Clinique Laboratories, LLC *v* Clinique Suisse Pte Ltd and another [2010] SGHC 189

Case Number : Suit No 978 of 2008

Decision Date : 02 July 2010

Tribunal/Court : High Court

Coram : Lai Siu Chiu J

Counsel Name(s) : Leck Kwang Hwee Andy, Ang Hsueh Ling Celeste and Ho Weiyun (Wong & Leow LLP) for the plaintiff; Kelvin Lee Ming Hui and Pak Walton (Samuel Seow Law Corporation) for the defendants.

Parties : Clinique Laboratories, LLC — Clinique Suisse Pte Ltd and another

TRADE MARKS AND TRADE NAMES – infringement

2 July 2010

Lai Siu Chiu J:

Introduction

1 In this action, Clinique Laboratories, LLC ("the plaintiff") sued two companies Clinique Suisse Pte Ltd ("the first defendant") and Healthy Glow Pte Ltd ("the second defendant") for trademark infringement. The plaintiff was established in 1968 and is a subsidiary of The Estee Lauder Companies Inc. ("Estee Lauder") which is one of the world's leading manufacturers and marketers of skin care, make-up, hair and fragrance products. The plaintiff's products are sold under the "CLINIQUE" Mark ("the Clinique Mark"). The Clinique Mark was first used by the plaintiff in 1968 and in Singapore in 1976. At all material times, the plaintiff was the registered proprietor of, amongst others, the following trade marks in Singapore (collectively, the "plaintiff's Registered Trade Marks"):

Trade Mark No.	Mark	Class / Specification
T98/10162Z	CLINIQUE	**Class 03**: Cosmetics; toiletries; perfumery; non-medicated preparations for care of hair, skin and body; essential oils.

T02/00465B	CLINIQUE	**Class 44**: Beauty consultation services regarding the selection and use of personal care products, cosmetics, make-up, toiletries, perfumery, bath and body products, skin care products, hair care products and beauty treatments, colour analysis and personal appearance, aromatherapy and reflexology products; beauty salon services, beauty treatment services, make-up services, massage services, hair care services, manicure services, pedicure services, cosmetic treatment services: provision of information concerning color analysis, personal care products, cosmetics, toiletries, perfumery, bath and body products, skin care products, hair care products and beauty treatments and personal appearance, including the selection and use of such products.

2 The plaintiff also owns in Singapore numerous registered and pending marks which contain the word "CLINIQUE". The Clinique Mark forms the most distinguishing feature of the plaintiff's corporate name and trading style and has been registered in the trade mark registries of over 20 countries. It has been used and is being used worldwide in connection with a wide range of skin and body care products as well as the provision of beauty consultation/treatment services.

3 The first defendant is a private limited company, having its registered office address at 290 Orchard Road #08-01/02, The Paragon, Singapore 238859. It was incorporated in or around November 2006 with the name "Clinique Suisse Pte Ltd". The second defendant is a private limited company, having its registered office address at 7500A Beach Road, #13-320, The Plaza, Singapore 199591. It was incorporated in or around July 1998 with the name "Healthy Glow Pte Ltd".

4 In this action, the claim was that the plaintiff's Registered Trade Marks had been infringed under s 27(2) or s 27(3) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("TMA") by either or both defendants through the use, in the course of trade in Singapore and without the plaintiff's consent, of signs or marks similar to the plaintiff's Registered Trade Marks. In particular, the plaintiff referred to the following acts of infringement: (1) the incorporation of the first defendant with the name "Clinique Suisse Pte Ltd"; (2) the use of the trading name "CLINIQUE SUISSE" at a medical clinic ("the Clinique Suisse Business") located at the registered address of the first defendant and on business cards, carrier bags, packaging, labels, sales invoices and price lists of the Clinique Suisse Business; (3) the sale of skin and body care products bearing the sign "CLINIQUE SUISSE" ("the Clinique Suisse Mark") by the Clinique Suisse Business; (4) the offer and/or supply of skin care treatment services under the Clinique Suisse Mark by the Clinique Suisse Business; and (5) the registration of an internet domain name www.cliniquesuisse.com and the operation of a website using the said domain name ("the Clinique Suisse Website") through which the Clinique Suisse Business' services and a wide range of skin and body care products bearing the Clinique Suisse Mark were promoted and through which a sale of such products had actually taken place on 3 April 2009. The plaintiff also sought an injunction, pursuant to s 55 of the TMA, against the defendants' use of any mark or business identifier comprising

