

Chong Peter (trading as Myths KTV & Disco Pub) v Triple 8 Enterprise Pte Ltd (trading as
Mirage Deluxe KTV & Nightclub)
[2010] SGHC 9

Case Number : Suit No 133 of 2009
Decision Date : 11 January 2010
Tribunal/Court : High Court
Coram : Choo Han Teck J
Counsel Name(s) : Leonard Loo Peng Chee and Edwin Loo Tien Chee (Leonard Loo LLP) for the plaintiff; Tan Chau Yee and Ms Bernice Tan Huilin (Harry Elias Partnership) for the defendant.
Parties : Chong Peter (trading as Myths KTV & Disco Pub) — Triple 8 Enterprise Pte Ltd (trading as Mirage Deluxe KTV & Nightclub)

Trade Marks and Trade names

11 January 2010

Judgment reserved.

Choo Han Teck J:

1 The plaintiff is a partnership in the business of operating karaoke pubs. It operates a small pub in a shop-house at 31 Lorong 15 Geylang, Singapore 388617 under the name/sign " [] Myths KTV DISCO PUB". In English, " [] " is read as "Shen Hua". The plaintiff is also the registered proprietor of the trade mark " [] KTV and DISCO PUB", registered on 19 March 2007. The plaintiff's trade mark was registered with the simplified Chinese character for "Hua", but the actual name/sign used by the plaintiff in practice employs the traditional character. The defendant is a sole proprietorship also in the business of, operating *inter alia*, karaoke lounges – one of which is a large, upscale karaoke night club at 150 Orchard Road, #09-01/02 Orchard Plaza, Singapore 238841 under the name/sign of "Mirage [] Palace Exclusive Niteclub". I shall refer to the two lounges in question as "pubs" for the sake of convenience and consistency.

2 Sometime in late 2005, the plaintiff decided to venture into the karaoke entertainment business in Singapore, and on 6 December 2005 it registered a partnership under the name "Myths KTV & Disco Pub". In early 2006, the defendant's Mr Ronald Quek Teng Guan ("Mr Quek") also decided to start a karaoke pub in Singapore. After sourcing for an appropriate location, the defendant began fitting out its premises at Orchard Plaza in early October 2006, using the name "Mirage [] Palace Exclusive Niteclub" and variations of the same. The sole proprietorship under the name "Mirage Deluxe KTV & Nightclub" was registered on 22 November 2006.

3 In late January 2007, the two parties became aware of each other's existence and business presence. The plaintiff asked the defendant to cease using its registered trade mark through a middleman. Sceptical of the plaintiff's request, Mr Quek conducted a search for any trade mark using the name " [] ". When nothing came up, Mr Quek applied to register the trade mark "Mirage [] Palace Exclusive Niteclub" on 7 February 2007. The application, however, was eventually abandoned because there were issues with the defendant's use of the word "Mirage" – it was too similar to a separate trade mark owned by MGM Mirage. Subsequently, the plaintiff successfully applied to register its trade mark " [] KTV and DISCO PUB" on 19 March 2007.

4 In 2009, pursuant to a letter of demand sent by the plaintiff on 30 January 2009, the parties entered into discussions vis-à-vis the defendant's use of the words " [] " in its business name. It was hoped that a compromise could be reached concerning mutual use. Unfortunately, these discussions eventually fell through. In a letter dated 16 February 2009, the defendant wrote to the plaintiff denying any infringement of the plaintiff's trade mark.

5 The plaintiff's claim against the defendant is founded on two separate heads of action. One relates to the defendant's alleged infringement of the plaintiff's trade mark, while the other concerns the defendant's alleged passing off its business as the plaintiff's.

6 The plaintiff is relying on s 27 of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act") to argue that the defendant infringed its trade mark by using the words " [] " in its business sign. Its alternative claims run into double digits, but it appears to me that the plaintiff's primary cause of action for infringement of trade mark falls to be governed by ss 27(1)–(2) of the Act. These provide as follows:

Acts amounting to infringement of registered trade mark

27. —(1) A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

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

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

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

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

7 I do not think s 27(1) and s 27(2)(a) are applicable. The disputed signs are far from identical. The plaintiff's registered trade mark countenances merely the handwritten words " [] KTV and DISCO PUB". The defendant's business logo, used on its premises and name card, comprises a complex motif of English words, traditional Chinese characters and stylized border graphics. Even taking the plaintiff's non-registered signs and marks into consideration, (including the extremely functional business sign above the entrance to the plaintiff's pub and its name card) the defendant's sign still falls far short of being identical with the plaintiff's.

