

Johnson & Johnson v Uni-Charm Kabushiki Kaisha (Uni-Charm Corp)
[2006] SGHC 241

Case Number : OS 657/2006
Decision Date : 27 December 2006
Tribunal/Court : High Court
Coram : Tan Lee Meng J
Counsel Name(s) : Dedar Singh Gill (Drew & Napier LLC) for the appellant; Patrick Yap (K L Tan & Associates) for the respondent
Parties : Johnson & Johnson — Uni-Charm Kabushiki Kaisha (Uni-Charm Corp)

Trade Marks and Trade Names – Passing off – Appellant registered owner of "Carefree" mark for "catamenial products, sanitary tampons, napkins and napkin belts for hygiene" – Whether use of respondent's "Careree" mark on "napkins and pads for wear by person prone to incontinence" calculated to deceive and cause confusion leading to respondent's goods being passed off as and mistaken for appellant's goods – Whether registration of respondent's mark should be refused – Section 8(4) Trade Marks Act (Cap 332, 1999 Rev Ed)

Trade Marks and Trade Names – Registration criteria – Conflicts with earlier marks – Appellant opposing registration of respondent's "Careree" mark – Whether "Careree" so nearly resembling appellant's prior registered "Carefree" mark that confusion and/or deception likely to arise – Section 8(2) Trade Marks Act (Cap 332, 1999 Rev Ed)

27 December 2006

Judgment reserved.

Tan Lee Meng J

1 The appellant, Johnson & Johnson ("Johnson"), an American company, opposed an application by the respondent, Uni-Charm Kabushiki Kaisha (Uni-Charm Corporation) ("Unicharm"), a Japanese company, to register the trademark "Careree" in Class 5 in respect of "napkins and pads for wear by person prone to incontinence" on the basis of its prior registration of the trademark "Carefree" for "catamenial products, sanitary tampons, napkins and napkin belts for hygiene" in Class 5 and that the use of "Careree" will amount to passing off. The Assistant Registrar of Trade Marks ("Assistant Registrar") dismissed Johnson's case and allowed Unicharm to proceed with the registration of its mark. Johnson appealed against her decision.

Background

2 Johnson's trade mark "Carefree" has been registered in Singapore and in several other countries. This mark has been extensively used elsewhere since 1965 and goods sold under the "Carefree" mark have been sold in Singapore for more than 15 years. In 2002, local sales of "Carefree" female hygiene products amounted to \$2.3m while advertising costs to promote "Carefree" products in Singapore amounted to \$528,000.00.

3 On 18 January 2000, Unicharm applied for the registration of its mark "Careree" in Class 5 under application number TOO/00698D. The application was advertised on 30 April 2002. On 30 August 2002, Johnson lodged a Notice of Opposition.

4 Johnson's grounds of opposition included the following:

- (i) Through long and extensive use, the Opponents' mark has secured valuable goodwill and

reputation in the marks. The "CAREFREE" marks have also become well-known to the trade and public and [are] distinctive of the Opponents' goods. The Applicants' application for "Careree" is so nearly resembling the Opponents' "CAREFREE" marks that confusion and/or deception are likely to arise. Registration of the Applicants' mark will be contrary to section 8(2) ... of the Trade Marks Act

(ii) The use by the Applicants of the "Careree" mark on the goods applied for is calculated to deceive and cause confusion and will lead to such goods being passed off to be mistaken for the Opponents' goods. The Applicants' mark should therefore be refused in the exercise of the Registrar's discretion under section 8(4) of the Trade Marks Act....

5 At the hearing of the Opposition on 26 October 2005, Johnson's counsel informed the Assistant Registrar that Johnson was only relying on s 8(2)(b) and s 8(4)(a) of the Trade Marks Act (Cap 332, Rev Ed, 1999) (the "Act"). The Assistant Registrar held that Johnson's opposition failed on both grounds.

Section 8(2)(b) of the Act

6 Johnson's first ground of opposition rests on section 8(2)(b) of the Act, which provides as follows:

A trade mark shall not be registered if because - ...

(b) it is similar to an earlier trademark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

7 What needs to be determined is whether "Careree" is similar to the earlier trademark, "Carefree", whether goods to be sold under the "Careree" mark are identical with or similar to those sold under the "Carefree" mark and whether there exists a likelihood of confusion on the part of the public.

8 For the purpose of determining whether two marks are similar, reference may be made to Pianotist Co's Application (1906) 23 RPC 774, where Parker J said:

You must take the two words. You must judge of them both by their look and by the sound. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration or rather you must refuse the registration in that case.

9 Whether there is a similarity of marks is essentially a question of fact. In so far as visual similarity is concerned, I agree with the Assistant Registrar that the two marks "Carefree" and "Careree" are visually similar. Both marks begin with the word "Care" and end with "ree", with only a missing "f" to distinguish the first mark from the second mark. In the context of multi-lingual Singapore, it is pertinent to note that as a general rule, it is assumed that non-English-speaking

audiences will pay little attention to verbal or textual, as opposed to visual references: see *Modus Vivendi v Keen (World Marketing)* [1996] EIPR D-82.

