

TECHNICAL DISTINCTIVENESS AND THE STEP-BY-STEP APPROACH

In the practice of Singapore’s trade mark law, “technical distinctiveness” is currently a fashionable term. But despite its clear origins and meaning, its significance within the analytical frameworks for comparing trade marks is not easily discernible. Some of these difficulties may be attributable to a continuing struggle with the conceptual clarity of the so-called “step-by-step approach” to comparison of trade marks. This discussion will examine how “technical distinctiveness” is used in the cases and, in doing so, will propose some areas in which the conceptual clarity of the law could be improved.

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I. Introduction

1 Words, terms, and phrases go in and out of fashion. This is particularly true in the legal industry.

2 In the practice of Singapore’s trade mark law, “technical distinctiveness” is currently a fashionable term. Its introduction was recent, and it is not found in the Trade Marks Act.² It originated in the England and Wales Court of Appeal decision in *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc*³ (“BUD”), and was imported into Singapore law in the landmark case of *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc*⁴ (“Staywell”). Since its introduction, technical distinctiveness has established itself in the vocabulary of the Registry and the courts as shorthand for the ability of a trade mark to function as a badge of origin.⁵

1 The views expressed in this article are those of the author alone and do not necessarily represent the views of the Intellectual Property Office of Singapore or its subsidiaries. The author wishes to thank Prof Ng-Loy Wee Loon and Prof David Llewelyn for their invaluable comments on the drafts of this article.

2 Cap 332, 2005 Rev Ed. This point was observed by the High Court in *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd* [2015] 5 SLR 618 at [75].

3 [2002] EWCA Civ 1534. It should be noted that this was a case about non-use revocation rather than opposition, invalidation, or infringement.

4 [2014] 1 SLR 911.

5 The Court of Appeal regarded itself as articulating an existing concept. In *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] (cont’d on the next page)

3 Despite its clear origins and meaning, the significance of technical distinctiveness within the analytical frameworks for comparing trade marks is not easily discernible. There are a number of factors which could potentially contribute to a mark's technical distinctiveness. The Registry and courts have variously rejected or included these factors depending on context. The effects of having (or not having) technical distinctiveness also vary.

4 Some of these difficulties are likely attributable to a continuing struggle with the conceptual clarity of the so-called “three-step” or “step-by-step approach” to comparison of trade marks.⁶ For instance, a few decisions talk of “maintaining” that conceptual clarity in order to justify drawing excluding or including matters when considering a mark's technical distinctiveness in a particular context.

5 This discussion will examine how “technical distinctiveness” is used in the cases. In doing so, it will hopefully shed some light on some issues that have arisen in applying the “step-by-step approach”. In particular, it will suggest that the marks-similarity assessment should be carried out in the abstract – that is, without reference to the nature of the actual goods or services claimed in the applications, and without reference to any acquired distinctiveness, both of which ought to be considered at the likelihood-of-confusion stage. It will also suggest that technical distinctiveness is relevant to the assessment of whether variations of a mark in actual use differ in distinctive character from the registered mark for the purposes of non-use revocation.

II. Technical, inherent, and acquired distinctiveness

6 As mentioned above,⁷ the origins of the term “technical distinctiveness” lie in a passage from the England and Wales Court of Appeal decision in *BUD*. Lord Walker said as follows:⁸

1 SLR 911 at [25], the court said that “[t]echnical distinctiveness is an integral factor in the marks-similarity inquiry”. For this proposition, they referred to *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2013] 1 SLR 531, *Ozone Community Corp v Advance Magazine Publishers Inc* [2010] 2 SLR 459 and *Polo/Lauren Co LP v United States Polo Association* [2002] 1 SLR(R) 129. But importantly, none of these citations actually contains the term “technical distinctiveness”.

6 See *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 and *The Polo/Lauren Co LP v Shop in Department Store Pte Ltd* [2006] 2 SLR(R) 690.

7 See para 2 above.

8 *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534 at [39].

It is not necessary to go far into the authorities on trade mark law to see that the term ‘distinctive’ is used with two different shades of meaning. Sometimes it has its normal, non-technical meaning, with a flavour of that which is unusual (or stands out in a crowd) and is therefore easy to recognise and to remember. Sometimes it is used in a more technical sense, in contrast to ‘descriptive’ ... Purely descriptive or laudatory words, however striking and memorable, cannot normally be distinctive in this sense ... But they may in some circumstances acquire distinctiveness ... Moreover descriptive words can be made distinctive through ... a ‘capricious addition.’

7 All indications suggest that Lord Walker’s “technical sense” was just an illustration of existing principles in his own words. He observed that the points he was making were “uncontroversial”, even “pedestrian”. They were used merely to “show what is the right approach” to the language of s 46(2) of the UK Trade Marks Act 1994⁹ (use in a form differing in elements that do not alter the distinctive character of a mark).¹⁰ He did not mention the distinction again throughout the judgment. Neither the above passage or the term “technical distinctiveness” appear to have been mentioned in subsequent decisions of the UK courts or those of other Commonwealth countries.¹¹

8 In Singapore, technical distinctiveness was first discussed in the context of identifying the dominant and distinctive elements of a mark.¹² Elaborating on Lord Walker’s insights, Sundaresh Menon CJ said in *Staywell* that “technical distinctiveness” refers to distinctiveness in the sense used by trademark lawyers, namely, the ability of a mark to distinguish the goods or services of one particular trader from those of another.

9 But he also said that it “usually” stands in contradistinction with descriptive words.¹³ This is interesting because it marks a slight departure from the Lord Walker definition. It suggests that the term “technical” distinctiveness may not *always* simply be shorthand for “non-descriptive”.

