TRADEMARK INFRINGEMENT UNDER THE 1994 UK TRADEMARKS ACT IN THE SINGAPORE CONTEXT

The 1994 Trademarks Act came into force in the United Kingdom (UK) on 31 October 1994. The general view of commentators on the Act appears to be that it has introduced some fundamental changes to the trademark laws of the UK[1]. As the previous UK trademarks law (under the 1938 Trademarks Act) forms much of the basis of the current trademarks law of Singapore, and as Singapore embarks on a reform of its trademarks law[2], many of the issues and changes which have come about in the UK as a result of the 1994 Act will naturally be of interest to Singapore lawyers. This article aims to examine one particular aspect of UK trademarks law that has seen a significant statutory change, *viz.*, the question of infringement, and hopes to place the issues raised by the new law on this aspect into the Singapore context by considering the effects of these changes. It is hoped that the analysis will be helpful in considering the question whether or not Singapore law ought to follow the same course as UK law.

It ought to be noted at the outset that the new UK law is the result of the Government's implementation of the 1988 European Directive to approximate the trademark laws of the member states of the EU[3]. As such, the new law not only contains provisions that deal with "ultra-national" trademark registrations (such as the Community Trademark[4] and trademarks registered under the Madrid Protocol relating to the International Registration of Marks[5]), but it also contains language which

1 For comments and analysis on the new law, see C Morcom, *A Guide to the Trademarks Act 1994* (Butterworths, 1994); Alison Firth, *Trademarks: the New Law* (Jordans Publishing Limited, 1995); Annaud & Norman, *Blackstone's Guide to the Trademarks Act 1994* (Blackstones Publishing, 1994); W Cornish, *Intellectual Property* (Sweet & Maxwell, 3rd ed, 1996).

2 In order to comply with her obligations under the TRIPs Agreement, any updates necessary to Singapore's intellectual property laws should be made by 1 January 2000. To date, besides the new Patents Act 1994 (and its subsequent amendments), a new Copyright (Amendment) Act has just been passed (in February 1998). This writer expects that changes to the existing 1992 Trademarks Act as well as to the current industrial design regime (as contained in the United Kingdom's Registered Designs Act 1949 (as amended by the 1988 Copyright, Designs & Patents Act in the UK) and the United Kingdom Designs Protection Act (cap 339) are likely to be forthcoming. In addition, legislation dealing with semi-conductor chips protection may be under consideration.

3 Council Directive 89/104/EEC: OJ L40 11.2.1989.

4 The Community Trademark Regulation was adopted on 20 December 1993: see Council Directive 40/94/EEC: OJ L11 14.1.1994.

5 The Madrid Agreement concerning the International Registration of Marks has been in existence since 1894 and has been amended several times since then. The Madrid Protocol was adopted on 27 June 1989; the United Kingdom is a member of the Protocol.

reflects, and in some instances replicates, the language of the Directive itself. The traditional common lawyer going from the previous 1938 Act to reading the UK Act may thus encounter somewhat unfamiliar language and usages. This difficulty has already surfaced in some of the case law on the new Act[6].

Background to trademarks infringement: the old law

Under the old UK law as represented by the 1938 Trademarks Act, the basic infringement section was section 4(1)(a) and (b). This provision is *in pari materia* with section 45(1)(a) and (b) of the Singapore Trademarks Act[7]. Under these provisions, a registered proprietor was given "the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered". This general recital of the scope of the trademark monopoly was then immediately followed by these words:

> "… without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor ... uses in the course of trade a mark identical with or nearly resembling it in relation to any goods or services in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either ... (a) as being use as a trademark ... or ... (b) as importing a reference to [the proprietor or his goods or services]."

The structure and layout of section 45(1) created at least two issues: (i) the relationship between the first part (dealing with the general monopoly) and the second part of the subsection (the "deeming" provisions); and (ii) the scope of section 45(1)(b), in particular, the meaning of the phrase "importing a reference".

Issue (i)

The complex wording of section 45(1), in particular, having the general statement on exclusive rights followed by a recital of certain acts deemed to be infringing acts in section 45(1)(a) and (b) raises the possibility that these latter two subsections merely illustrate specific acts which would constitute an incursion into the plaintiff-proprietor's exclusive rights. However, certain of a defendant's acts would still infringe the rights of the plaintiff's, if these acts fell within the general part of section 45(1)

6 See e.g., *Wagamama* v *City Centre Restaurants* [1995] FSR 713, *Barclays Bank plc* v *RBS Advanta* [1996] RPC 307, *Vodafone Group plc* v *Orange Personal Communications Services Ltd* [1997] FSR 34 & *British Sugar* v *James Robertson* [1996] RPC 281.

7 Cap 332, Singapore Statutes (1992).

instead of the specific "deeming" provisions. This question was raised in *Bismag* v *Amblins*[8], an early case on comparative advertising. In this case, although it was found that the defendant's acts "imported a reference" to the plaintiff's goods and hence fell within the specific deeming provision of section 45(1)(b), the Court of Appeal took the opportunity to remark that the effect of the subsection, as a whole, was rather unclear[9]. As such, if the deeming provisions were merely specific instances of infringement such that it may still be possible to infringe a trademark by way of the general words, these deeming provisions would be rendered otiose if a plaintiff need only rely on the fact that the defendant's acts constituted infringement under the general provisions.

In *Chanel* v *L'Arome UK Limited*[10], it was again held that the defendant had "imported a reference" within the ambit of section 4(1)(b) by using the plaintiff's trademark in a chart given out to the defendant's distributors that was considered an advertising circular[11]. The trial judge also remarked that if his finding on section 4(1)(b) was wrong, the defendants would not have infringed the general words of section 4(1) either. However, given the ruling on section 4(1)(b), this statement was not significant, and the appeal from this decision proceeded on the basis of section 4(1)(b) only.

At least one commentator has considered that the general words which open section 4(1) can give rise to a "basic right" which is not necessarily limited by the requirements of the deeming provisions[12]. For example, infringement under either (a) or (b) requires the defendant's use to be in the course of trade; under the "basic right", there is no such express requirement. It may then be that a defendant can infringe the "basic right" even where he has not used the trademark in the course of trade: he simply has to "use [it] in relation to the goods or services in respect of which [it] is registered"[13]. However, it should be noted that the phrase in the general words of section 45(1), *viz.*, the proprietor's "exclusive right to the use of the trademark", is generally taken to mean use for the purpose of indicating a connection in the course of trade between the

8 (1940) 57 RPC 209.

9 Mackinnon LJ famously said the section was one of "fulginous obscurity": *ibid*, at 237.

10 This citation refers to the first-instance decision reported in [1991] RPC 335. The appeal is reported as *Chanel Limited* v *Triton Packaging Limited* at [1993] RPC 32. However, the appeal was argued on the basis of section 4(1)(b); the Court of Appeal therefore did not consider the general words of section 4(1).

11 Being another requirement in section 4(1)(b); the same is required in section 45(1)(b).

12 See D Bainbridge, *Intellectual Property* (Pitman Publishing, 2nd ed, 1994) at 416.

13 *Ibid.* However, Bainbridge concedes that it is very unlikely that use for which a plaintiff might sue would not be in the course of trade.

goods or services, and the proprietor[14]. If so, it would be difficult to claim that a defendant's non-trade use would impinge upon the general "basic right", even in the absence of a specific requirement of user in the course of trade.

This issue may be viewed as academic rather than one of practical significance[15], especially since it is difficult to think of situations where a court would be satisfied to find infringement based only on the general words as they appear in the opening part of section 45(1). In contrast, the deeming provisions in (a) and (b) which follow offer a good deal more guidance; as such, these deeming provisions clearly demarcate the scope of the proprietor's trademark monopoly. It follows that finding infringement based only on the general words of section 45(1) could mean the scope of the trademark monopoly is hence fairly wide.