10 As for aural similarity, it is worth noting that in *Aristoc Ltd v Rysta Ltd* [1945] 62 RPC 72, Luxmore LJ said:

The answer as to the question whether the sound of one word resembles too nearly the sound of another ... must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused.

11 A person with an imperfect recollection of Johnson's mark, which is pronounced as two words "Care" and "free", may find that Unicharm's mark, which may be pronounced as two words "Care" and "ree" rather similar. Admittedly, Unicharm's mark may also be pronounced by some as three words, namely "Care", "re" and "ree". All the same, as Unicharm's mark may be pronounced as two words as well, I find that there is an aural similarity between the two marks. Moreover, it has been noted in many cases that the first syllable of a mark is most important as there is "a tendency of persons using the English language to slur the termination of words": see *London Lubricants* (1925) 42 RPC 264, 269.

12 As for whether there are conceptual differences between the two marks, Unicharm claims that "Carefree" is an ordinary English word whereas "Careree" is an invented word. It also asserted that "Carefree" denotes that the user of the goods under this mark would be carefree, that is without any care whereas its mark "Careree" refers to the care and concern which its goods have for the users. There is no rule that an invented word would necessarily be conceptually different from an earlier registered mark that is an ordinary English word. Admittedly, in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767, Neuberger J was of the view that the two marks "TY.PHOON" and "TYPHOON" were conceptually different but it cannot be overlooked that he had accepted that the two marks were not visually similar. In contrast, in the present case, the marks "Carefree" and "Careree" are rather similar. If all circumstances are taken into account, the argument that "Carefree" and "Careree" are conceptually different holds no water.

13 It is worth noting that in *Jordache Enterprises Inc v Millennium Pte Ltd* [1984-1985] SLR 566, the court held that the mark "Jordane" is similar to "Jordache". In *Mystery Drinks GmbH v OHIM* [2004] ETMR (18) 217, "Mystery" was refused registration for non-alcoholic drinks as the mark "Mixery" had already been registered for beer. In similar vein, the English High Court held "Viagra" and "Viagrene" to be similar. Other cases where marks have been held to be confusingly similar include "Pruriderm" and "Prioderm" (*Pruriderm Trade Mark* [1985] RPC 187) and "Eucerin" and "Euderm" (*Icart SA's Application* [2000] ETMR 180). There can be no doubt there is greater similarity between "Carefree" and "Careree" than any of the marks compared in these other cases.

14 The next question that arises concerns the similarity of the goods covered by the two marks. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 ("*British Sugar*"), Jacob J said that the facts relevant for the assessment of similarity of goods and services include:

- (a) the nature of the goods or services;
- (b) the end users of the goods or services;
- (c) the way in which the services are used;

(d) whether the respective goods or services are competitive or complementary, how those in the trade classify the goods and the trade channels through which the goods or services reach the market; and

(e) in the case of self-serve consumer items, whether in practice they are respectively found or likely to be found on the same or different shelves.

15 While Unicharm's goods concern "napkins and pads for wear by person prone to incontinence", Johnson's goods pertain to "catamenial products, sanitary tampons, napkins and napkin belts for hygiene". The word "hygiene" refers to the degree that people keep themselves or their surroundings clean to, among other things, prevent disease. As Unicharm's incontinence pads are also for purposes of hygiene in the genital area, it is arguable that they are similar to Johnson's "Carefree" products. However, the Assistant Registrar applied the *eiusdem generis* rule and held that the words "napkins and napkin belts for hygiene" with respect to Johnson's registered mark must be read as "*sanitary* napkins and sanitary napkin belts for hygiene". This is incorrect as the *eiusdem generis* rule is applicable only if, for instance, Johnson's specification had been "catamenial products *namely* sanitary tampons, napkins and napkin belts for hygiene".

16 The physical nature of sanitary napkins and napkins for incontinence are similar. Both contain absorbent fabrics, paper products and adhesives and both products are classified in the same category under the First Schedule of the Customs (Duties) Order (S1/96) the purposes of customs duty. The products are, to some extent, competitive, in that some people suffering from urinary incontinence may use sanitary napkins instead.

17 When considering similarity of goods under two marks, reference may be made to *Inadine Trade Mark* [1992] RPC 421. In this case, Johnson applied to register "Inadine" in Class 5 in respect of "wound dressings". The application was opposed by International Chemical Co Ltd, which had registered their marks "Anadin" and "Anadin Extra" in Class 5 for "analgesic preparations". Johnson argued that its products were different from "Anadin" because they were used in respect of wound dressings impregnated with an ointment which gave a sustained release of iodine to prevent infection of minor burns and skin injuries whereas "Anadin" was used in respect of analgesics in tablet and capsule form. Notwithstanding this, Aldous J held that, allowing for imperfect recollection and careless pronunciation, "Inadine" and "Anadine" were so close as to cause confusion when used on similar goods and as a wound dressing could have analgesic properties, goods defined by the words "wound dressings" are goods of the same description as analgesic preparations. As such, the applicant's specification of goods included goods for which the opponent's mark was registered and the opposition to the registration of "Inadine" succeeded. Considering that both "Carefree" and "Careree" concern hygiene products and both may be used to treat incontinence although the sanitary pad has limited use in this regard, it can be seen that Unicharm's application includes goods for which the "Carefree" mark was registered by Johnson.