the Clinique Suisse Mark or any mark or business identifier which was identical with or similar to the plaintiff's Clinique Mark in the course of trade or business. Further, or in the alternative, the plaintiff claimed that either or both of the defendants had or had conspired to pass off or attempt to pass off goods/products not of the plaintiff's manufacture or origin as and for the goods/products of the plaintiff.

Decision

5 On 30 April 2010 after a four day trial, I allowed the plaintiff's claim against both defendants and made the following orders:

(a) An injunction was granted to perpetually restrain the defendants, jointly and severally, by themselves, their respective directors, officers, servants or agents or any of them or otherwise howsoever, from doing any of the following acts:

(i) Infringing the plaintiff's Registered Trade Marks (Trade Mark Registration Nos. T98/10162Z and T02/00465B) and/or any colourable imitation thereof, and/or from directing, causing, procuring, instigating, enabling or assisting others to do so;

(ii) Passing off or attempting to pass off or causing, enabling or assisting others to pass off the skin and body care products of the first defendant and/or second defendant as and for goods/products of the plaintiff, or as being otherwise associated with, or licensed or endorsed by, the plaintiff in any way howsoever by representing or acting by means of the dissemination of information, use and/or issue of signages, advertisements, carrier bags, packaging, labels, sales invoices or price lists or otherwise in a manner that induces such belief;

(iii) Passing off or attempting to pass off or causing, enabling or assisting others to pass off the skin care treatment services of the first defendant and/or second defendant as being developed and/or operated by, or otherwise associated with, or licensed or endorsed by, the plaintiff by representing or acting by means of the dissemination of information, use and/or issue of signages, advertisements, carrier bags, packaging labels, sales invoices or price lists or otherwise in a manner that induces such belief.

(b) An injunction, pursuant to s 55 TMA, was granted to perpetually restrain the defendants, jointly and severally, by themselves, their respective directors, officers, servants or agents, or any of them or otherwise howsoever, from:

(i) Using, in the course of trade, the Clinique Suisse Mark or any mark which, or an essential part of which, is identical with or similar to the plaintiff's Clinique Mark (as defined in paragraph 3 of the Statement of Claim (Amendment No. 2) – *ie*, the mark under which the plaintiff's products are sold); and/or

(ii) Using the business identifier "CLINIQUE SUISSE" or any business identifier which, or an essential part of which, is identical with or similar to the plaintiff's Clinique Mark.

(c) The defendants, jointly and severally, were to take all such steps, including but not limited to the completion and execution of documents and the paying of fees as are within their power or control, and as may be necessary to effect, promote and/or facilitate the:

(i) Assignment of the registration of the internet domain name www.cliniquesuisse.com to the plaintiff;

(ii) Withdrawal of Trade Mark Application Numbers T07/15273J and T07/15272B from the Singapore Trade Mark Register on or before 6 May 2010, failing which the Registrar of Trade Marks would be directed to cancel and expunge the said applications from the register.