Issue (ii)

On the other, separate issue of importing a reference under section 45(l)(b), the line of English cases which have wrestled with the scope and meaning of this phrase will no doubt be familiar to Singapore trademark practitioners[16]. It may thus suffice, for the purposes of this article, to give a summary of the position in Singapore under section 45(l)(b), which, as the wording is similar, is likely to be the UK position under the 1938 law (section 4(1)(b)). Essentially, even non-trademark use can fall within the ambit of section 45(1)(b), *i.e.*, this subsection deals with cases where the defendant's use is not as a badge of origin[17]. Such non-trademark use will still be caught if the defendant's use of an identical mark (or one that is confusingly similar to the plaintiff's) is in the course of trade, is without the plaintiff's permission, is used in relation to any goods or services in respect of which the plaintiff has registered his mark[18], and is used in any of the ways specified in section 45(1)(b) to "import a reference" either to the plaintiff or his goods or services. An obvious example of importing a reference would include using the plaintiff's trademark to refer to the plaintiff's goods in comparative advertising. Such a practice would constitute an actionable infringement under this subsection.

14 See, *e.g.*, *Irving's Yeast-Vite Limited* v *F A Horsenail* (1934) 51 RPC 110, *News Group Newspapers* v *Rocket Records Ltd* [1981] FSR 89.

15 There appears, however, to be at least one case which may have succeeded on the general words of section 4(1) alone: see *Ind Coope* v *Paine* [1983] RPC 326.

16 See, e.g., the cases of *Irving's Yeast-Vite*, *supra* n 14, *Bismag* v *Amblins*, *supra* n 8, *Chanel Limited* v *Triton Packaging Limited*, *supra* n 10.

17 Where it is used as a badge of origin, it would then constitute use for purposes of section 4(1)(a).

18 These few elements are also required in a case of trademark use under section 4(1)(a).

It is clear that section 45(1)(b) goes beyond the "classic" type of trademark infringement which is covered by section 45(1)(a), where the plaintiff sued if the defendant uses the same or similar trademark to indicate, or rather, confuse the public as to, the origin of the goods in question. This "new" and extended form of trademark infringement was recognised as such in the line of cases beginning with *Bismag* v *Amblins*. There need be no likelihood of confusion on the part of the public; and indeed, this is unlikely to exist in comparative advertising, where the defendant is going to be at some pains to distinguish his goods or services from those of the plaintiffs. In this type of situation, he/she is also likely to use the plaintiff's actual trademark rather than adopt one that is merely similar, as he/she would want the public to know it is the plaintiff's goods or services to which he/she is referring. Interpreting the scope of section 45(1)(b) in such a way thus clearly widens the trademark monopoly; there would be few instances where a defendant's use of an identical trademark would not fall within this subsection, unless such use is considered not to be use "in a trademark sense", e.g., a reference to the plaintiff's business[19], or a mere descriptive use[20]. These limitations on the trademark monopoly can be justified as the exclusive right granted by registration is to use the registered trademark to indicate a trade connection between the goods or services marked, and the proprietor of the mark. This can be said to be the primary purpose of the registered trademark system: to indicate the origin of goods. However, trademarks are increasingly said to also possess other important functions, including acting as a guarantee of quality and as a vehicle for advertising[21]. Under the old UK law (and existing Singapore law), however, with a few exceptions such as section 4(1)(b) (which, as we have seen, seems to restrict rather than encourage comparative advertising), the main emphasis appears to have been the accepted function of a trademark as a badge of origin.

The new UK law: section 10 of the 1994 Trademarks Act

The few difficulties with the old provisions on infringement may appear to have been discarded with the new UK Act, under sections 9 & 10. Section 9(1) states that the proprietor of a trademark "has exclusive rights in the trademark which are infringed by the use of the trademark in the United Kingdom without his consent." The section then goes on to state that "[t]he acts amounting to infringement, if done without the consent of the proprietor, are specified in section 10." At this juncture, several points can be made about section 9.

19 *Pompadour Laboratories Ltd* v *Frazer* [1966] RPC 7, *News Group Newspapers* v *Mirror Group Newspapers (1986) Ltd* [1989] FSR 126.

20 *Mothercare UK Ltd* v *Penguin Books* [1988] RPC 113, *Mars GB Ltd* v *Cadbury Ltd* [1987] RPC 387.

21 See, *e.g.*, Firth, *supra* n 1, chapter 1.

First, it would seem to eradicate the old problem with the "fulginous obscurity" of the previous section 4(1). Section 9(1), while beginning with a general recital similar to the opening words of the old section 4(1), proceeds immediately to declare that infringing acts are those laid down in section 10. There is no trace of the deeming mechanism of old.

Secondly, following from the above, it is likely that any analysis of the effects of the new infringement provisions would focus on section 10 rather than section 9. In fact, one judge has expressed the view that section 9 acts as no more than a "chatty introduction to the details set out in section 10[22]."

Before looking at the substantive grounds for infringement under section 10, mention should first be made of the concept of "use" under the 1994 Act. In section 103(2), use of a trademark is expressly defined to include use "otherwise than by means of a graphic representation". This clearly means that the new UK trademarks law has extended the concept of use from purely visual use, as is still required under the Singapore Act[23]. In relation to a defendant's use for the purposes of infringement, section 10(4) states that such use will include where the defendant,

> "in particular ... (a) affixes it to goods of the packaging thereof;
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> (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes ...; or
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> (c) imports or exports goods under the sign; or
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> (d) uses the sign on business papers or in advertising,"[24]

Some general points on section 10 should also be noted. First, the defendant's use must be one that is "in the course of trade". This is stated in sections 10(1), (2) and (3) which list the infringing acts. Making this requirement clear thus does away with one of the problems which beset the old law, already mentioned, as to whether or not it was possible to infringe the proprietor's exclusive rights where the defendant's use is not one that is in the course of trade.

22 *Per* Jacob J in *British Sugar* v *James Robertson & Sons* [1996] RPC 281.

23 See section 2(2)(a), Trademarks Act, Singapore. It should also be noted that the class of registrable trademarks has also been extended by the new UK law to include any "sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings": see section 1(1) of the 1994 Act. See also the texts cited *supra* n 1, for a fuller discussion of the regislrability question.

24 Section 10(5) then deals with a situation where a person applies a registered trademark to material that is to be used for section 10(4) purposes; such a person is treated as being parly to any infringing use if at the time of application he possessed the requisite knowledge (actual or constructive) that such use was not authorised by the proprietor.

Secondly, each subsection is clearly intended to deal with different types of infringing activity. Thus, section 10(1) deals with "classic" trademark infringement (of using an identical mark on identical goods and services); section 10(2) with infringement where there is a likelihood of confusion caused either by using an identical mark (in relation to similar goods or services since identical goods and services are already dealt with under section 10(1)) or a similar mark (either in relation to identical or similar goods). Section 10(3) deals with using an identical or similar mark in relation to dissimilar goods: in such a case, no likelihood of confusion is necessary but the plaintiff's mark must have a "reputation in the UK" and the defendant's use must additionally (*inter alia*) take advantage of the plaintiff's mark. Finally, section 10(6) serves first as a "finishing" section which expressly permits the use of a trademark to identify the actual origin of goods or services; however, such permission is restricted and does not extend to cases where the defendant's use is contrary to "honest practices in industrial or commercial matters" and also (*inter alia*) takes advantage of the plaintiff's mark in a way similar to that outlined in section 10(3).

Thirdly, it should also be noted that the language of most of section 10 is either taken directly from, or based largely on, the language of the Directive itself. A question thus arises as to the way in which common lawyers will interpret language that is closer to continental European law than the traditional English statute, and the interpretation aids which may be utilised for this purpose. This last question, while substantively not of direct relevance to Singapore, is nonetheless significant as such "Europeanisation" is clearly the direction which much of UK intellectual property law is taking. European Directives, considerations of the laws of other member states and Common Market concerns (including the provisions in the Treaty of Rome dealing with free movement of goods and competition) as well as the pronouncements of the European Court of Justice will doubtless become more significant in English jurisprudence in these areas. Where Singapore is looking to reform her own laws therefore, while we may have traditionally looked to England for guidance, albeit probably for very good historical reasons, this aspect of the evolution of English intellectual property laws ought to be borne in mind.