8 The plaintiff's best case, therefore, would have to be under s 27(2)(b): namely, that the defendant is alleged to have used in the course of trade the sign " [] " — a sign which is *similar* to the registered trade mark in question and used in relation to goods or services *similar* to those for which the trade mark is registered, resulting in a likelihood of confusion on the part of the public. In the High Court decision of *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* [2005] 4 SLR 816 ("*The Polo Case*"), Lai Kew Chai J made some useful observations on the similarity of mark, at [26]:

The decided cases suggest that there are *three aspects to similarity: visual, aural or phonetic, and conceptual*. In terms of visual similarity, it is clear that the mark and the sign share one

common denominator: the word "POLO". *In cases where there is a common denominator, it is important to look at the differences between the mark and the sign in order to decide whether the challenged sign has been able to distinguish itself sufficiently and substantially: The European Limited v The Economist Newspapers Limited* [1996] FSR 431 at 436; see also *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 13th Ed, 2001) at paras 16-63 to 16-67. In *Samsonite Corp v Montres Rolex SA* [1995] AIPR 244 ("*Samsonite Corp*") at 270, it was held that just because the registered mark was wholly included in the challenged sign, it did not mean that it would necessarily cause confusion between the two. In *Polo Textile Industries Pty Ltd v Domestic Textile Corporation Pty Ltd* (1993) 26 IPR 246 ("*Polo Textiles*") at 250, Burchett J emphasised that decisions, which held that the taking of a word mark and adding to it an additional word constituted infringement, should not be applied mechanically such that no added word could ever save such a taking from infringement. *In other words, sometimes, looking at the challenged sign as a whole, the distinctiveness of the registered word mark is dissolved by the addition of the word. Accordingly, the similarity between the mark and the sign is significantly diminished and may be insufficient to cause a likelihood of confusion.*

[emphasis added]

9 In my view, the visual and conceptual differences between the plaintiff's registered mark and the defendant's sign are obvious and plentiful. The plaintiff's mark uses the simplified Chinese characters " [] " the defendant's sign uses the traditional characters " [] ". The plaintiff's mark includes not just the relevant Chinese characters but also the entire phrase " [] " KTV and DISCO PUB"; the defendant's sign comprises the entire phrase "Mirage [] Palace Exclusive Niteclub." The plaintiff's mark is a handwritten notation without any characteristic or distinguishing graphical representation; the defendant's sign, on the other hand, involves the consistent use of stylized lettering, borders and graphics in an "intricate arabesque rhombus design." From a cursory inspection of the two signs – and even a "mark for sign" comparison with the unregistered " [] Myths KTV DISCO PUB" business sign used on the premises of the plaintiff's pub (see *Compass Publishing BV v Compass Logistics Ltd* [2004] EWHC 520, where it was held that the proper comparison is with a notional and fair use of the registered mark in question) – it is clear that the defendant's use is not visually or conceptually similar to the plaintiff's trade mark.

10 A greater matter of concern, however, is the *aural* similarity between the two signs. As businesses catering to the Mandarin-speaking demographic in Singapore, it would not be surprising if the respective clientele of the two karaoke pubs were to refer to either or both of the institutions with merely the phonetic sound "Shen Hua". In *Morcream Products Ltd v Heatherfresh (Foods) Ltd* [1972] RPC 799 ("*Heatherfresh*"), the allegedly infringing mark was too close to "Everfresh", but on telephone only; an injunction was therefore granted specifically against business on telephone. More recently in *Northern Foods Grocery Group Ltd's Community Trade Mark Application; sub nom. FOX'S Trade Mark* [2002] ETMR 48, two marks different in appearance were nonetheless held sufficiently similar to the ear for one to block the registration of the other. The decision was largely based on the fact that German speakers would *pronounce* the two marks – FOX'S and FUCHS – very similarly.

11 We therefore have a case of *prima facie* aural similarity, given the exact same pronunciation of "Shen Hua" in both the plaintiff's and the defendant's usages. However, as has been noted, the plaintiff's mark specifically consists of the entire phrase " [] KTV and DISCO PUB". This should be borne in mind when we consider the likelihood of confusion on the part of the public. With respect to the goods and services provided by the plaintiff and the defendant, it is clear that the basic services provided by both businesses are similar. The defendant attempted to distinguish the two by arguing that "both businesses are not in fact similar by reason of the difference in locality, scale, clientele and price points". It draws the analogy that "an open-air restaurant serving Chinese cooked food at

the foot of a HDB block will not be considered similar in business to a fine dining restaurant serving exquisite Chinese food in a five-star hotel". I appreciate this reasoning, but it seems to me that this factor is more properly an issue regarding confusion on the part of the public. The two karaoke pubs here might cater to different categories of clients but both carry on the basic business of karaoke lounges – just as an open-air restaurant is similar to a fine dining restaurant in that they both provide a dining experience. Businessmen should not be required to draw fine distinctions between sub-business types within the broader realm of "normal" business types. They should not have to force themselves and the public into the melee of justifying, say, a shoe retail for the proletariat, computer servicing for women, or an airline for the budget-conscious, despite the ostensible similarities of each of these with a higher end establishment in the same line. To my mind, these fine distinctions can be very arbitrary and are, in any case, impractical.