10 This leaves it open for technical distinctiveness to take into account those elements of a mark that are less likely to be considered

9 c 26.

10 *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534 at [40].

11 Based on searches of publicly available legal databases for the terms “technical distinctiveness”, “technically distinctive”, and “technical sense”. A passing reference to distinctiveness in a “non-technical” sense can be found in *BP Amoco plc v John Kelly Ltd* [2000] NICH 18 at [32].

12 See para 34 below.

13 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [24].

as badges of origin because they are common or immaterial, despite the fact that their inability to distinguish goods or services of one trader does not arise because of an extraneous factor like the nature of the goods or services in the application. Other than non-descriptiveness, the factors that contribute to the ability of a mark to distinguish goods or services for present purposes can generally be gleaned from s 7(1) of the Singapore Trade Marks Act. A mark may not be “technically” distinctive where it is a generic term, a simple shape, comprises other matters that would not readily be understood as an indicator of origin by ordinary consumers, or for any other reason it falls foul of that section.

11 The term “technical distinctiveness” is related to, but distinct from, another term that is not found in the Singapore Trade Marks Act: “inherent distinctiveness”. The latter is also used somewhat loosely,¹⁴ but it is generally understood to refer to the ability of a mark or component of a mark to function as a badge of origin *without the need to educate the public that it is one* (the focus of the enquiry usually being on the emphasised part).¹⁵ Inherent distinctiveness may, in some circumstances, require consideration of the character and nature of the mark in the context of the goods or services for which registration is sought,¹⁶ but again it has a broader meaning.

12 Inherent distinctiveness is used in contradistinction to “acquired” distinctiveness. “Acquired distinctiveness” refers to a mark or element of a mark which was originally devoid of distinctive character, but has since acquired distinctiveness through use. In other words, if a mark is not inherently distinctive, and it has not acquired distinctiveness through use, then it does not (yet) possess distinctive character.

III. Lack of consistency *inter se*

13 All of the above terms are likely to be familiar ground for Singapore’s intellectual property (“IP”) practitioners. But despite the relative ease with which the terms can be defined, it becomes quickly apparent from the cases that the usage of the terms “technical”, “inherent”, and “acquired” distinctiveness has not always been consistent *inter se*.

14 See *Han’s (F & B) Pte Ltd v Gusttimo World Pte Ltd* [2015] 2 SLR 825 at [81].

15 See, eg, Ng-Loy Wee Loon, “Trade Marks, Language and Culture: The Concept of Distinctiveness and *Publici Juris*” [2009] Sing JLS 508.

16 *Han’s (F & B) Pte Ltd v Gusttimo World Pte Ltd* [2015] 2 SLR 825 at [81].

14 First, in *Staywell*, “technical” distinctiveness was used in conjunction with, but also independently from, “inherent” distinctiveness:¹⁷

While the components of a mark may be *inherently technically distinctive*, ultimately the ability of the mark to function as a strong badge of origin must be assessed by looking at the mark as a whole. Conversely, the components of a mark may not be *inherently distinctive*, but the sum of its parts may have sufficient *technical distinctiveness*. [emphasis added]

15 The court’s logic is undoubtedly sound, but it is respectfully submitted that the form in which it has been expressed has the potential to cause confusion. There is no obvious reason that the words “technical” and “inherent” should be omitted from (respectively) the second and third highlighted instances above.

16 A neater explanation was provided by the learned IP adjudicator in *The Polo/Lauren Co, LP v United States Polo Association*¹⁸ (“*Polo (2015)*”). It would suggest that “inherent” and “acquired” distinctiveness are sub-sets of the broader concept of “technical” distinctiveness:¹⁹

... ‘Technical distinctiveness’ refers to the capacity of a mark to function as a badge of origin. This capacity can be inherent (‘inherent distinctiveness’) where, for example, the mark is meaningless in the context of the goods or services of the application. This capacity can also be acquired (‘acquired distinctiveness’) as a result of long and extensive usage of the mark by its proprietor ...

17 Another formulation was proposed in *Caesarstone Sdot-Yam Ltd v Ceramiche Caesar SpA*²⁰ (“*Caesarstone*”). In that case, the High Court regarded the term “technical distinctiveness” as synonymous with, or equivalent to, inherent distinctiveness:²¹

A newly invented word which has no meaning will carry a high degree of technical (*or what is sometimes called inherent*) distinctiveness when it is used as a trade mark. [emphasis added]

18 The relationship between the terms then came full circle back to Lord Walker’s original version in *Monster Energy Co v Glamco Co, Ltd*.²² In that decision of the High Court, technical distinctiveness again

17 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [25].

18 [2015] SGIPOS 10.

19 *The Polo/Lauren Co, LP v United States Polo Association* [2015] SGIPOS 10 at [60(a)].

20 [2016] 2 SLR 1129 (HC); [2017] 2 SLR 308 (CA).

21 *Caesarstone Sdot-Yam Ltd v Caesarstone Ceramiche Caesar SpA* [2016] 2 SLR 1129 at [26].

22 [2018] SGHC 238. At the date of writing this decision is pending appeal.

specifically had to do with whether the words comprising the mark are descriptive. Chan Seng Onn J said:²³

Technical distinctiveness is defined as ‘the capacity of a mark to operate as a badge of origin’, as opposed to merely being a description of the goods or services. This technical distinctiveness can be inherent, usually where the words comprising the mark are meaningless and can say nothing about the goods or services; or acquired, where words that do have a meaning and might well say something about the goods or services, yet come to acquire the capacity to act as a badge of origin through long-standing or widespread use: *Staywell* ... at [24]. [emphasis added]

19 The differences between these usages may seem trivial, and taken in context, there is nothing that really suggests that the Registry or the courts intended for their definitions to differ in any material way. But since the Registry and the courts have concluded that technical distinctiveness is relevant to the assessment of the similarity of two allegedly competing marks, and the likelihood of confusion between them, it would be better for these terms to be used consistently. A clear guide would not only help practitioners to formulate coherent arguments but would also assist the decision-makers to determine what considerations are relevant and what considerations are not.