(d) An injunction was granted to perpetually restrain the defendants, jointly and severally, by themselves, their respective servants, agents or otherwise howsoever, from doing any of the following acts:

(i) Using the internet domain name www.cliniquesuisse.com;

(ii) Establishing or operating a website at www.cliniquesuisse.com;

(iii) Offering for sale or assignment or transfer or assigning or transferring the registration of the internet domain name www.cliniquesuisse.com to any other entity than the plaintiff;

(iv) Relinquishing the registration for the internet domain name www.cliniquesuisse.com without first having given 7 days notice in writing to the plaintiff's solicitors of their intention to do so;

(v) Registering any internet domain name which included the word "CLINIQUE" or any word confusingly similar thereto or any combination of words that are similar thereto; and

(vi) Enabling, assisting, causing, procuring or authorising any person other than the plaintiff to do any of the acts aforesaid.

(e) The defendants would pay the plaintiff damages to be assessed by the Registrar, with interest and costs of such assessment to be reserved to the Registrar.

(f) The defendants were to remove and cease all use of the sign "CLINIQUE SUISSE", including use on signage and business stationery, on or before 13 May 2010.

(g) The defendants were to return to their supplier, One World Australasia Pte Ltd, products bearing the Clinique Suisse Mark, which use or sale or dealing therewith by the first and/or second defendants would offend against the foregoing injunctions.

6 On 14 May 2010, I ordered that the defendants pay the plaintiff costs of the action on a standard basis, save that all disbursements incurred by the plaintiff would be paid by the defendants to the plaintiff on a reimbursement basis.

7 The defendants have appealed against my judgment (in Civil Appeal No. 83 of 2010) and I now set out the grounds therefor.

The law

8 Section 27 of the TMA sets out when a person has infringed a registered trade mark. It reads:

(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 —

…

(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.

Section 27(3) of the TMA adds:

(3) A person infringes a registered trade mark which is well known in Singapore if —

(a) without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered;

(b) the use of the trade mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor;

(c) there exists a likelihood of confusion on the part of the public because of such use; and

(d) the interests of the proprietor are likely to be damaged by such use.

9 Sections 55(2) – (4) of the TMA protect well known trade marks in the following manner:

(2) Subject to subsections (6) and (7), the proprietor of a well known trade mark shall be entitled to restrain by injunction the use in Singapore, in the course of trade and without the proprietor's consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor's trade mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

(3) Subject to subsections (6) and (7), the proprietor of a well known trade mark shall be entitled to restrain by injunction the use in Singapore, in the course of trade and without the proprietor's consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor's trade mark, in relation to any goods or services, where the use of the trade mark —

(a) would indicate a connection between those goods or services and the proprietor, and is likely to damage the interests of the proprietor; or

(b) if the proprietor's trade mark is well known to the public at large in Singapore —

(i) would cause dilution in an unfair manner of the distinctive character of the proprietor's trade mark; or

(ii) would take unfair advantage of the distinctive character of the proprietor's trade mark.

(4) Subject to subsections (6) and (7), the proprietor of a well known trade mark shall be entitled to restrain by injunction the use in Singapore without the proprietor's consent of any business identifier which, or an essential part of which, is identical with or similar to the proprietor's trade mark, where the use of the business identifier —

(a) would indicate a connection between the business in respect of which it is used and the proprietor, and is likely to damage the interests of the proprietor; or

(b) if the proprietor's trade mark is well known to the public at large in Singapore —

(i) would cause dilution in an unfair manner of the distinctive character of the proprietor's trade mark; or

(ii) would take unfair advantage of the distinctive character of the proprietor's trade mark.

…

(6) The proprietor shall not be entitled to the right referred to in subsection (2), (3) or (4) if the use of the trade mark or business identifier, as the case may be, began before the proprietor's trade mark became well known in Singapore, unless the trade mark or business identifier has been used in bad faith.

(7) The proprietor shall cease to be entitled to the right referred to in subsection (2), (3) or (4) if the proprietor has acquiesced for a continuous period of 5 years in the use of the trade mark or business identifier, as the case may be, in Singapore, being aware of that use, unless the trade mark or business identifier has been used in bad faith.

I should point that s 55(6) and (7) were not raised by the defendants in the present case.