12 I turn now to the issue of confusion on the part of the public. "Shen Hua", as we know, is a common aural denominator in both the plaintiff's and the defendant's usages. Yet the phonetic phrase "Shen Hua" in itself has little effect. Once at the pub in question, a prospective client will have no misgivings as to whether he was at the right pub or not. This is an important difference with the situation in *Heatherfresh*, where the business in question was actually solicited and conducted over telephone. Any likelihood of confusion here is therefore easily dissipated the minute customers turn up at either the plaintiff's Geylang outlet or the defendant's Orchard premises. Customers patronizing the Geylang outlet (when he wanted to go to the Orchard premises) or the Orchard premises (when he wanted to go to the Geylang outlet), would be doing so with full knowledge of the existence of the obvious alternative. This is clear given how different the Orchard and Geylang establishments are in terms of façade and presentation.

13 In this regard, *The Polo Case* is instructive once more:

37 Furthermore, it appears to me that the plaintiff's claim that there will be confusion is purely speculative. The evidence tendered by the plaintiff admitted that its products are sold in a selective manner in five boutiques managed and operated by its sole distributor and in five other "corners" located within segregated areas of various department stores. The location of these retail spaces are in the very nerve of the country's shopping district: Takashimaya, Raffles City Shopping Centre and Suntec City Mall. This is in stark contrast to the defendant, which operates out of five stores located in far less glamorous places outside the central shopping strip. *The target market of the plaintiff is the upper middle-class and possibly upwards, and the prices of its goods reflect its sophisticated image. On the other hand, the defendant targets mostly lower-income earners.* When asked whether it was realistic to suggest that a T-shirt costing \$7.90 or \$12.90 could ever be a product of the plaintiff, Ms Nah answered in the negative. Ms Nah also admitted that the plaintiff packages its goods in an attractive paper bag.

38 ... Taking all these circumstances into account, it is far-fetched to suggest that confusion could ever arise even in the simplest of minds and that, at best, the likelihood of confusion is a mere possibility and not a real one.

[emphasis added]

14 The excerpt above is directly on point. The defendant's karaoke establishment singles out big spenders as its prospective clientele; the plaintiff's pub targets lower- to middle-income earners. The defendant's establishment is situated along Orchard Road, "in the very nerve of the country's shopping district"; the plaintiff's pub is located in a much less glamorous area in Geylang. The prices of alcohol, and indeed the primary type of alcohol consumed at the defendant's establishment are very different from those imbibed at the plaintiff's pub. More broadly, the defendant's establishment is

more sophisticated and operates on a larger, more glamorous scale than the plaintiff's pub. The plaintiff's pub does not even have a drinks list.

15 The plaintiff produced Mr Teng Khoon Hai ("Mr Teng"), a regular customer, to attest to the fact that he had been confused by the two signs:

When I saw the Plaintiff's KTV, I was under the impression that the Plaintiff's KTV and the Defendant's KTV was owned by the same entity due to the use of the word " " by the Plaintiff's KTV and " " by the Defendant's KTV. They mean the same in Mandarin. It is also common to use Mandarin in KTVs and most of the crowd in the Plaintiff's KTV and the Defendant's KTV are from the Chinese community.

[emphasis added]

Ostensibly, this would be evidence of the relevant confusion required under the Act – confusion as to the origin of the product or service. In this connection, however, there were three crucial points. First, apart from Mr Teng, there was no other survey of customers carried out to assess the degree of confusion amongst members of the relevant public. Second, Mr Teng's evidence goes towards visual similarity, which, in my view, was not relevant on the facts of this case. Third, Mr Teng was confused because he thought that the plaintiff's pub and the defendant's establishment were owned by the same entity. It is significant, however, that following his first visit to the defendant's establishment in August 2007, Mr Teng never knew of the existence of the plaintiff's pub until he visited it more than a year later in October/November 2008. For a customer as regular as Mr Teng, this indicates the minimal similarity which the plaintiff's usage had with that of the defendant's. Accordingly, the risk of confusion on the part of the public between the two was unlikely to have been significant.