At the same time, it should also be noted that the 1994 Act, in updating UK trademark law, necessarily represents the UK's latest efforts to align its laws with the obligations imposed by TRIPS as well as the Paris Convention. Thus, for example, section 56 of the Act makes Article 6*bis* of the Paris Convention part of the UK law on well-known marks. The Paris Convention is also referred to in TRIPS, which obligates its member states to comply with the Convention standards on trademarks[25]. As

25 See, e.g., Article 2(1). Section 2 of Part II of TRIPS contains specific provisions relating to trademarks as well as more references to the Paris Convention.

Singapore is a member of both the Paris Convention and TRIPS, it must follow that those parts of the new UK law which pertain to standards and obligations relating to both these international agreements will be highly relevant to any consideration of trademark reform in Singapore[26].

The provisions of section 10 examined

(a) Section 10(1)

Section 10(1) reads:

> "A person infringes a registered trademark if he uses in the course of trade a *sign* which is identical with the trademark in relation to goods or services which are identical with those for which it is registered." (emphasis added)

This section clearly deals with a "classic" instance of trademark infringement: where the defendant uses exactly the same mark in relation to those goods or services for which the plaintiff has registered that mark. In practice, this section is thus unlikely to give rise to much controversy, nor does it seem to represent any change in the existing law. However, several points can be made about the word "sign" highlighted in the quotation above.

First, the new Act uses the word "sign" rather than "trademark" in referring to the defendant's use. At the same time, the sign that is registered by the plaintiff is referred to as a "registered trademark" in both sections 9 and 10, to the extent of including, as illustrated above, both terms within the same infringement section. A question which arises is whether the deliberate choice of both terms is significant. As a starting point, it ought to be noted that the word "sign" is used in section 1(1) of the 1994 Act when defining a trademark, as follows:

> "a 'trademark' means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings ,.."[27]

26 Including, e.g., Article 16(1) of TRIPS regarding rights against use of similar signs on similar goods where the use would result in a likelihood of confusion, and Article 16(2) & (3) obligating the application of Article 6*bis* of the Paris Convention (on well-known marks). It should be noted that Article 16(3) of TRIPS expressly obligates the application of Article *6bis* to dissimilar goods or services where the defendant's use "would indicate a connection between those goods or services and the owner of the registered trademark and provided that [his] interests ... are likely to be damaged by such use". This obligation may be relevant to the question of dilution under section 10(3) of the 1994 Act, *infra.*

27 Section 1(1) goes on to state that "a trademark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging." For comments on whether and how these sections may have changed the law governing registrability of trademarks, see the texts cited *supra*, n 1.

In outlining the absolute grounds for refusing registration to 'trademarks', section 3 refers to both "signs which do not satisfy the requirements of section 1(1)" as well as to "trademarks which (*inter alia*) are devoid of any distinctive character" or "which consist exclusively of signs or indications" of quality, geographical origin or have become customary. The Act thus contains several sections which appear at first glance to use the two terms ("sign" and r"trademark") almost interchangeably. However, there are at least two perceptible and important differences. First, it is clear that the two terms, although in actuality covering much of the same thing, convey different meanings at law. Thus a "sign" would describe that name, symbol, design or logo which the plaintiff may be desirous of registering as a trademark; once he succeeds in doing so, the "sign" then is recognised as a registered trademark and thereby possesses all the exclusive rights awarded under the Act. For purposes of infringement, this distinction is carried through. So while the plaintiff's sign may be a trademark at law, where the defendant uses the identical name, symbol, design or logo, it cannot be referred to as the defendant's trademark, for it does not have that status *qua* defendant.

The second difference is important, as it concerns the question whether or not non-trademark use (such as in the "Mothercare/Othercare" case[28]), previously allowed, is now prohibited by virtue of the fact that the new Act does not appear to make clear, anywhere in section 10, that such non-trademark use is still permissible. The Directive contains a discretionary provision which permits member states to either adopt or retain any prohibitions on non-trademark use; member states are thus not compelled to adopt such prohibitions[29]. Unfortunately, this provision was not enacted in its entirety in the 1994 Act. Further, prior to the enactment of the Act, the House of Lords through its Public Bills Committee did not accept amendments which would have clearly limited the exclusive rights granted by registration to trademark use[30]. There are also no clear indications on the face of sections 9 and 10 that the previous law limiting trademark rights in this way is now to be changed.

However, in the *British Sugar* case, Jacob J concluded that even non-trademark use could be covered by the new infringement provisions[31], although the opposite conclusion can be supported by the "sign"/ "trademark" distinction. This is because the language of Section 9 deals with the exclusive rights "in a trademark". Given that the purpose of trademarks is primarily to function as a badge of origin, by serving as

28 *Mothercare UK Ltd* v *Penguin Books*, *supra* n 20.
29 In Art 5(5).
30 Public Bills Committee of the House of Lords, 18 January 1994.
31 See the discussion on section 9, *infra*. The effect of Jacob J's conclusion, however, is not as alarming as it may appear: most non-trademark uses would be exempted from infringement by the exceptions in section 11.

the tangible symbol by which a trade connection between the proprietor and his/her goods or services is expressed, it can be said that what is contemplated as falling within these exclusive rights must thus pertain to using a trademark within this context.

It will usually not be difficult to identify the defendant's "sign"; however, in the *British Sugar* case, Jacob J commented that there may be cases where the sign may be hidden. Once the sign used by the defendant is identified, the question would be whether this is identical to the plaintiff's mark, and whether the relevant use is for identical goods or services. It is possible that the extent to which identity may be required, in either instance, could pose a problem: in *British Sugar*, a sweet spread was not considered a dessert sauce or syrup and was hence not identical goods even though it could be used as such[32]. Jacob J adopted a practical approach to the question of identical goods by opining that the enquiry should be how the product in question would, as a practical matter, be regarded for trading purposes. As to whether the defendant's sign was identical to the plaintiff's mark, Jacob J confirmed that the court should assume the plaintiff's use is "in a normal and fair manner in relation to the goods for which it is registered"; an assessment should then be made of likely confusion due to the defendant's use, discounting any additional matter or circumstances[33]. In *Bravado Merchandising Services* v *Mainstream Publishing*[34], the actual typeface used for the registration of a word mark was not considered to be an essential element of the mark; as such, the scope of the mark need not necessarily be limited to a particular representation.

A final point that can be made about section 10(1) is that, unlike section 10(2), it is not necessary to show that the defendant's use will likely result in confusion before liability is found[35]. In relation to the use of identical signs, this is the same position as would have been obtained under the old law of "classic" trademark infringement. This, as well as the limitation of section 10(1) to using an identical mark on identical goods or services as the plaintiff's, and given the interpretation of identity exemplified by Jacob J's approach in the *British Sugar* case, means that section 10(1) infringement is, in general, little different from "classic" infringement under section 4(1)(a) of the old UK law (and section 45(1)(a) of the

32 For comments on this case, see D Llewelyn, "The New Law on Infringement of Registered Trademarks in the United Kingdom: Early Developments" [1996] 7 AIPJ 149 and H Hurdle, "Jacob J Treats Us All!" [1996] 5 EIPR 299.

33 Confirming the test he adopted in the earlier case of *Origins Natural Resources Inc* v *Origin Clothing Ltd* [1995] FSR 280, at 284.

34 [1996] FSR 205.

35 Note that under TRIPS, likelihood of confusion is presumed where the use is of an identical sign on identical goods or services: Article 16(1).