18 As for the users of the products, the Assistant Registrar took the view that the users of the two products are different. She thought that those who buy Unicharm's goods are likely to be astute customers who know the products they require and the small group of persons who use sanitary napkins as incontinence pads know that sanitary pads are not meant to be used in the management of urinary continence. To what extent this is true is debateable. In any case, Jacob J's factors in *British Sugar* must not be regarded as requirements that must all be satisfied before the goods can be treated as similar. If all the circumstances are taken into account, the better view is that the goods are indeed similar and it is necessary to consider whether there is a likelihood of confusion as a result of the similarity.

19 Whether there is a likelihood of confusion if goods bearing both marks are on the market will next be considered. In *Polo/Lauren Co, LP v Shop-In Department Shoe Pte Ltd* [2006] 2 SLR 690 case, Chao Hick Tin JA observed that “the whole question of confusion [is] one of perception and whether there is a trade mark infringement is more “a matter of feel than science”. In my view, the public is likely to be confused if the respective goods are sold under the “Carefree” and “Careree” marks because of the similarity of the marks and the goods to which the marks are intended to be used on. It is also likely that the public will think that the defendant’s goods originate from the plaintiff by virtue of the earlier registered trade mark “Carefree”.

20 For reasons stated, Johnson’s appeal against the Principal Assistant Registrar’s decision with respect to the application of s 8(2)(b) of the Act is allowed.

Passing Off

21 Johnson’s assertion that Unicharm’s trade mark should not be registered because of s 8(4)(a) of the Act will next be considered. Section 8(4) provides that a trade mark shall not be registered if or to the extent that, its use in Singapore is liable to be prevented 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.

22 In *Perry v Truefitt* (1842) 6 Beav 66, 73, Lord Langdale MR explained the rationale for the passing off action in the following terms:

A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception, nor to use the means which contribute to that end. He cannot be allowed to use names, marks, letters or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person.

23 It is evident that Johnson need not establish that Unicharm intended to pass their goods off Johnson’s goods. In *Wild Child Trade Mark* [1988] RPC 455, 460, Geoffrey Hobbs QC helpfully noted as follows:

A helpful summary of the elements of an action for passing off can be found in *Halsbury’s Laws of England* (4th Edition) Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnick BV v J Townsend & Sons (Hull) Ltd* [1979] AC 731 is ... as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

24 In regard to goodwill, it must borne in mind that "Carefree" is a descriptive word and while it is possible for a descriptive word to become associated with goodwill, the courts are slow to allow anyone to claim a monopoly of descriptive words: see *Nippon Paint (Singapore) Co Pte Ltd v ICI Paints (Singapore) Pte Ltd* [2001] 1 SLR 1 and *Super Coffeemix Manufacturing Ltd v Unico Trading Pte Ltd and Another and Another Appeal* [2000] 3 SLR 145. All the same, in appropriate cases, the courts have held that descriptive words have taken on a "secondary meaning" or become "distinctive in fact". An example is, "Mothercare", which is synonymous with the company that sells clothes for pregnant women and young children. In the present case, I agree with the Assistant Registrar that Johnson has goodwill in Singapore for its products under the "Carefree" mark. In para 63 of her Grounds of Decision, she explained as follows:

T]he Opponents have used the mark on panty liners in Singapore from 1995. The Opponents' sales figures for goods bearing the "CAREFREE" mark were ... SGD2million in ...2000. Considering that the unit cost per item of the goods sold under the "CAREFREE" mark is not high, the sales figures are quite substantial. The Opponents have also expended a lot of money in advertising and promotion costs from as early as 1994. Advertisement costs on the average amounted to more than half a million dollars per annum. It is patently clear from the evidence that the Opponents have acquired goodwill and reputation in Singapore for their "CAREFREE" mark in respect the goods of the Opponents' registration.

25 As for the second element in a passing off action, what the courts are concerned with is the effect of the defendant's conduct on the public rather than the defendant's state of mind. It follows that there can be misrepresentation even if it was made innocently. In *Wagamama v City Centre Restaurants* [1995] FSL 713, where the claimant ran a chain of Japanese restaurants named "Wagamama". Laddie J held that the defendants, who operated "Rajamama", a chain of Indian restaurants, were liable for passing off. Admittedly, each case must depend on its own facts but as "Carefree" is, for reasons already stated, very similar to "Careree" and both these brands are concerned with hygiene products, it is easier to conclude that there is misrepresentation.

26 As for the final requirement of a passing off action, namely damage to Johnson, there can be no doubt that it will suffer some loss if "Careree" goods are allowed to be sold in the market. Some trade and profit will be diverted to Unicharm if the public are confused about the origin of the goods.

27 In view of the aforesaid, I hold that Johnson also succeeds in its Opposition to Unicharm's application to register the "Careree" mark on the basis of s 8(4)(a) of the Act.

Costs

28 Johnson is entitled to the costs of the appeal and the hearing below.