16 Given all of the above considerations, it is my view that the likelihood of confusion between the disputed signs – based solely of the phonetic coincidence of "Shen Hua" – is negligible. In coming to this conclusion, I am mindful that the plaintiff's mark specifically consists of the entire phrase " KTV and DISCO PUB" and not just the aural pronunciation of "Shen Hua".

17 In *Pan-West (Pte) Ltd v Grand Bigwin Pte Ltd* [2003] 4 SLR 755, the "oft-cited trinity of requirements for a passing off action" was held to comprise of goodwill, misrepresentation and damage. To succeed in its action for passing off here, therefore, the plaintiff must establish *all* of the following elements:

- (a) That the plaintiff has acquired *goodwill* in the goods or services provided by it;
- (b) That the defendant has made a *misrepresentation* to the public leading or likely to lead the public to believe that goods or services provided by the defendant are those of the plaintiff's; and
- (c) That there has been *damage* or likelihood of damage to the plaintiff's goodwill as a result of the misrepresentation.

I will examine each criterion in turn.

18 “Goodwill” has been and is often described as “the attractive force which brings in custom”: see *IRC v Muller & Co’s Margarine Ltd* [1901] AC. 217 at 224. Andrew Phang J added to this definition in *Nation Fittings (M) Sdn Bhd v Oystertec Plc* [2006] 1 SLR 712 (“*Nation Fittings*”):

158 Reviewing the evidence as a whole, I begin with the proposition that mere sales *without more* are not necessarily coincident with goodwill. That is both logically as well as conceptually coherent. The plaintiff is on more solid ground when it points to the distinctiveness of its own *ribbed* pipe fittings...

Something *more* is therefore required, above and beyond normal operating sales, to denote “the attractive force which brings in custom.” “Custom” alone is insufficient. The plaintiff’s profit and loss records for the years 2007 and 2008, as such, do little to establish the necessary goodwill required for a passing off action. Despite the plaintiff’s assertion that it had acquired substantial goodwill in the Chinese characters “ ” through usage and trading since 2005, it was unable to produce its sales records for the years 2005 and 2006.

19 In *Nation Fittings*, the plaintiff’s ribbed pipe fittings — supposedly harbouring “distinctiveness” as noted by Andrew Phang J above, — were held to be too functional and generic to amount to the “something more” required for the generation of the relevant goodwill. Similarly, here, there has been no evidence of “something more” in the business of the plaintiff to exemplify the required goodwill. No advertisements were produced in court, despite claims of publicity by the plaintiff, nor were there any witnesses attesting to the goodwill or reputation of the plaintiff’s pub. Indeed, the plaintiff’s own witness appeared to have been unaware of the plaintiff’s pub until he actually visited it in 2008, more than a year after his visit to the defendant’s establishment and more than three years since the alleged accumulation of goodwill in the plaintiff’s pub began: see [\[17\]](#) above. Accordingly, I find that the plaintiff has failed to establish the existence of goodwill for an action for passing off.

20 For the purposes of a passing off action, whether the misrepresentation in question was intended or inadvertent is unimportant — what matters is whether or not the public was misled by the misrepresentation. However, there is a caveat to this ostensibly permissive test. As Graham J observed in the English High Court decision of *Ben Chairs Limited v Chair Centre Limited* [1974] RPC 429 at 435:

Anyone is entitled, subject to some monopoly or statutory right preventing him, to copy and sell any article on the market, and false representation and *passing off only arise when a defendant does something further which suggests that the article which he is selling is that of the plaintiff.*

[emphasis added]

This was cited with approval by Andrew Phang J in *Nation Fittings*.

21 Further, in *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] SLR 133, Yong Pung How CJ set out the following in addressing the issue of the relevant “public” in a passing off action, at 141:

The law is settled and there is a series of cases for the following propositions from the last century to the present. The test to be applied has been stated in *Newsweek Inc v British Broadcasting Corporation* [1979] RPC 441 at p 447 which is *whether ordinary sensible members of the public would be confused*. It is not sufficient that the only confusion would be to a very small unobservant section of society or as Foster J put it recently, if the only person who would be misled would be a moron in a hurry. It is sufficient that a substantial proportion of persons

who are probably purchasers of the goods of the kind in question would in fact be confused. Whether or not there is misrepresentation is always a question of fact to be determined by the court in the light of evidence of surrounding circumstances. *The impression is entirely a matter for the judgment of the court and not that of the witnesses.* All that can be done is to ascertain in every case as it occurs whether there is such a resemblance as to deceive a purchaser using ordinary caution.