Singapore Trademarks Act), *i.e.*, where the defendant's use is "as a trademark" — a badge of origin. However, a question necessarily remains regarding the approach taken in *British Sugar* in relation to the extension of section 10(1) to non-trademark use. Although much of this type of use is likely to be covered by the exceptions in section 11, the effect of this approach is to, *prima facie* at least, include within the scope of a proprietor's rights non-trademark uses formerly outside the trademark monopoly.

(b) Section 10(2)

Section 10(2) states that there will be infringement if a defendant uses a sign in the course of trade where:

> "(a) the sign is identical with the trademark and is used in relation to goods or services similar to those for which the trademark is registered, or
>
> (b) the sign is similar to the trademark and is used in relation to goods or services identical with or similar to those for which the trademark is registered, [and]
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trademark."

The subsection thus covers three different situations where infringement may occur, provided that there is a likelihood of confusion in any of them. These are:

— where the defendant uses a sign similar to the plaintiff's mark on identical goods or services;

— where the defendant uses a sign identical to the plaintiff's mark on similar goods or services; and

— where the defendant uses a sign similar to the plaintiff's mark on similar goods or services.

The main questions which arise on a reading of section 10(2) (aside from questions of identity such as has already been discussed under section 10(1)), would be, first, the meaning of "similar" and secondly, the scope of "likelihood of confusion", especially given the inclusion of likelihood of association within that concept.

"Similarity" was another of the issues considered by Jacob J in the *British Sugar* case. Having held that the defendant's "Toffee Treat" spread was not a product identical to the plaintiff's "Treat" dessert syrup despite the fact that the word "Treat" in "Toffee Treat" was a sign identical to the plaintiff's registered "Treat" mark, the issue for Jacob J's decision was whether or not this identical sign had been used on similar goods, and if

so, whether or not the element of likely confusion was also satisfied[36]. On the former question, His Honour noted that section 10(2) now appeared to give trademark proprietors a potentially wider monopoly than the old law did, extending as it now did to "similar" goods and services. As such, he felt that a cautious approach ought to be taken, since a liberal approach to the concept of similarity could mean that a trademark proprietor could obtain a wide monopoly over his mark, even if his application specified only a narrow class of goods. Although he considered the old law too "rigid" in its confinement to goods and services only within the specified class, he also felt the new law on similar goods did not necessarily open the door to protection that much wider than before.

He went on to say that the new law on similar goods, while not directly adopting the old law on "goods of the same description", had a purpose similar to the concept illustrated by the latter in that protection would extend not just to the actual goods, but also to a "penumbra" around those goods. Several factors were identified as being relevant to a finding as to whether or not goods were similar:

(a) the respective uses and users of the goods or services;

(b) the physical nature of the goods or services;

(c) the trading channels by which the goods or services reached the market and for self-serve consumer items, where in practice they would be found in supermarkets, in particular, whether or not they are likely to be found on the same or similar shelves; and

(d) the extent to which the goods or services are competitive, for which purpose how they are classified by market research companies would be useful[37].

On the scope of the concept of "likelihood of confusion", the main problem would appear to be that while the concept of "likelihood of association" may appear to be wider than "likelihood of confusion", or arguably to even concern something quite different, the section mandates that it be included in the concept of "confusion". Likelihood of confusion would, by now, be a phrase familiar to lawyers used to dealing with passing off and trademark actions. However, it is not clear from section 10(2) whether some of the circumstances relevant to a finding of confusion

36 His Honour made it clear that the question of confusion would arise after the issues relating to identity and similarity of marks and goods had been successfully dealt with: *supra* n 22, at 294.

37 *Ibid*. Several of these factors had been previously identified as being relevant to determining "goods of the same description" under the old law: see *Jellinek Trademark* [1946] 63 RPC 59.

in a passing off case will now become relevant to trademark infringement as well. For instance, under the old law on Part A marks, where the defendant's use of an identical or confusingly similar[38] mark was "as a trademark", then "no amount of added matter intended to show the true origin of the goods can affect the question"[39] of infringement; in contrast, such additional circumstances, such as whether or not the defendant took pains to distinguish his goods from those of the plaintiff's, would be relevant to passing off[40]. In passing off, the likelihood of confusion is an essential element in a finding of misrepresentation, which a plaintiff must prove in order to succeed. Under trademark law, Part A marks were distinguished from Part B marks, such that only the latter marks resembled a passing off action in this aspect: the proprietor would not succeed in an infringement suit if the defendant could prove there was no likelihood of confusion[41]. Now that the UK has abolished the two-part register, and infringement has been consolidated into section 10, the question of likelihood of confusion now appears to be relevant to all types of trademarks, at least where their proprietor intends to sue under section 10(2).

Even if the question as to the circumstances which may be relevant to a likelihood of confusion for trademark infringement can be settled, there remains the possibly even more difficult question as to the role of the concept of "likelihood of association". This question is complicated because of the fact that such a concept is recognised under Benelux law: as such, it can be argued that if the Directive intended to approximate the laws of member states on trademarks, then the use of this phrase reflects an intention that Benelux law on this aspect be the law in other member states as well. However, Benelux law distinguishes between "confusion" and "association" as being different concepts, although either is sufficient to give rise to liability[42].

This issue was considered by Laddie J in the case of *Wagamama* v *City Centre Restaurants*[43], where the plaintiff proprietor of the mark "Wagamama" for a Japanese restaurant sued the defendant, who ran a chain of Indian restaurant under the name "Rajamama", for trademark infringement under, *inter alia*, section 10(2). In the course of argument, the plaintiff contended that the phrase in question had expanded the

38 The word used in section 45 of the Singapore Trademark Act is "nearly resembling", which is defined in section 2 as a resemblance "so near as to be likely to deceive or cause confusion".

39 Per Greene MR in *Saville Perfumery* v *June Perfect* (1941) 58 RPC 147 at 162.

40 See W Cornish, *supra* n 1, at 16–24 – 16–25.

41 Section 46(2), Trademarks Act, Singapore.

42 See W Cornish, *supra* n 1, at 17–92, citing the case of *Union/Union Soleure* [1984] Ned Jur 72.

43 [1995] FSR 713.

scope of trademark infringement by including the concept of mere association without the need for confusion. It was said that these words in section 10(2) had the effect of introducing Benelux law, which adopted this wide stance, into English domestic law.

Laddie J ruled that the Benelux approach was not the law of the UK even under the 1994 Act[44]. Rather, he felt that of two possible constructions of this part of section 10(2), *viz.*, either association relating to the origin of goods or services, or association including non-origin association (such as under Benelux law), he preferred the former, thus indicating that the part of section 10(2) which deals with confusion does not depart too much from established UK trademark law, notwithstanding the inclusion of association. He gave as his reasons the fact that the latter interpretation, because it is broader, would then create

> "a new type of monopoly not related to the proprietor's trade but in the trademark itself. However, unlike copyright, there would be no fixed duration for the right and it would be a true monopoly effective against copyist and non-copyist alike. I can see nothing in the terms of the Directive (or our Act) ... which would lead me to assume this was the objective."[45]

Laddie J's concerns on this point thus echo those of Jacob J in the *British Sugar* case when the latter was dealing with the scope of infringement for "similar" goods under an earlier part of the same section. In support of his reading of section 10(2), Laddie J cited the preamble to the Directive, which stales that the function of a registered trademark was "in particular to guarantee the trademark as an indication of origin". He also felt that if the Directive had meant to follow Benelux law on this point, it could easily have been drafted to say so; however, there is no such clear language either in the Directive or the 1994 Act.

A commentator has written that, given the wording of section 10(2), it is difficult to see how a judge trained in the common law could have come to a different conclusion from Laddie J[46]. Such an interpretation clearly shows that "likelihood of association" is at best a sub-set of "likelihood of confusion" and is not an extension of the old law, much less a different concept altogether.

