "champagne".<sup>43</sup>
- c Thirdly, it is illuminating that the Applicant's case theory is not that "CHAMPENG" in the Application Mark was inspired by "champagne" and is just a playful allusion with no intention to deceive or confuse consumers. Instead, its position (which I am unable to accept) is that "CHAMPENGWINE" in the Application Mark was derived by combining the method of production of the wines in question (i.e. "CHAM", which is allegedly an abridgment of "methode champenoise") and the Applicant's house mark "PENGWINE". The Applicant's representatives are themselves commercial men. If they thought it was acceptable to copy the "champagne" geographical indication, why was there a need to attempt to deny this by asserting a derivation of the mark that is not supported by the evidence?

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<sup>41</sup> Applicant's SD at pages 361-365. Incidentally, the wine is described as being produced by "*the Champagne method of double fermentation*" in this article.

<sup>42</sup> Applicant's SD at page 369.

<sup>43</sup> See Exhibits CM-11, CM-12, CM-13 and CM-14 of the Applicant's SD.

85 It follows that the Opponents have made out a *prima facie* case of bad faith. As the Applicant has not put forward any evidence to disprove this, the Opponents succeed on this ground of opposition.

### **Overall Conclusion**

86 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the opposition succeeds on the ground of bad faith under Section 7(6) TMA, but fails on the other three (3) grounds raised by the Opponents. The application shall therefore be refused.

### **Costs**

87 Under the Act, the Registrar has the discretion on the costs to be awarded. The basis under which this discretion will be exercised was considered in some detail in the Registrar's decision in *Ferrero S.P.A. v Dochirnie Pidpryiemstvo "Kondyterska Korporatsilia "Roshen"* [2015] SGIPOS 14 at [96] - [103].

88 Although the Opponents have only succeeded on one (1) out of four (4) grounds relied on, I find that it was reasonable for the Opponents to have raised the grounds on which they have failed. At the same time, most of the pleadings, evidence and submissions related to the grounds on which the Opponents have failed.

89 Overall, I am of the view that it is fair to award the Opponents 50% of their costs, to be taxed if not agreed.

Date of Issue: 9 September 2020