IV. The step-by-step approach

20 The “three-step” or “step-by-step” approach to the comparison of two trade marks was first applied in the context of s 27 of the Singapore Trade Marks Act (infringement) in *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* (“*Polo (2006)*”).²⁴ It has been developed and refined over the years – most significantly in *Staywell*. It is also routinely applied in respect of s 8 (relative grounds for refusal of registration), with necessary changes to its content to encompass the concept of notional fair use.

21 As the name implies, there are three steps to the test. Importantly, the threshold for each step must be crossed before moving to consider the next.

23 *Monster Energy Co v Glamco Co, Ltd* [2018] SGHC 238 at [47].

24 [2006] 2 SLR(R) 690. The approach was said to have been applied in *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281, but no exact reference was given. The court may have been referring to Jacob J’s discussion of the recital to First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks, where he said (at 295) that “[t]he question of similarity is separated in the recital from the question of confusion”.

22 The first step is to consider the similarity of the marks themselves, having regard to their overall impression, and taking into account their visual, aural and conceptual components. This is the “marks-similarity” assessment.

23 The second step is to consider the issues of similarity of the goods or services used or claimed. This is the “goods-similarity” or “services-similarity” assessment.

24 The third step is to consider the likelihood of confusion having regard to extraneous factors that would likely affect the consumer’s perception of the source of the goods or services. This is the “likelihood of confusion” assessment.

25 The intended effect of dividing the assessment into three progressive steps is that “the issue of resemblance between the competing marks is distinct from the question of the effect of such resemblance”.²⁵ This point – which has been reiterated in many other landmark cases, such as *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd*²⁶ and *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA*²⁷ (“Sarika”) – seems now to be trite law: the marks-similarity assessment should be carried out *without reference to extraneous factors*. It is the likelihood of confusion stage where a limited number of extraneous factors may be relevant.

26 In light of this approach, it will be obvious that if the term “technical distinctiveness” is found in more than one limb of the test (which of course it is), its meaning will depend on that context.

27 Before moving on to consider this, there is a further point that ought to be kept in mind when considering the cases. Due to harmonisation of the laws of the European Union’s (“EU’s”) internal market, the UK stopped applying the “step-by-step approach” in favour of the “global appreciation” test expounded by the European Court of Justice in cases like *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*²⁸ and *Sabel BV v Puma AG*.²⁹ That development makes it tricky to map decisions from the UK (post-1994) and EU to the analytical framework

25 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [20].

26 [2013] 2 SLR 941 at [40].

27 [2013] 1 SLR 531 at [16].

28 Case C-39/97 [1999] ETMR 1.

29 Case C-251/95 [1998] ETMR 1. See Stavroula Karapapa & Luke McDonagh, *Intellectual Property Law* (Oxford University Press, 1st Ed, 2019) at p 281 and *Specsavers International Healthcare Ltd v ASDA Stores Ltd* [2012] FSR (19) 555 at 574.

in Singapore. It is possible that at least some of the difficulties with the “step-by-step” approach have been introduced as a result of overlooking the significance of the differences between these two tests.³⁰

V. Marks-similarity assessment

28 Technical distinctiveness is relevant to the marks-similarity assessment in two ways.

29 The first of these considers each mark in isolation, without reference to the other. The courts have noted that consumers tend not to have perfect recollections of trademarks. As a result, the decision-maker is, for the purposes of assessment, required to consider whether the marks in question have any features which are dominant, and which may, therefore, stick in the mind of the consumer more than others. The court in *Staywell* suggested that the degree of technical distinctiveness would feed into the question of whether a component or feature is dominant “in the non-technical sense”:³¹

Where a particular element or component has a high degree of technical distinctiveness, this can have a bearing on whether as a result of this, that component or element is found to be the dominant and distinctive element of the mark in the non-technical sense.

30 The second is a relative test involving a comparison of the marks with the results from the first test. The courts have consistently held that where a mark or a component is “highly technically distinctive”, a lesser degree of similarity is required before a competing mark is found to be similar.³²

30 The “three-step approach” is also notably different from the ones taken in other commonwealth countries, such as Hong Kong (the “global appreciation test”) and Australia (in respect of the “deceptive similarity” test): see, eg, *TWG Tea Co Pte Ltd v Tsit Wing (Hong Kong) Co Ltd* [2016] HKCFA 2 at [66]–[77]; Government of the Hong Kong Special Administrative Region, Intellectual Property Department, *Trade Marks Registry Work Manual*, Relative Grounds for Refusal (7 October 2016) at p7; Intellectual Property Australia, *Trade Marks Office Manual of Practice and Procedure*, “Part 26: Section 44 and Regulation 4.15A – Conflict with other Signs” (effective 1 March 2019) ch 6 <http://manuals.ipaustralia.gov.au/trademarks/Part_26_Conflict_with_other_Signs_-_Section_44/6_Factors_to_consider_when_comparing_trade_marks.htm> (accessed 26 April 2019). Accordingly, jurisprudence from other Commonwealth countries also needs to be carefully considered before it can be applied here.

31 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [28].

32 See *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [25].

31 The court did not provide general guidance on exactly how technical distinctiveness should have a bearing on these assessments. Subsequent decision-makers have elaborated on the relevant factors when considering technical distinctiveness in the context of the marks-similarity assessment, but have not always been consistent.