The decision

A. Both defendants were jointly and severally liable for the acts alleged by the plaintiff

10 According to searches conducted by the plaintiff on 14 January 2010 in the records of the Accounting and Corporate Regulatory Authority ("ACRA"), the first defendant was a live company in the business of operating an anti-aging clinic and franchising/selling goods whilst the second

defendant was also a live company but was in the business of retail sale and wholesale of health food. [note: 1] Despite the information stated in the ACRA searches, the defendants claimed that the first defendant was a dormant company which did not operate any anti-aging clinic and/or franchise/sell goods and/or provide skin care treatment or sell skin and body care products. The defendants insisted that it was the second defendant, rather than the first defendant, which operated the Clinique Suisse Business. Further, the defendants asserted that the second defendant did not conspire or act in concert with or otherwise get involved in the first defendant's alleged commission of the acts complained of by the plaintiff.

11 The Clinique Suisse Business, through which the acts alleged by the plaintiff (see above at [4]) were carried out, was operated under a licence, dated 11 April 2008, issued by the Ministry of Health to one Dr Wong Yoke Meng ("Dr Wong"). [note: 2] Dr Wong (DW1) was the sole director of the second defendant and was one of two directors of the first defendant. He was also a shareholder in both defendant companies. By his own admission, Dr Wong was, at all material times, the operating mind and will of both defendant companies and both defendants were related companies. [note: 3] The licence from the Ministry of Health did not state whether it was issued to Dr Wong to operate the Clinique Suisse Business as a sole-proprietor or on behalf of the first or second defendants. However, it stated that the Clinique Suisse Business was to be operated at 290 Orchard Road #08-01/02 Paragon, Singapore 238859, which is the registered address of the first defendant (see [4] above). I took this as an indication that the first defendant was not a dormant company.

12 It appeared, from the results of an IPOS – Trade Marks Online Search and Enquiry [note: 4] ("the IPOS Search Results"), that the first defendant had applied, on 10 July 2007, to register the Clinique Suisse Mark. That, combined with Dr Wong's statement that he had incorporated the first defendant with the intention of transferring the Clinique Suisse Business from the second defendant to the first defendant (since the first defendant shared the same name as the Clinique Suisse Business), [note: 5] was another indication that the first defendant was not a dormant company and that the first defendant intended to use the Clinique Suisse Mark.

13 In those circumstances, I was of the opinion that the first defendant was a proper defendant to this action and that the second defendant had also participated in the management of the Clinique Suisse Business and the operation of the Clinique Suisse Website. I therefore held that both defendants were jointly and severally liable for the claims made by the plaintiff (which are dealt with below).

B. The plaintiff's claims under s 27 and s 55 of the TMA and its claim for passing-off

14 I ruled that the plaintiff had made out its claim under s 27(2)(b) of the TMA. It had demonstrated that (1) the Clinique Suisse Mark was similar to the Clinique Mark (see [18] – [24] below); (2) the defendants' products and services were similar to the plaintiff's products and services (see [26] – [28] below); and (3) there was a likelihood of confusion on the part of the public arising from the defendants' use of the Clinique Suisse Mark (see [29] – [38] below). (The word "confusion" as used in the rest of this judgment refers to confusion between the products and services of the plaintiff on the one hand and the defendants' products and services on the other). I also granted the plaintiff an injunction under s 55(2) of the TMA for the additional reason that (4) the Clinique Mark was well known in Singapore (see [39] – [40] below).

15 Additionally, I found that, at the very least, (5) the use of the Clinique Suisse Mark in relation to the defendants' products and services would indicate a connection with the plaintiff's products and services (see [42] below). Moreover, (6) the use of the Clinique Suisse Mark by the defendants was

likely to damage the interests of the plaintiff (see [43] – [48] below). Given the finding that there was a likelihood of confusion on the part of the public arising from the defendants' use of the Clinique Suisse Mark, s 55(3)(a) was also made out. Since the defendants had used the Clinique Suisse Mark as a business identifier to promote the products and services of Clinique Suisse Business at the premises of the latter, on the packaging and labels of its products, and on the Clinique Suisse Website, by extension, s 54(a) was also made out. The claim for passing-off was also made out in that the plaintiff had established goodwill in the Clinique brand and the Clinique Mark (see [39] below); there was a misrepresentation as evidenced by the strong likelihood of confusion arising from the defendants' use of the Clinique Suisse Mark (see [29] – [38] below); and there was a real tangible risk of substantial damage to the plaintiff's goodwill by the defendants' use of the Clinique Suisse Mark (see [43] – [47] below).