44 In coming to this conclusion, Laddie J had to decide whether certain documents could be used as interpretation aids. On this issue, which Jacob J also faced in the *British Sugar* case, see the discussion *infra* under "The 'Europeanisation' of English Trademark Law".

45 At 731.

46 See D Llewelyn, *supra* n 33 at 156.

It should be noted that Laddie J's decision in *Wagamama* is not without controversy[47]. This is perhaps not surprising, given that the effect of the case seems to be that UK trademark law has not been changed by very much, despite the new Act. It may also be that the perceived reluctance of the UK courts to extend its laws beyond the scope of what is familiar does not sit well within the context of approximation and harmonisation. However, it is also noteworthy that despite the narrower reading of section 10(2) which he adopted, he still found for the plaintiff on the basis of likely confusion because of the similarity between the two marks.

Interestingly, on 11 November 1997, the European Court of Justice ruled that the words "likelihood of confusion which includes the likelihood of association with the earlier mark" should be interpreted to mean that "the mere association which the public might make between the two trademarks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion"[48]. While the Court was concerned with a case of conflict between an earlier registered mark and a subsequent applicant for registration, in a scenario within Article 4(1)(b) of the Directive (section 5(2)(b) of the 1994 UK Act), the words of this Article which the Court had to construe are almost exactly the same as the ones under current analysis in section 10(3) (which is the UK equivalent of Article 5(3)). The ECJ's decision thus seems to vindicate Laddie J's interpretation of the same phrase in *Wagamama*.

Further, the ECJ also commented that the wording of the Article would indicate that the concept of likelihood of association is not an alternative to likelihood of confusion, but rather defines the scope of the latter concept instead. There must thus be some element of confusion (i.e., the likelihood thereof), before the words would be applicable. The ECJ went on to consider Articles 4 and 5, in so far as these deal with infringement by use on dissimilar goods (the UK section 10(3) scenario), and concluded that their interpretation of the words in issue was consistent with the scope of these other provisions.

On the scope of confusion, Professor Cornish cautions that "confusion should be capable of arising in circumstances other than those where a consumer thinks he hears or sees the registered mark", and the reference

47 It gave rise to a particularly lively exchange of views between an English barrister who supported the decision and a Dutch academic who did not: see A K Sanders, "The Wagamama Decision: Back to the Dark Ages of Trademark Law" [1996] 1 EIPR 3; P Prescott, "Think Before You Waga Finger" [1996] 6 EIPR 317; A K Sanders, "The Return to Wagamama" [1996] 10 EIPR 521; P Prescott, "Has the Benelux Trademark Law Been Written Into the Directive?" [1997] 3 EIPR 99.

48 In the case of *Sabel BV* v *Puma AG*, a reference from the German Federal Court of Justice. The text of the judgment can be viewed on the internet at http://www.europa.eu.int/jurisp.

to association in section 10(2) "underscores" this position[49]. He argues that the law, even under the 1939 Act, did not take such a narrow interpretation of the concept of confusion, taking rather a realistic, if careful, approach which allowed for the public's imperfect recollection as well as "the idea of the mark"[50]. However, since confusion, no matter how realistically it is approached, is still closely tied to the question of origin, it is likely that more liberal interpretations of "association", such as in comparative advertising, where the consumer is merely reminded of the proprietor's goods when the mark is seen, will not fall within the scope of section 10(2). This conclusion would be bolstered by the ECJ ruling in *Sabel* case, although in some cases, relief may still be forthcoming under either section 10(3) or 10(6).

(c) Section 10(3)

Section 10(3) states that a trademark is infringed if a defendant, in the course of trade, uses a sign identical or similar to the plaintiff's trademark

> "... in relation to goods or services which are not similar to those for which the trademark is registered, where the trademark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark."

It seems to be accepted academic opinion that this subsection recognises the possibility of the trademark monopoly extending to cover trademark dilution[51]. This is because, unlike the previous law, infringement can occur even where the defendant's use is on dissimilar goods and services. Under the old law, infringement was confined to use in relation to goods and services for which the trademark had been registered, unless the trademark in question was a defensive trademark[52]. One issue which such an extension of the trademark monopoly is thus the scope of section 10(3). In order to answer this question fully, it should be noted that there are also uncertainties surrounding the other requirements of section 10(3), *viz.*, the meaning of "reputation" and the wording in the last part of the subsection, as well as the relationship between some of these requirements such as reputation and distinctive character, and the criteria of distinctiveness for registration.

49 See W Cornish, *supra* n 1 at 17–92.

50 *Ibid*.

51 See the authors cited *supra* n 1. On the origin and scope of dilutiion, see T Martino, *Trademark Dilution*, Oxford University Press 1996. See also B Mills, "Own Label Products and the 'Lookalike' Phenomenon" [1995] 3 EIPR 127 at 124–128.

52 As is still the position in Singapore. For defensive trademarks, see section 41, Trademarks Act, Singapore.

Dilution was first expressly recognised in UK intellectual property law in the *Elderflower Champagne* case[53] on passing off, where it was said that the "consequences of debasement, dilution or erosion are ... incrementally damaging to goodwill"[54]. However, if the concept of dilution is restricted only to passing off cases, the necessity to prove likelihood of confusion under that action will probably act as a limitation on its expansion. This is where section 10(3) is notable: in not requiring a likelihood of confusion. Given the wording of the latter part of the section, it is possible that the type of dilution envisaged is linked to distinctiveness.

However, a point which then immediately springs to mind is that all valid trademarks should be distinctive, a requirement which has not been changed by the 1994 Act, even though it is probably true to say that the new law now envisages the possibility of trademarks being distinctive purely through use[55]. Be that as it may, if distinctiveness (at whatever level) serves as a qualifying standard for registering a trademark, then unless it is contemplated that each and every registered trademark can avail itself of the dilution prospect in section 10(3), it must be that a higher standard of distinctiveness is intended by section 10(3), or at least that its protection would only be available to a limited number of marks. Any other interpretation would amount to taking a truly expansive and extremely wide view of dilution.

At the same time, section 10(3) cannot be intended to apply only to well-known marks, which are dealt with separately under section 56[56]. The Act does not give any clear guidance as to what constitutes a well-known mark. However, given its separate treatment and the difference in language with "reputation", as used in section 10(3), it seems safe to say that the type of reputation required by the latter section need not be as high as that required for the protection afforded by section 56.[57] It has been suggested that reputation may involve the "symbolic character", or the commercial value of the trademark[58]. Such an interpretation would be a very wide one (although probably less broad than the interpretation allying reputation to distinctiveness sufficient for registration) such that even trademarks that are not as yet known to a significant proportion of

53 *Tattinger SA* v *Allbev Ltd* [1993] FSR 641.

54 *Ibid*, at 678.

55 See section 3(1) of the 1994 UK Trademarks Act, in particular, the proviso. If this is the case, then the previous difficulty with both the different levels of distinctiveness in Part A and Part B marks and the dichotomy between inherent and factual distinctiveness, may well have been abolished in the UK.

56 As defined under Art 6*bis* of the Paris Convention for the Protection of Industrial Property (1883, as revised).

57 See C Morcom, *supra* n 1, at 13.10.

58 See A Kur, "Well-Known Marks, Highly Renowned Marks and Marks Having A (High) Reputation" (1992) 23 IIC 218.

the public, might still be considered as having a reputation. The existence of these various possibilities would indicate that there is likely to be some difficulty in ascertaining where, on or between these several boundaries, the protection afforded by section 10(3) lies.

A convenient starting point may be to note that, while section 10(3) does not expressly require the trademark to have been used, given the lest of distinctiveness under the new law[59] and the choice of the word "reputation", it is probably safe to say that some measure of use is necessary. Reputation is not defined in the Act, which raises the further question whether the concept of "goodwill" in passing off is relevant. If so, one enquiry must then be directed toward the extent to which the proprietor has business within the jurisdiction[60], or, in trademark parlance, the extent to which he has used his trademark in trade. Under this interpretation of reputation, only trademarks which have been used in trade will be protected under section 10(3); reputation would thus imply a level of distinctiveness higher than the basic registrable level (so that not all registered trademarks will be able to utilise the section, as discussed above) and this high level can be acquired through use[61].