A. *The intended goods or services*

32 Until *Caesarstone*, it was not clear whether the nature of the intended goods or services claimed in the application was relevant at the marks-similarity stage.

33 In *Staywell*, the Court of Appeal excluded from consideration at the marks-similarity stage the “relative weight and importance” of the similarities between the marks, having regard to the goods or services. This was properly the purview of the likelihood of confusion assessment:³³

... the assessment of marks similarity is mark-for-mark without consideration of any external matter ... This means that at the marks similarity stage *this even extends to not considering the relative weight and importance of each aspect of similarity having regard to the goods.* [emphasis in original omitted; other emphasis added]

34 A few paragraphs later, the court said that it was entitled at the marks-similarity stage to consider the dominant components of each mark, and that technical distinctiveness (which was usually the opposite of descriptiveness) was an integral part of assessing the dominance of any particular component.

35 Applying these principles to the facts, the court said:³⁴

Staywell’s argument that any distinctiveness of the Opponent’s mark lay in ‘St. Regis’ as a whole rather than in ‘Regis’ overlooked the permissibility of examining the distinctive components of the competing marks in both the technical and nontechnical senses. *At least in relation to hotels and hospitality services*, ‘Regis’ enjoys a substantial degree of technical distinctiveness. In relation to both the competing marks ‘Regis’ is the element that is distinctive in the non-technical sense because it is what will stand out in the imperfect recollection of the consumer. The Judge was therefore entitled to find this the common dominant element of both marks in assessing the question of whether the competing marks as a whole were similar. The Judge found on this basis that the marks were aurally similar and we agree. [emphasis added]

33 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [20].

34 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [31].

36 The above comments in *Staywell* do not answer the question of whether it was appropriate to consider the actual goods and services in the application or merely the abstract possibility of the words being descriptive. It may well be that the court took into account the nature of the goods and services, but the fact is that neither “St.” nor “Regis” are descriptive words for anything in the context of hotel services. The court’s observations about the lack of descriptiveness do not add anything to the analysis.

37 The possibility of a word being descriptive without considering the actual goods or services in the application was found to be relevant in *Han’s (F & B) Pte Ltd v Gusttino World Pte Ltd*³⁵ (“Han’s”). In that case, the court took into account the fact that the words “Cuisine of Naniwa” had a “descriptive connotation” in the context of their use in the “HAN” mark.

38 The court considered the approach in the European Court of Justice case, *Oyster Cosmetics SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*,³⁶ where the court thought it was necessary to consider whether the “other word and figurative elements were negligible [to the relevant] public” such that the analysis could proceed simply on a comparison of the non-negligible parts.³⁷ Applying that logic, the court concluded that the words “Cuisine of Naniwa” would connote something descriptive in nature to the average consumer, but that “the phrase would, nonetheless, have affected [consumer] perception” of the mark, even if a consumer would not necessarily recall the phrase itself.³⁸

39 In contrast, in *Caesarstone*, the Court of Appeal did take into account the nature of the intended goods at the marks-similarity stage. This was for the purposes of identifying the dominant and distinctive components of the marks.

40 *Caesarstone* concerned the similarity of the stylised word “caesar”, and a device plus the stylised word “caesarstone”. The court concluded that the word “caesar” was the dominant component in both marks. In particular, this was because the goods claimed included “stone building materials”, for which the word “stone” is obviously descriptive:³⁹

35 *Han’s (F & B) Pte Ltd v Gusttino World Pte Ltd* [2015] 2 SLR 825 at [81].

36 Case T-437/09 [2011] ETMR 26.

37 *Oyster Cosmetics SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-437/09) [2011] ETMR 26 at [37].

38 *Han’s (F & B) Pte Ltd v Gusttino World Pte Ltd* [2015] 2 SLR 825 at [119].

39 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [41].

... [T]he public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark (*Honda Motor Europe Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-363/06) [2009] ETMR 34 at [39]) and, for this reason, we do not think that the presence of such a descriptive element can fairly be regarded as being effective to displace similarity.

41 The court then rejected the respondent's contention that the word "stone" served to *sufficiently and substantially* distinguish its mark from the allegedly conflicting mark. The only reason given was that "stone" was descriptive.⁴⁰

42 *Caesarstone's* reliance on *Honda Motor Europe Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*⁴¹ ("*Honda Motor*") is interesting. In *Honda Motor*, it is arguable that the European Court of Justice was making a slightly different to the point for which it was cited. *Honda Motor* concerned a comparison between the stylised word "seat" and the plain word mark "MAGIC SEAT" for car seats. The European Court of Justice said that the word "magic" would likely not be considered by the relevant public (Spanish consumers) as the distinctive and dominant element of the latter mark because it was similar to the Spanish word "mágico".⁴² So, when the European Court of Justice was talking about descriptive elements, it was referring in *the abstract* to a laudatory word, and not to a word associated with the products in question ("seat" having no meaning in Spanish). In other words, much like *Han's*, the European Court of Justice did not consider the goods for which the mark was to be registered.

43 That being said, the cases referred to in *Honda Motor* itself are much less clear about whether they are considering the "descriptive connotation" of the words or the actual descriptiveness of those words. In *José Alejandro, SL v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*,⁴³ the court thought that "man" would likely be perceived as descriptive of a quality of "clothing, footwear, and headgear", that is, that the goods would be designed for men.⁴⁴ In *New Look Ltd v Office for Harmonisation in the Internal Market (Trade Marks*

40 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [41].

41 [2009] ETMR 34.

42 *Honda Motor Europe Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-363/06) [2009] ETMR 34 at [16].