16 Sections 55(3)(b) and 55(4)(b) of the TMA were enacted to cater to situations where the reputation and value of a well-known mark is diluted by blurring or tarnishment, even though there may not be consumer confusion: (see the Second Reading speech of the Minister for Law on the Trade Marks (Amendment) Bill in *Singapore Parliamentary Debates, Official Report* [15 June 2004] vol 78 at col 108). The plaintiff relied on s 55(3)(b) and s 55(4)(b) as an alternative to ground its claim for an injunction under s 55 of the TMA. Given my findings that the products and services of the plaintiff and the Clinique Suisse Business were similar and that there was a likelihood of confusion such that the plaintiff had already established its claim under ss 55(2), 55(3)(a) and 55(4)(a) of the TMA, it was not strictly necessary for this court to make a finding on the plaintiff's claims under s 55(3)(b) and s 55(4)(b) of the TMA. Nevertheless, I observed that it was clear, from the evidence before me, that the plaintiff's Registered Trade Marks were not only well known in Singapore, but were also well known *to the public at large* in Singapore (see [41] below). Taking into account: (i) the fact that the products and services of the Clinique Suisse Business, as well as the skin care products advertised on the Clinique Suisse Website, were similar or, at the very least, closely related to that of the plaintiff's goods/services; and (ii) the fact that there was a strong likelihood of confusion, I also observed that the use of the Clinique Suisse Mark would take unfair advantage of the distinctive character of the Clinique Mark (see [18] below) by riding on the coat-tails of the Clinique brand (see [44] – [45] below). The plaintiff was therefore also entitled to restrain the use of the Clinique Suisse Mark under s 55(3)(b)(ii) and s 55(4)(b)(ii) of the TMA.

17 My observations were directed at the defendants' application of the Clinique Suisse Mark and business identifier, in the present case, to products and services which, as already emphasised, were similar or, at the very least, related to the plaintiff's products and services and in a manner which would generate confusion. As such, my finding that the plaintiff was entitled to an injunction under s 55(3)(b)(ii) and s 55(4)(b)(ii) in the specific circumstances of this case, would not, as the defendants feared, grant the plaintiff "the widest degree of protection available under the Act" and entitle the plaintiff to "stop the use of the word "*Clinique*" in Singapore across all industries" regardless of any similarity of goods and services and in the absence of any confusion.

(1) The Clinique Suisse Mark was similar to the Clinique Mark.

18 Although the word "Clinique" may be the French translation of the ordinary English word "clinic", the Clinique Mark has acquired a distinctive character in the cosmetics industry. Through extensive use, it has acquired the ability to distinguish Clinique's skincare products and services from those of others. I agreed with the observation of the Federal Commission for Appeals in Intellectual Property Matters in Switzerland, in the case of *Unique Frischkosmetik, Irmgard Schade Naturkosmetik v Clinique Laboratories Inc*. (MA-WI 42/96), that the Clinique Mark had attained a high degree of fame such that it was no longer understood as corresponding to the English word "clinic" when used as a sign on a cosmetic product. When used in conjunction with products and services in the classes for

which the plaintiff's Registered Trade Marks (see [1] above) were registered, the Clinique Mark had become distinctive of the plaintiff's products and services. Moreover, for the reasons set out below, I was of the view that the Clinique Suisse Mark was visually, aurally and conceptually similar to the Clinique Mark.