The notions of reputation and distinctiveness surface again in the later part of section 10(3), where the defendant's liability, even if the plaintiff's trademark possesses the requisite reputation, will sound only where his use on dissimilar goods was without due cause and took advantage of or was detrimental to the "distinctive character or the repute" of the plaintiff's trademark. Quite aside from the question regarding the relationship between lack of due cause and unfair advantage or detriment[62], it may be possible to see these words as supporting the linking of reputation to distinctiveness. Section 10(3) thus covers certain highly distinctive marks which have been used such that they have a reputation within the UK (in that context), and such a reputation will be affected (diluted) should a defendant use it on dissimilar goods in the fashion envisaged by the closing lines of section 10(3).

Such an interpretation ensures that the concept of dilution is not extended to those marks which are in lesser need of protection on this score, without

59 See the texts cited supra n 1.

60 In recent years, it would appear that UK law on the extent of business required to generate goodwill within the jurisdiction has begun to accept that fairly low levels of business activity may be sufficient: see S K Ng, "Foreign Traders and the Requirement of Goodwill within the Jurisdiction" [1991] SJLS 372 and the cases cited therein. For a recent Singapore case on the goodwill acquired by a foreign trader, see the *Pontiac Marina* case concerning goodwill in the brand "Millenia" for hotels, [1997] FSR 725 reporting the High Court decision. This has since been upheld by the Court of Appeal in an oral judgment.

61 See T Martino, *supra* n 51 at 93–95.

62 Considered *infra* in the discussion of section 10(6).

being limited only to those which are well-known. However, since section 10(3) does not require any element of confusion, unlike section 10(2), a situation could develop where a proprietor with a highly distinctive trademark could sue a defendant using a similar mark on different goods under section 10(3), but he could not sue someone else using a similar mark on similar goods under section 10(2) if he is unable to prove the likelihood of confusion required by that subsection. Of course, having a reputation may well aid in proving confusion, just as confusion may help a proprietor to prove reputation. The difference just pointed out may be less marked if a more liberal interpretation is taken of "association" in section 10(2); if so, it is probably likely that a proprietor of a highly distinctive mark will not have too rigorous a task proving confusion under section 10(2). However, as discussed in the preceding section of this article, the UK and ECJ approach to association seems to be to treat it as a sub-set of confusion, or a particular instance of it, rather than as a separate concept, or an extension of it.

In the interlocutory case of *BASF plc* v *CEP (UK) plc*[63], it was held that as the relevant public was unlikely to be confused, there could be no adverse effect on the distinctive character or repute of the plaintiff's mark. The mark was "Opus", for herbicides and fungicides, and the defendant's mark was "Farmer's Opus", for agricultural literature. This case would seem to show that, despite its silence on the matter, UK courts may well continue to require some proof of the likelihood of confusion before finding infringement under section 10(3). This may be so especially when it is remembered that the question of likely confusion is usually viewed as a more certain test: "once one leaves the reasonable certainty of the likelihood of confusion test and enters the domain of dilution, it is difficult to know where to draw the line"[64]. The *BASF* case was followed in the later case of *Baywatch Production Co Inc* v *The Home Video Channel*[65], such that section 10(3) was held to apply only where there was a likelihood of confusion on the part of the public. The justification for this conclusion was said to be that to read the section otherwise would be illogical, as it would then give greater protection where the use was on dissimilar goods, as opposed to where the use was on similar goods and the case brought under section 10(2), a possibility already alluded to earlier in this discussion.

However, despite this possibility, it is submitted that the "illogical" situation is more apparent than real, provided the proposals made earlier regarding the interpretation of "reputation" are accepted. If so, then the

63 [1996] IPD 19.

64 See T McCarthy, *Trademarks and Unfair Competition Law* (Lawyers Co-operative Publishing Company, 2nd ed, 1984) at 228.

65 [1997] FSR 22.

protection offered by section 10(3) would not be as wide as to embrace all trademarks on the register, since reputation would be dependent not on the mark's commercial potential, but on use, and would also require a high level of distinctiveness. Further, if the courts approach the concluding words in section 10(3) with a robustness and practicality similar to that displayed by the judges who have already had occasion to consider the same words in section 10(6)[66], it is unlikely that section 10(3) will be used or read unwisely. Thus, despite the doubts that may still be expressed concerning the acceptance of dilution principles, where trademark protection is extended to the mark itself (and not just the goods or services marked)[67], even if section 10(3) is recognised as embodying some aspect of dilution, its applicability is not necessarily as wide as at first sight it may appear to be.

A final interesting question raised by section 10(3) is the relationship between an action under it, and one in passing off. The by-now famous case of *Mirage Studios* v *Counter-Feat Clothing*[68] established unlicensed character merchandising as an act which could be restrained under passing off, even where the two parties were in different fields of business activity. Under passing off, the relevant goodwill must be established, a misrepresentation causing a likelihood of confusion to the relevant public proven, and resultant damage to goodwill shown (which, in the light of the *Elderflower Champagne* (in UK) and *Millenia* (in Singapore) cases, may now include dilution). Granted that likelihood of confusion is not necessary under section 10(3), would a proprietor of a highly distinctive mark be any better off suing under it?[69]

(d) Section 10(6)

Section 10(6) "wraps up" the infringement provisions by stating that

> "Nothing in the preceding provisions of this section shall be construed as preventing the use of a registered trademark by any person for the purpose of identifying goods or services as those of the proprietor or licensee.
>
> But any such use *otherwise than in accordance with honest practices* in industrial or commercial matters shall be treated as infringing the registered trademark if the use *without due cause takes unfair advantage of, or is detrimental to, the distinctive character or repute* of the trademark." (emphasis added)

66 See discussion on section 10(6), *infra*.

67 Sec H Carty, "Do Marks With A Reputation Merit Special Protection?" [1997] 12 EIPR 684.

68 [1991] FSR 145.

69 Martino comments that "it is difficult to sec how the new law differs in its result from the old": *supra* n 51 at 110.

Although not as "fulginous[ly] obscur[e]"[70] as the previous law, section 10(6), in particular, the second paragraph, has caused some difficulty for commentators and judges. The main problem lies in phraseology that seems tautologous, as well as concepts which are undefined and, possibly, unfamiliar to traditional common lawyers more used to a different style of statute[71]. Given the two cases already decided on section 10(6), it is likely that this subsection will prove to be of great interest to traders who engage in comparative advertising[72]. In both cases, the plaintiffs failed in their bid to use section 10(6) against defendant comparative advertisers because the judges in both cases considered that the defendant's advertising fell within honest practices and were hence outside the scope of the subsection.

In the *Barclays Bank* case, Laddie J commented on the lack of clarity of this subsection, especially the relationship between the first part and the second. He took the view that section 10(6) is intended to permit comparative advertising, in so far as the defendant's actions are honest. Honesty was to be tested objectively: essentially, the issue would be whether or not a substantial portion of the reasonable public would be objectively and significantly misled by the advertisement. In testing honesty, the standard is therefore not that prescribed by statutory or industry self-regulation codes, despite the reference to "industrial and commercial matters" in the subsection. Mere puffery, or simple unfavourable comparisons, is not necessarily dishonest. Once the answer to the honesty question is no, the second paragraph of the subsection is unlikely to add anything to the first. This is because dishonest practices will almost always take unfair advantage of the mark's character or repute, and vice versa. At best, the second part of section 10(6) is a *de minimis* indication: that the defendant must have obtained some advantage from his actions, or the plaintiff must have suffered some minimum harm to his reputation.