43 Case T-129/01 [2003] ECR II-2251.

44 *José Alejandro, SL v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-129/01) [2003] ECR II-2251 at [53].

and Designs),⁴⁵ the court thought that the words “sport”, “jeans”, “active”, and “collection” (all of which were prefixed with the letters “NL”) would be perceived as descriptive of the goods for which registration was sought by at least English- and French-speaking consumers. Accordingly, the distinctive and dominant element of all the marks was “NL”.⁴⁶

44 The possibility that there could be a discrepancy between *Caesarstone* and *Staywell* was recognised by the learned IP adjudicator in *Beats Electronics, LLC v LG Electronics Inc*⁴⁷ (“*Beats*”). Referring to *Staywell*, he concluded that the “technical distinctiveness of the two marks must be considered *in the abstract* at [the marks-similarity] stage, *ie* without reference to the actual goods/services at issue” [emphasis added].⁴⁸

45 The issue came around again in *Mixi, Inc v Monster Energy Co*⁴⁹ (“*Mixi*”), where the assistant registrar tried to reconcile *Staywell* with *Caesarstone*. He noted the passage from *Staywell* quoted above, where the court had taken the view that “[a]t least in relation to hotels and hospitality services, ‘Regis’ enjoys a substantial degree of technical distinctiveness”.⁵⁰ This, in his view, indicated that “technical distinctiveness (in the marks-similarity assessment) is not necessarily confined to technical distinctiveness in the abstract”.⁵¹

46 The upshot of the above is that it is unsafe to rely on *Staywell* as authority for either inclusion or exclusion of the nature of the goods as a relevant consideration in the context of the marks-similarity assessment. Given that there may be a discrepancy between *Staywell* and *Caesarstone*, it seems that the issue remains live. It is regrettable that the appeal from the Registry’s decision in *Beats* – which could have given the High Court the opportunity to consider the issue head-on – did not proceed.

47 If it had, for the reasons set out below,⁵² it is hoped that the court would have affirmed *Beats* and rejected consideration of the nature of the goods or services from the marks-similarity stage.

45 Joined Cases T-117/03 to T-119/03 and T-171/03 [2004] ECR II-3471.

46 *New Look Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Joined Cases T-117/03 to T-119/03 and T-171/03) [2004] ECR II-3471 at [35].

47 [2016] SGIPOS 8.

48 *Beats Electronics, LLC v LG Electronics Inc* [2016] SGIPOS 8 at [22].

49 [2017] SGIPOS 12.

50 See para 35 above.

51 *Mixi, Inc v Monster Energy Co* [2017] SGIPOS 12 at [35].

52 See paras 68–70 below.

B. *Acquired distinctiveness*

48 So far, only “inherent” technical distinctiveness has been considered in the context of the marks-similarity assessment. Does the law also take into account “acquired” (technical) distinctiveness at the marks-similarity stage?

49 *Sarika* would suggest that it does.⁵³ In *Sarika*, the court observed, albeit in passing, that:⁵⁴

The question of whether a sign and a mark are similar will often be dependant [sic] on the inherent or acquired distinctiveness of the trade mark. [emphasis added]

50 In *Polo/Lauren Co LP v United States Polo Association*⁵⁵ (“*Polo (2016)*”), the plaintiff submitted that its mark had acquired (technical) distinctiveness. The plaintiff’s argument was understood by the court to be that its mark enjoyed a greater degree of distinctiveness, and therefore that the court should be more hesitant to decide that the competing mark was dissimilar.⁵⁶ The court, while observing that taking acquired distinctiveness into account at the marks-similarity stage “appears to be at odds” with *Staywell*, was prepared nonetheless to consider the plaintiff’s argument.⁵⁷

51 However, acquired distinctiveness was not specifically at issue in *Sarika*, and in *Polo (2016)* the parties did not join issue on the point. Later cases have (rightly) cast doubt on whether acquired distinctiveness has a role in the marks-similarity assessment.

52 For instance, in *Adidas International Marketing BV v Lutong Enterprise Corp* (“*Adidas*”)⁵⁸ and *The Polo/Lauren Co, LP v Royal County of Berkshire Polo Club Ltd* (“*Polo (2017)*”),⁵⁹ both principal assistant registrars thought that the question of whether evidence of acquired distinctiveness was relevant in the mark-similarity assessment was still unresolved.⁶⁰ In *Polo (2017)*, the principal assistant registrar pointed out that, in *Caesarstone*, the Registry’s decision took into account the acquired

53 *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 at [16].

54 *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 at [19].

55 [2016] 2 SLR 667.

56 *Polo/Lauren Co LP v United States Polo Association* [2016] 2 SLR 667 at [26].

57 *Polo/Lauren Co LP v United States Polo Association* [2016] 2 SLR 667 at [29].

58 [2018] SGIPOS 12.

59 [2017] SGIPOS 19.

60 *Adidas International Marketing BV v Lutong Enterprise Corp* [2018] SGIPOS 12 at [31]; *Polo/Lauren Co LP v United States Polo Association* [2016] 2 SLR 667 at [47].

distinctiveness of the mark, whereas the court's decision on appeal only made reference to inherent distinctiveness.

53 Ultimately, in *Polo (2017)*, the principal assistant registrar declined to decide whether acquired distinctiveness was relevant at the marks-similarity stage of assessment, merely noting that, even if it did, the facts of the case before her fell short of meeting the threshold required for acquired distinctiveness.