[emphasis added]

22 Applying the various considerations above to the present facts, I find that the defendant had not “do[ne] something further which suggest[ed] that the [service] which he [was offering] [was] that of the plaintiff” (*per* Graham J above). Indeed, as a matter of logic from the viewpoint of an “ordinary, sensible member of the public”, this would not have been the case. The defendant, with an obviously much classier establishment and a more lucrative business along Orchard Road, was not likely to represent itself as an affiliate of the plaintiff’s pub, which, from the evidence, was an obviously lower grade operation located in one of Singapore’s designated red-light areas.

23 I also find that while Mr Teng attested to being confused as to the ownership of the two establishments, this was the sole supporting opinion; there was little else to support his testimony. On the whole, I am not at all impressed by Mr Teng’s evidence. In *Jumbo Seafood Pte Ltd and Another v Hong Kong Jumbo Seafood Restaurant Pte Ltd* [1998] 1 SLR 860, a case cited by the plaintiff, a survey amongst members of the public was conducted to adduce evidence of confusion on the part of the public. The survey showed that 40% of those surveyed were confused in that they thought the defendant’s restaurant was associated with the plaintiffs’. Accordingly, misrepresentation there was held to have been made out. There was no such survey in evidence here. I am of the view that on the present facts there is no risk of an “ordinary sensible member of the public” being confused in the same way as Mr Teng was by the defendant’s “misrepresentation”. It is unlikely that the defendant, with 15,000 square feet of classy décor and a business attracting wealthier individuals, would have any desire to represent that it has any connection to the plaintiff’s relatively unsophisticated establishment.

24 The final element of the three-fold criteria for founding an action in passing off is damage, either sustained or prospective. In the event of prospective damage, the plaintiff has to show that this damage is a matter of *probability*, and not mere possibility. This aspect is easily disposed of. There is no evidence before me of any actual damage suffered by the plaintiff or of any probable damage likely to be suffered. In fact, the plaintiff’s profits have increased from approximately \$120,000 in 2007 to \$220,000 in 2008 — despite the defendant having been in business during those two years. It is of course open to the plaintiff to run the argument that its earnings could have been much higher had the defendant not passed off its business as the plaintiff’s, but there is a dearth of evidence for such a contention.

25 As a matter of principle, it is true that a defendant cannot avoid a finding of passing off by the mere fact that its goods or services are of as good or better quality than the plaintiff’s. In the English High Court decision of *Irvine v Talksport Ltd* [2002] 2 All ER 414 (“*Talksport*”), Laddie J observed at [34] that

... the purpose of a passing off action is to vindicate the claimant's exclusive right to goodwill and to protect it against damage. When a defendant sells his inferior goods in substitution for the claimant's, there is no difficulty in a court finding that there is passing off. The substitution damages the goodwill and therefore the value of it to the claimant. The passing off action is brought to protect the claimant's property. But goodwill will be protected even if there is no

immediate damage in the above sense. For example, it has long been recognised that a defendant can not avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, *although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or to decide who, if anyone, can use it alongside him.* The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum & Mason is no more entitled to use the name F W Woolworth than F W Woolworth is entitled to use the name Fortnum & Mason.

[emphasis added]

However, Laddie J's exhortations do not apply here. The plaintiff, unlike Mr Eddie Irvine, has not shown that it harbours the appropriate goodwill required for a passing off action. It has also not produced any credible evidence of any genuine misrepresentation. Finally, no actual or probable damage to the plaintiff was made out by the plaintiff on the facts. In short, none of the three threshold requirements for a passing off action have been met, and to that extent any discussion of "who, if anyone, can use [the plaintiff's mark] alongside him" must necessarily be premature.

26 Far from "squatting" on the "property" of the plaintiff, the defendant appears to have carved out a brand name of its own under the "Mirage Palace Exclusive Niteclub" sign, attracting well-shod individuals with its own brand of sophisticated nightlife entertainment. Significantly, the plaintiff's own Enquiry Report, commissioned by its solicitors to survey the defendant's pub, states that "the KTV located at Orchard Plaza appears more popular". I do not think that the defendant can fairly be said to have transgressed into the plaintiff's area of business. Indeed, if anything the similarity in signs is more likely to result in the dilution and tarnishment of the defendant's "property", given the location of the plaintiff's pub. It is a far cry from the opportunistic poaching that was at the core of the litigation in *Talksport*.

27 In view of all the above considerations, the plaintiff's claim is hereby dismissed. I will hear arguments on costs at a later date.

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