Laddie J's approach to section 10(6) was followed by Jacob J in the *Vodafone* case. He commented that the defendant had intended to take advantage of the repute of the plaintiff's mark, as it would have been meaningless to advertise comparatively if the public did not know of the plaintiff's trademark and product. Nonetheless, as he found that the defendant's advertisement was not misleading by the *Barclays* test, the plaintiff's claim failed.

70 *Supra* n 8.

71 *per* Laddie J in *Barclays Bank plc* v *RBS Advanta* [1996] RPC 307.

72 *Barclays Bank plc* v *RBS Advanta*, *ibid*, and *Vodafone Group plc* v *Orange Personal Communications Ltd* [1997] ELMR 84. For a comment on both cases, see D Fitzgerald, "Comparative Advertising in the United Kingdom" [1997] 12 EIPR 709.

These two cases can be read to signify a liberal interpretation of section 10(6), and hence a willingness to permit comparative advertising, with only very limited situations (such as dishonesty by the defendant which misleads the public) justifying sanction[73]. This can be compared to the approach taken under the 1938 Act, where, because of the potentially wide scope of the phrase "importing a reference", and the variety of uses which could import the reference, there seemed little room for comparative advertising to be successful where the proprietor's trademark was actually used in the advertising.

An examination of the functions of comparative advertising may go some way toward explaining why the new UK law seems to favour a broad, fairly non-interventionist stance on the matter. While it is true that advertisers have a clear self-interest in influencing consumer behaviour in their favour, it can also be said that comparative advertising also serves the consumer's interests in that it provides him/her with valuable product information which allows him/her to choose between competing products[74]. While it is difficult to allow only comparative advertising that is purely objective, it is unhelpful to consumers to have no bars at all to any form of comparative advertising. As such, it may be desirable to permit comparative advertising which is, as far as possible, honest and factually true, while allowing for some degree of hyperbole. If this fairly robust view of comparative advertising is taken, Laddie and Jacob J's rulings in the *Barclays* and *Vodafone* cases probably go some way toward endorsing it.

An additional consideration for the UK is the EC Directive on Comparative Advertising[75], which proposes to harmonise the laws of the EU member states on the subject. Article 2a defines comparative advertising as "any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor." Article 3a states that such advertising must be objective in comparing relevant, verifiable and representative features. In addition, it must not, *inter alia*, mislead, create a risk of confusion, discredit or denigate a competitor's goods, services or marks, or take unfair advantage of the reputation of the trademark or tradename of a competitor[76]. Given the provisions of the 1994 Act and the judicial interpretations of section 10(6) in particular, it would seem that UK law is already fairly similar to the provisions of the Directive.

73 See S Willimsky, "Comparative Advertising: An Overview" [1996] 12 EIPR 649.
74 See B Mills, "Comparative Advertising: Should It Be Allowed?" [1995] 9 EIPR 417.
75 Directive 97/55/EC of 6 October 1997 amending Directive 84/450/EEC on misleading advertising, to include comparative advertising.
76 See B Mills, *supra* n 74, and A Vahrenwald, "The Advertising Law of the European Union" [1996] 5 EIPR 279.

A last point to be made about section 10(6) concerns the interpretation of the second paragraph by Laddie and Jacob J. Despite the liberalising effects of their approach, it should be said that the linking of dishonesty to misleading the public again reflects a limitation of the trademark infringement action to one that carries some element of confusion. However, it can be argued that in situations such as comparative advertising, the confusion in question need not necessarily, and generally will not be, linked to origin. This is because the public will not necessarily be confused as to the origin of the goods; in fact, the defendant is likely to have taken pains to differentiate between his and the plaintiff' product. Instead, the public may be misled about some characteristic or quality of the products in question. In such a case, restraining comparative advertising may come close to saying such practices amount to an act of unfair competition. However, current UK law seems to favour lesser restraint, which signifies support for free competition, within the limits as stated above.

The lack of definition of what seems to be key words and phrases in sections 10(3) and 10(6) appears somewhat startling. However, if the somewhat tautologous bent of these sections, as explained by Laddie J in the *Barclays* case, is accepted, and if the reasons for such vagueness suggested in the paragraph following are valid, these are probably the only uncertainties about these sections. Thus, leaving aside the interplay between a dishonest practice and lack of due cause and the relationship between lack of due cause and unfair advantage, the rest of the second paragraph in section 10(6) (which replicates the last part of section 10(3)) does not pose much problem, read disjunctively. The defendant's act can thus either take unfair advantage of, or cause detriment to, the plaintiff's mark (in the admittedly tautologous sense of its reputation, as defined by distinctiveness earlier in this discussion).

It has been suggested that the omission to define terms such as "without due cause" and "unfair advantage" in sections 10(3) and 10(6) was to enable a degree of judicial discretion such as to allow judges to place appropriate limits on conduct[77]. Vague guidelines such as these have the advantage of allowing the law to keep pace with societal norms and trade practices; however, this is also somewhat of a departure from traditional UK drafting practice, as the sections under discussion do not carry any examples, specific factors or limitations. However, the lack of specificity can be said to be made up for by pragmatism and a reliance on judicial interpretation to be practical and sound[78]. Laddie and Jacob J have already shown this to be the case.

77 See T Martino, *supra* n 51 at 103.
78 *Ibid*, at 103–106.

Section 9 examined

A final issue relating to infringement has to do with the fact that section 9 might be taken to require that the defendant's use be use as a trademark, before infringement can occur. This interpretation is based on the fact that section 9(1) contains a phrase, "by use of the trademark", which is not in the Directive. A question can then arise as to whether these words were intended by the British Parliament to limit, in some way, the exclusive right of use enjoyed by the trademark proprietor. This was a point raised in argument in the *British Sugar* case, where Jacob J was asked to consider if, due to these words, the "use" contemplated for infringement purposes under the new law should be "trademark use" similar to that required under the old law. His Honour felt that, as such a requirement was not proposed by the words of the Directive, it would be wrong to take these words, inserted by a British draughtsman attempting to implement the Directive, as indicating an additional requirement. In coming to this conclusion, Jacob J also indicated that it would not be relevant to consider the statements in either the UK Government White Paper on reforming trademark laws or Hansard as aids to interpretation. Having to consider this question made Jacob J one of the few English judges to be faced with determining the meaning of an English statute which purports to implement a European Directive and having to consider what interpretation aids may be relevant. In the same area, Laddie J had already faced a similar issue regarding the 1994 Act in the *Wagamama* case[79] (discussed earlier).

A consequence of Jacob J's reading of the additional words put into section 9(1) may be that uses which would not have been caught under the old law (which required either "trademark use" or use in a "trademark sense") would now come within the new law. An obvious example would be using the trademark descriptively. Jacob J felt that such uses would still not be caught by the new law, as they could fall within one of the exceptions in the new section 11 (which, *inter alia*, permits uses of one's own name or address, and uses to indicate origin, intended purpose, value or quality of the goods or services). The effect of this would be to put the burden on the defendant, and the court would have to consider the whole context and all relevant circumstances of his use[80].

The "Europeanisation" of English trademark law

In updating the law of the UK in this area by implementing the Directive, the 1994 UK Trademarks Act contains language and concepts that would not have been familiar to traditional common lawyers, in particular in

79 *Wagamama* v *City Centre Restaurants* [1995] FSR 713. See *supra*, n 43 & the accompanying main text.

80 *Per* Jacob J in *British Sugar*, *supra* n 22.

section 10. This will already have been apparent from the discussion above of the various cases which have arisen under the new Act. Some of the substantive problems of scope and interpretation of these words and concepts have already been highlighted. However, besides these problems of substantive law, there are other difficulties such as the fact that, although the Act does, by and large, reflect the wording of the Directive, there are certain provisions which do not use the same terms, or which even adopt different wording. This fact renders the court's task of interpretation, and the aids which it can call upon for this purpose, even more difficult. Again, this can also be seen through the cases discussed above.