54 In *BenQ Materials Corp v Clarins Fragrance Group*⁶¹ (“*Clarins*”), the assistant registrar again noted that the law was unclear, and suggested that acquired distinctiveness should only be relevant at the likelihood of confusion stage:⁶²

In both *Staywell* and *Caesarstone*, the Court of Appeal did not consider evidence of alleged acquired distinctiveness at the marks-similarity stage. Instead, the focus in each case was on which, if any, were the distinctive and dominant elements of the competing marks. *Whether intentional or not, the advantage of such an approach is that it preserves the conceptual clarity of the step-by-step test. It allows the first stage to be focussed on the crucial question of whether the competing marks are similar, instead of being side tracked by the additional question of whether the earlier mark enjoys sufficient acquired distinctiveness so as to have an impact on the marks-similarity enquiry.* This is not to say that evidence of acquired distinctiveness through use is irrelevant. It is not. Rather, as with reputation, it can be considered at the likelihood of confusion stage. [emphasis added]

55 The assistant registrar's logic is eminently sensible. Acquired distinctiveness is relevant in assessing the validity of a trademark application, and by analogy, in determining in cases of passing off whether goodwill is established. There would, for lack of a better phrase, be little conceptual clarity in “double-counting” the evidence of use in order to assess similarity or misrepresentation as well as whether there is a likelihood of confusion. If the mark has acquired distinctiveness through use, all that is left at the marks-similarity stage is to consider the inherent technical distinctiveness and non-technical distinctiveness of the elements.

C. Consumer knowledge

56 Some criticism has been levelled at *Beats* for its approach to the marks-similarity test. The argument is that marks-similarity will always to some extent depend on consumer perception, and that by

61 [2018] SGIPOS 2.

62 *BenQ Materials Corp v Clarins Fragrance Group* [2018] SGIPOS 2 at [25].

disregarding extraneous factors completely, the test becomes removed from commercial reality. As succinctly put by Alban Kang and Gene Kwek:⁶³

... [I]t is artificial to circumscribe the marks-similarity assessment in this way. If we accept the principle that there is a link between distinctiveness and marks-similarity, we should allow the full measure of distinctiveness – which includes factual/acquired distinctiveness along with well-knownness [*sic*] – to be relevant towards the issue of marks-similarity. Fame and distinctiveness are, after all, entwined. Distinctiveness has to do with recognition of a mark as a source identifier; it harks back to the fundamental purpose of a trademark to enable a consumer to recognise goods as being from one trader rather than another. And recognition is also integral to fame.

57 One problem with Kang and Kwek’s objection is that it conflates evidence of acquired distinctiveness, evidence of a mark being well known, and general background knowledge.

58 This distinction was hinted at in *NBA Properties, Inc v Monster Energy Co*⁶⁴ (“NBA”), a decision issued just seven months after *Clarins*, though the decision ultimately skirts around the root of the issue. In that case, the parties disagreed as to whether the public’s awareness of the words in the mark, and their reputation, was relevant at the marks-similarity stage. The learned IP adjudicator, Dr Burton Ong, thought that:⁶⁵

...[H]ow the average consumer *understands* what he sees ... must necessarily depend on *what he knows*. ... To consciously ignore [the] context would entail the adoption of a highly contrived, and artificially blinkered, approach towards [the] mark-similarity assessment that is incompatible with the commercial realities within which the trade mark regime operates. [emphasis in original]

59 Regrettably, the learned IP adjudicator declined to decide whether the mark in question was widely known. This was on the basis that there was “no need” to do so, though he did not explain why. Instead, the “context” upon which he relied was the abstract knowledge possessed by a Singapore consumer, without an assessment of their specific knowledge of the mark under examination. As a result, the learned IP adjudicator’s discussion of whether “consumer knowledge” constituted an “external matter” is, for our purposes, *obiter*.⁶⁶ It is submitted that it should not.

63 Alban Kang & Gene Kwek, “Stepping to Different Beats: How the ‘Step-by-step’ Test Led to Different Outcomes for Apple’s ‘Beats’ Trademark in Singapore and Australia” *Who’s Who Legal* (24 July 2018).

64 [2018] SGIPOS 16.

65 *NBA Properties, Inc v Monster Energy Co* [2018] SGIPOS 16 at [46].

66 *NBA Properties, Inc v Monster Energy Co* [2018] SGIPOS 16 at [47].

60 A final point that is perhaps worth noting is that we have so far only been talking about use of acquired distinctiveness in applying the *threshold* for similarity. Something that does not seem to have been fully explored is whether acquired distinctiveness ought to be relevant in the assessment of which elements of a mark are *dominant* (if any). It is at least conceivable that if an element of a mark is not inherently distinctive, over time it may acquire distinctiveness such that it is elevated in importance in respect of the overall impression of the mark as a whole.

D. The way marks are actually used

61 Whether or not acquired distinctiveness or consumer knowledge are relevant to the mark-similarity assessment, it is clear that the way in which the marks are actually used by their respective proprietors is *not* a relevant consideration.

62 In *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd*,⁶⁷ the High Court was asked to take into account the way that the earlier trade marks were used in practice in order to support an argument that two or more earlier registered marks could, based on that use, be considered as a composite for the purposes of the marks-similarity assessment.

63 *McDonald's Corp v Future Enterprises Pte Ltd*⁶⁸ (“*McDonald's*”) and *Polo (2006)* were cited in support of the proposition that it was permissible to do so. The “Mc-” marks in the former case were apparently always used along with the “golden arches” logo, even though the arches didn’t form part of the registered marks. The court took this into account when considering the similarity of the marks. In the latter, the Court of Appeal noted that the word “polo” was never used on its own, and took this into account again at the marks-similarity stage of assessment.