(a) The defendants' pending applications for the registration of the Clinique Suisse Mark mirrored the plaintiff's Registered Trade Marks.

19 According to the IPOS Search Results (see [12] above), the first defendant had applied to register the Clinique Suisse Mark as a trade mark under Class 03 and Class 44, which were the same classes in which the plaintiff's Registered Trade Marks were registered (see [1] above). The applications for registration under Class 03 and Class 44 were previously treated as withdrawn but the status was updated to "Pending" on 3 October 2008 and 30 September 2008 respectively.

20 The defendants had submitted that there was no visual, aural or conceptual similarity between the plaintiff's Clinique Mark and the Clinique Suisse Mark because the font and logo of both marks were markedly different. However, contrary to the defendants' claim that the Clinique Suisse Mark differed from the plaintiff's Registered Trade Marks because the "Q" in the Clinique Suisse Mark had a longer stroke, the Clinique Suisse Mark, as reflected in the IPOS Search Results, was as such:  . It was clear that, apart from the addition of the word "SUISSE", the Clinique Suisse Mark which the first defendant had applied to register was exactly the same as the plaintiff's Registered Trade Marks.

(b) The packaging of the defendants' products and the appearance of the Clinique Suisse Mark on the defendants' products were almost identical to that of the plaintiff's products and the appearance of the Clinique Mark on the plaintiff's products.

21 The plaintiff had tendered to the court its core products [note: 6] as well as the defendants' products [note: 7] which its private investigators had purchased both from the Clinique Suisse Website and at the Clinique Suisse Business. The packaging of the defendants' products bore an uncanny resemblance to that of the plaintiff's products. Both the plaintiff and the defendants sold their products in a pastel coloured get-up and some of the Clinique and Clinique Suisse solutions were in a similar distinctive shade of pink. The jars of some of the Clinique and Clinique Suisse products were also in distinctive pastel green. The defendants' Clinique Suisse Mark appeared as such on its products:  . When compared to the plaintiff's Registered Trade Marks (see [1] above), both marks were in capital letters and the fonts were almost exactly the same albeit that there was a slight differential in the tail of the letter "Q". Aurally and visually, both marks were similar.

22 The words "SUISSE" and "Made in Switzerland" on the Clinique Suisse Business' products were merely add-ons to the "CLINIQUE" word and did not distinguish the defendants' Clinique Suisse Mark from the plaintiff's Registered Trade Marks. Indeed, they gave the impression that the defendants' products or services were an extension, line or version of the plaintiff's products or services, perhaps with a Swiss element.

23 The defendants had submitted that the word "Clinique" is the French word for "clinic" and in that regard, it was consistent with the line of products and specialised medical services offered by the Clinique Suisse Business which the plaintiff and its staff are not qualified to provide, since the plaintiff is not a licensed medical practitioner. I did not think this would make any difference to the defendants' case. The plaintiff had established the Clinique Mark as representative of its allergy-tested and fragrance free cosmetics, beauty and skin care products. Additionally, the plaintiff had

stated that the Clinique brand derived its name from its dermatological roots. At the trial, Dr Wong agreed with counsel for the plaintiff that in certain situations, when a person mentions "Clinique" and not "Clinic", the image conjured would be that of cosmetics and skin care. [note: 8] In fact, the defendants had, in the same manner as the plaintiff, used the Clinique Suisse Mark to brand the Clinique Suisse Business' beauty and skin care products and services.

24 Whilst Dr Wong claimed that he had ordered the defendants' products from one Steven Chia of One World Australasia who (according to Dr Wong) had packaged the products for him and informed him that the products were manufactured in Switzerland, [note: 9] the defendants did not call Steven Chia to testify nor offer any reason why they did not. The court therefore did not have an opportunity to question Steven Chia on the reason(s) for the uncanny resemblance of the packaging of the defendants' products to the plaintiff's products. It was also the defendants' position that the Clinique Suisse Mark was conceptualised to reflect (i) the Clinique Suisse Business' links with one Professor Ben Pfeifer based in the Aeskulap Hospital in Brunnen, Switzerland; and (ii) the fact that Dr Wong had previously been mentored by a French doctor. However, neither Professor Pfeifer nor the French doctor were called as witnesses for the defendants.