In the *British Sugar* case, Jacob J recognised the primacy of the Directive and its aims when he pointed out, in relation to interpreting section 10 of the 1994 Act, that "[w]hat matters is the language of the Directive. ... those responsible for this kind of legislation [must] make serious efforts to be clear. If they are not then the process of litigation imposed in industry will ensure an ultimate cost to the public of the Union."[81] The principle in *Pepper* v *Hart*[82] would not apply to a statute implementing a European Directive, consequently, neither the UK Government White Paper on the reform of trademark law[83], nor Parliamentary proceedings during the passage of the Trademarks Bill, could be referred to in determining the meaning of the provisions of the Act. In the *Wagamama* case, Laddie J ruled that non-public Minutes of meetings of the European Commission and the Council could not be used as interpretation aids. Further, he did not consider that theories regarding the meaning of the words and concepts in the Directive, such as articles written by Professor Gielen, a well-known academic, on the Benelux law of association, could be a sound basis on which to approach the English provisions.

In both these cases, the judges' decisions on interpretation were complicated by the fact that the provisions that they were asked to interpret did not reproduce the words of the Directive exactly. Instead, while the provisions in section 10, for the most part, are clearly intended to implement Article 5 of the Directive, yet different wordings from that of Article 5 were adopted at various points by the draughtsmen of the Act. The question of the interpretation aids that can be called upon for assistance was thus an important one. Further, the judges also had to contend with the question of the extent to which the former trademark law has now been changed by the new law, incorporating as it does language and concepts not immediately familiar to English law.

81 *Supra* n 22 at 292.

82 [1993] AC 593, by which Hansard and Government White Papers may be called upon to assist the court in ascertaining the meaning of a legislative provision which appears ambiguous or obscure.

83 Cmnd 1203 (September 1990).

Indeed, Laddie J in *Wagamama* pointed out that, in construing statutes meant to implement a European Directive[84],

> "it would be wrong to apply rules of construction developed during a period when one philosophy of draughtsmanship was prevalent to a statute drafted when an entirely different philosophy applied. In particular it is quite artificial for the court to pretend that each word of a modern statute which has been lifted more or less verbatim from an EC directive was chosen with the economy which was believed to have been applied to the drafting of British statutes of purely domestic origin."[85]

This caution was clearly evident in the several cases, already discussed, which considered the new law as expressed in the new UK Act. For Singapore, it would be prudent for our legislators and practitioners to bear this caution in mind when considering first, whether or not to adopt provisions similar to the UK ones in amending our trademarks law, and secondly, in interpreting any new provisions which may be made to our trademarks law. While the cases brought before the UK courts so far are clearly helpful in illustrating both the problems and the changes wrought by the new law, ultimately the same questions will be brought before the European Court of Justice, as has already been the case with *Sabel BV* v *Puma AG*[86]. Where that is so, the interpretation of the law by this court will have to be followed by the UK courts. Singapore need not follow this route, although it is possible that some of the changes in UK trademark law may also be adopted here. This would be welcome, at least in the areas where it is felt that the current law falls short or requires updating; but an additional consideration for Singapore lawmakers will have to be whether or not the context and the policy of harmonisation, now integral to UK law, is relevant to the development of Singapore law or not.

Conclusion

With respect to trademark infringement, it should be clear from the above discussion that the language of infringement adopted by the new UK Trademarks Act is different from that under the old law. An important question this raises is whether or not trademark infringement under the new law has also been changed. It would appear that while much that constituted infringement under the old law remains actionable, particularly "classic" infringement cases now dealt with by section 10(1), liability for

84 Which is itself intended to approximate the laws of member stales in this area. As to the question whether or not the interpretation of the 1994 Act by Laddie J furthers this intent, see *infra.*

85 *Supra* n 6 at 723.

86 *Supra* n 48.

certain other types of infringement may well have been expanded or, in the case of comparative advertising, lessened. An example of the former include the introduction of the concept of dilution by way of section 10(3). However, with respect to concepts such as the "likelihood of association" and "similar" goods under section 10(2), English case law has given these an interpretation somewhat narrower than their literal wording, and the law of other European jurisdictions, would suggest, although in respect of the former concept, the English approach seems to have received the approval of the ECJ. These cases have retained concepts that were used as arbiters in the old law, such as requiring a likelihood of confusion for infringement (other than for dissimilar goods) such that mere association by use is insufficient to found liability. The tying-in of the concept of similar goods to "goods of the same description" similarly ensures that the new law does not significantly widen the scope of protection of trademarks. However, a potentially notable development in the other direction may be the possibility that non-trademark use will now also be covered by section 10, although the significance of this expansion is likely to be severely limited by the exceptions in section 11.

Where dilution is concerned, however, this did not exist in the old law. Section 10(3) is therefore a departure from the previous position. However, while it is clear that section 10(3) does not require confusion, and applies to dissimilar goods, problems remain with the scope of dilution sanctioned, especially where this is tied to vague and undefined concepts such as "due cause" and "unfair advantage". Similarly, the prerequisite of "reputation" under this subsection not only limits the type of trademarks which are entitled to its protection, but creates definition problems of its own.

Similar vague concepts are also utilised in section 10(6), amounting almost to tautology, as recognised in the decided cases. However, it is probably safe to say that the new section 10(6) has clearly indicated a policy choice to permit comparative advertising to an extent wider than the old wording under the previous section 4(1)(b) would have allowed, subject to intervention only when the practice is dishonest such as to be misleading to the public, hence adversely affecting the public interest. Seen in this light, the lack of specificity in the concepts adopted in this subsection may be a deliberate choice, to enable the law to be flexible and judges to decide based on the facts of a particular case rather than a fixed definition of acceptable behaviour. If such is the purpose, the same arguments can be made regarding the identical lack of specificity in the dilution provisions.

On a broader note, the 1994 Trademarks Act as a whole "rewrites much of the form and some of the substance" of the law in this area[87]. Given

87 See W Cornish, *supra* n 1 at 15–16.

the aim of harmonisation in the Directive prompting its adoption as well as the necessity of accomodating the new Community Trademark and marks registered under the Madrid Protocol, this is perhaps not surprising. However, it should be noted that the Act is still far from providing a single cause of action to unfair competition generally. Coupled with the fairly restrained interpretation of its provisions by prevailing English cases, the most that can be said is probably that it is a timely update of the law in this area, and has been expanded to take into account commercial realities as well as new legal concepts.

As Singapore is on course to change her trademark laws, the provisions and scope of the new UK law as well as the experiences of the UK courts will no doubt be of much interest to local draughtsmen, legislators and practitioners. It is hoped that the analysis and proposals outlined in this article will be helpful to them. Clearly, important policy choices will have to be made if Singapore trademark law is to be changed. Some of these policy choices must also have confronted the UK legislators; however, the choices made in some of these situations, as represented by the wording in the sections examined in this article, are not necessarily obvious. Despite the fairly clear choices to completely restructure the law on infringement and widen the scope of trademark rights by, *inter alia*, liberalising comparative advertising and incorporating dilution concepts into the new law, much of the language of the new infringement provisions remain difficult to interpret.

Given also the added dimension of harmonisation in Europe which added impetus to the passage of the 1994 Act in the UK, while Singapore's legislators will probably look to the UK provisions and experience for guidance in its own path to reform, the choice whether to adopt the UK provisions or not must be tempered by consideration of this dimension as well, although it must also be said that the new Act does reflect much of the language and concepts in the Paris Convention and the TRIPS Agreement. In any case, in so far as the 1994 Act represents a recognition of real business practices and offers sufficient scope for flexibility and the consideration of the public interest where relevant, it will provide an instructive and useful model for Singapore.

MARY WONG WAI SAN*

* LL.B (NUS), LL.M (Cantab), Lecturer, Faculty of Law, National University of Singapore.