64 The High Court found that the cases cited did not stand for the proposition that actual use would be relevant to the marks-similarity assessment under the current trademark regime.⁶⁹ *McDonald's* merely stood for the proposition that actual use may be relevant in assessing the likelihood of deception or confusion under s 15 of the old Trade Marks Act.⁷⁰ In *Polo (2006)*, the court examined evidence of actual use to

67 [2015] 5 SLR 618.

68 [2005] 1 SLR(R) 177.

69 See *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd* [2015] 5 SLR 618 at [55] and [70].

70 Cap 332, 1992 Rev Ed.

ascertain whether “polo” was part of a family of marks; it did not suggest that actual use was relevant to a comparison of the marks themselves.

VI. Likelihood of confusion

65 Some aspects of inherent technical distinctiveness and acquired distinctiveness⁷¹ are certainly relevant to the likelihood of confusion assessment, both for the purposes of ss 8 and 27 of the Singapore Trade Marks Act.

A. *Nature of the goods or services*

66 In *Staywell*, the court cited *Polo (2006)* to support its contention that both the “degree of similarity of the marks themselves” and “the reputation of the marks” are factors relevant to the impact of the similarity of the marks on the public’s perception (a permissible extraneous factor for the purposes of the likelihood of confusion enquiry).⁷²

67 Notably absent from the *Staywell* list of relevant factors relating to the impact of the marks-similarity assessment on consumer perception is the nature of the goods or services. This absence becomes apparent when comparing with the European Court of Justice’s decision in *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*⁷³ (“*Lloyd Schuhfabrik*”). There, the court was discussing whether a mark was “highly distinctive”, and thus enjoyed a higher threshold before a competing mark could be found dissimilar. The European Court of Justice said:⁷⁴

In making [the] assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations. [emphasis added]

71 The terms are not symmetrical. There is no such thing as “acquired non-technical distinctiveness”; there is only “acquired distinctiveness”.

72 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [96].

73 Case C-342/97 [1999] ECR I-03819.

74 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97) [1999] ECR I-03819 at [23].

68 The *Lloyd Shuhfabrik* approach (taking the nature of the goods or services into account at the likelihood of confusion stage) may actually be preferable to the *Staywell* approach.

69 First, it would provide a solution to the problems identified by *Beats* and *Clarins* while maintaining the conceptual clarity that was considered important in *Mixi*.

70 Second, it would allow the similarity of marks to be assessed in the abstract, while providing further conceptual clarity by locating contextual matters within the likelihood of confusion assessment. After all, trade mark confusion depends on consumer perception.

71 In order to avoid double-counting, the nature of the goods or services should not also be taken into account at the marks-similarity stage. In any event, given the difficulties highlighted above,⁷⁵ it is suggested that carrying out the marks-similarity test in the abstract may actually be preferable in the interests of clarity.

B. Inherent versus acquired distinctiveness

72 Though it depends on the facts,⁷⁶ it is sometimes the case that the greater the reputation of a mark, the less needs to be changed in a potentially competing mark in order to avoid a likelihood of confusion.⁷⁷ This idea has been applied in cases like *McDonald's*, where the fame of the allegedly conflicting mark acted against it, with the effect that the threshold for confusing similarity was thereby raised.⁷⁸

73 At the same time, as observed above, the courts have repeatedly held that where a mark or a component is “highly technically distinctive”, a lesser degree of similarity is required before a competing mark is found to be similar at the marks-similarity stage.⁷⁹

75 See paras 28–64 above.

76 *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd* [2015] SGHC 216 at [125].

77 See, eg, David Llewelyn, “Trade Mark Dilution in Singapore: The Aftermath of *McDonald's v MacTea*” (2005) 3 AIPJ 138.

78 It is not clear whether the court thought that the McDonald's logo was highly inherently distinctive, but it is probably safe to say that it does not suffer from a lack of inherent technical distinctiveness.

79 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [25].

74 Though these two axioms are found in different limbs of the step-by-step approach, there still seems to be a bit of cognitive dissonance here. Assuming the term “technical distinctiveness” includes “acquired distinctiveness”,⁸⁰ then it is possible for the effects of reputation to have two contradictory effects on the comparison exercise, that is, by increasing it on the one hand, and lowering it on the other.

75 One way of restoring conceptual clarity would be to accept⁸¹ that acquired distinctiveness is not relevant at the marks-similarity stage. Then there would be a system where the marks-similarity stage *only* takes into account the *inherent* technical distinctiveness of the mark or its components, whereas the likelihood of confusion stage considers *only* the *acquired* distinctiveness of the mark. Once that is done, there would be no problem in concluding that the greater the *inherent* technical distinctiveness, the lower the threshold for similarity, whereas the greater the *acquired* distinctiveness, the lower the threshold for confusion. These two tests could then co-exist in a clearly defined and useful manner. For instance, one strategy to overcome a case alleging confusion with a highly (inherently) distinctive mark would be to lead evidence as to the extent of the public’s awareness of it.

VII. Non-use revocation

76 Moving away from ss 8 and 27 of the Singapore Trade Marks Act and coming full circle, it will be recalled that the concept of “technical distinctiveness” was coined in an English Court of Appeal case about non-use revocation.⁸²

77 That case concerned trade marks which were patently not descriptive and did not carry a descriptive connotation. Since there was simply no need to decide that point, it is not clear whether the court considered technical distinctiveness relevant to the test for non-use revocation.⁸³

78 In Singapore, s 22(1) of the Trade Marks Act provides, amongst other things, for the revocation of a registration if the registered mark is

80 See paras 13–19 above.

81 See para 7 above.

82 See para 6 above.

83 Accordingly, *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534 at [44] discusses only non-technical distinctiveness, *ie*, those parts of the mark which make it “striking or memorable”.

not put to use. The purpose of this provision is to protect the efficiency of the registration system.⁸⁴

79 Yet, s 22(2) allows for some room for variation between the form actually used and the form registered:

22. (2) For the purposes of subsection (1), *use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered*, and use in Singapore includes applying the trade mark to goods or to materials for the labelling or packaging of goods in Singapore solely for export purposes. [emphasis added]

80 The starting point for any analysis under s 22(2) must naturally be: What comprises the “distinctive character” of the registered mark?

81 In *Pâtissier LLP v Aalst Chocolate Pte Ltd*,⁸⁵ the learned IP adjudicator, Dr Burton Ong, took the view that “distinctive character” in the above section refers only to *non-technical* distinctiveness.

82 This proposition was “distilled” from UK case law dealing with the UK equivalent to s 22 of the Singapore Trade Marks Act, namely s 46 of the UK Trade Marks Act 1994.⁸⁶ “Brewed” might be a better choice of word, though, since the only UK case considered in detail was *BUD*. As mentioned above, that case appears to have approached the issue of distinctive character in a non-technical sense, but possibly only because the trade mark at issue in that case was clearly non-descriptive. *BUD* also refers to the “global appreciation” test,⁸⁷ which for the reasons mentioned above may not correlate well with Singapore jurisprudence since *Staywell*.

83 More fundamentally, it is not immediately clear why technical distinctiveness should not be relevant when considering the distinctive character of a mark. No reason is offered by the learned IP adjudicator, and for authority he refers only to the following excerpt from Ng-Loy’s monogram:⁸⁸

The ‘distinctive character’ of the registered trade mark in this context does not have the same meaning as ‘distinctive character’ as a registration criterion. The latter refers to the capacity (inherent or acquired) of the mark to function as a trade mark to denote the origin of the goods or services in question.

84 *Laboratoire de la Mer Trade Marks* [2002] FSR (51) 790 at 796; David Keeling *et al*, *Kerly’s Law of Trade Marks and Trade Names* (Sweet & Maxwell, 16th Ed, 2017) at para 12-127.

85 [2019] SGIPOS 6.

86 *Pâtissier LLP v Aalst Chocolate Pte Ltd* [2019] SGIPOS 6 at [51].

87 *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534 at [45].

88 Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2nd Ed, 2014) at para 25.3.8.

84 The paragraph cited by the IP adjudicator is, in fact, truncated. In context, it does not appear to offer support for the view that only non-technical distinctiveness should be relevant in a revocation matter. The sentence immediately following the above passage says:⁸⁹

For the purposes of s 22(2), ‘distinctive character’ of the registered trade mark refers to the ‘essential feature’ of the trade mark.

85 It may be that the above passage was omitted because the learned IP adjudicator had taken issue with the “essential feature” test as applied in the pre-*Staywell* case of *Bluestar Exchange (Singapore) Pte Ltd v Teoh Keng Long*.⁹⁰ The court in that case took quite a wide view of genuine use for the purposes of non-use revocation. It is clear that the learned IP adjudicator wished to substitute the older test for a test which more accurately reflects the current legislative language and judicial approach.⁹¹

86 No doubt, ensuring that judicial terminology and approach coincide with statutory wording is often desirable. But the deprecation of the “essential feature” test is no explanation for why technical distinctiveness should also be irrelevant.

87 According to *Staywell*, an inquiry into non-technical distinctiveness will entail consideration of the dominant and distinctive elements of a mark, and technical distinctiveness informs that analysis.⁹² That is not incompatible with a holistic determination of the distinctive character of a mark after considering the altered elements. To the contrary, it will be recalled that the court in *Staywell* expressly stated that marks should be compared as wholes and should not be artificially dissected.⁹³

88 There is, on the other hand, good reason to include technical distinctiveness in the distinctive character test under s 22(2).

89 The function of s 22(2) is to forgive the trade mark owner small changes in the form of the mark. What changes can be forgiven must depend on the function of the trade mark registration system: to permit traders to register marks which identify their goods or services. The connection between mark and goods or services must necessarily

89 Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2nd Ed, 2014) at para 25.3.8.

90 [2003] 4 SLR(R) 92.

91 *Pâtissier LLP v Aalst Chocolate Pte Ltd* [2019] SGIPOS 6 at [51].

92 See para 29 above.

93 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [16]–[18].

depend on consumers' perception of the trade mark,⁹⁴ which according to *Staywell* must in turn depend on the extent to which the mark is technically distinctive.

90 Accordingly, even if the “essential feature” test is undesirable because it does not accurately reflect the legislative language, there does not seem to be a good reason to exclude technical distinctiveness from consideration in cases of non-use revocation.

VIII. Conclusion

91 This discussion has tried to outline the various factors which may contribute to a mark's technical distinctiveness, and to show how decision-makers have treated these matters when applying some of the statutory tests under the Trade Marks Act.

92 This discussion has also highlighted a few issues with the “step-by-step approach” – principally, that it has prompted the Registry and the courts to make some questionable decisions in the interest of maintaining conceptual clarity. This has led to some degree of confusion, or least to a situation in which the law has (in Lord Walker's words) “made the issue rather more complicated than it is”.

93 There are some ways in which the law might be made more coherent. First, it has been suggested that the marks-similarity assessment should be carried out without reference to the nature of the actual goods or services claimed in the applications, and without reference to any acquired distinctiveness, both of which should be considered at the likelihood of confusion stage. Second, it has been suggested that technical distinctiveness should be relevant to the assessment of whether variations of a mark in actual use differ in distinctive character from the registered mark for the purposes of non-use revocation.

94 See, eg, *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA 24; David Keeling *et al*, *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 16th Ed, 2017) at paras 21-100–21-102.