25 The plaintiff on the other hand had called Dr Michael Treis, an Attorney at Law in Switzerland, to be a witness via video-conferencing. Dr Michael Treis testified that investigations conducted in Switzerland on the plaintiff's instructions did not produce any evidence that the products with the Clinique Suisse Mark originated from Switzerland. Dr Michael Treis also emphasised that the use of the name and/or trademark "CLINIQUE SUISSE" for skin care products or other beauty products would constitute a blatant infringement of the plaintiff's Swiss trademark rights such that it would not be legally possible for the defendants and/or other third parties to manufacture any skin care products in Switzerland if this would entail marking such products "CLINIQUE SUISSE". The defendants had therefore not proven that the products bearing the Clinique Suisse Mark were indeed manufactured in Switzerland.

(2) The Clinique Suisse Mark was being used in relation to goods or services identical with or similar to those for which the Clinique Mark was used.

26 As pointed out above (at [19]), the first defendant had pending trade mark applications to register the Clinique Suisse Mark in the same classes (03 and 44) as the plaintiff's Registered Trade Marks. That indicated that the products and services which the first defendant intended to target were identical to the goods and services for which the plaintiff's Registered Trade Marks were registered. In any event, I found that the Clinique Suisse Mark was being used in relation to goods or services similar to those for which the plaintiff's Registered Trade marks were registered – *ie*, beauty and skin care products and consultation services. Dr Wong admitted that the Clinique Suisse Business offered and sold skin care products at its premises and via a website at www.cliniquesuisse.com. [note: 10] Skin care consultation and treatment services (including, in particular, the service of recommending appropriate skin care products to specific customers) were also provided at the Clinique Suisse Business' premises. [note: 11]

27 Dr Wong had agreed with counsel for the plaintiff that the service of recommending appropriate skin care products had been offered by the plaintiff's consultants even before November 2008. [note: 12] He further agreed that both the plaintiff and the Clinique Suisse Business offered beauty consultation services regarding the selection of skin care products and the same service of giving information concerning skin care products, [note: 13] although he insisted that the main focus of the Clinique Suisse Business was anti-aging medicine such that only a small part of the Clinique Suisse

Business was related to the plaintiff's business.

28 It was therefore apparent that the defendants' products and services fell within the description of the classes in which the plaintiff's Registered Trade Marks were registered. I noted that a further similarity between the plaintiff's and the Clinique Suisse Business' products and services was that they both targeted the same consumers – those who were seeking to improve their skin appearance. The convergence between the cosmetic skin care and medical industries which had resulted in both industries competing for the same group of consumers, will be elaborated upon at [30] below. The defendants' claim that its products and services could be distinguished from that of the plaintiff on the ground that the plaintiff traded in mass cosmetics and skin/body care retail goods whereas the Clinique Suisse Business operated a specialised and licensed medical clinic will also be dealt with at [32] – [34] below.

(3) There was a likelihood of confusion on the part of the public arising from the defendants' use of the Clinique Suisse Mark.

29 It was the defendants' position that there was no likelihood of confusion because: (a) the plaintiff traded in cosmetics retail goods whereas the Clinique Suisse Business was a specialised and licensed medical practice; (b) the plaintiff's and the Clinique Suisse Business' channels of distribution were distinguishable and (c) the goods and services provided by both parties were higher-end goods usually purchased by persons of an above-average class who would easily discern the differences between goods sold under the plaintiff's Clinique Mark and those sold under the Clinique Suisse Mark. I disagreed for the reasons set out below.

(a) The convergence of the cosmetic skin care and medical industries indicated that there was a likelihood of confusion.

30 There was a likelihood of confusion due to the convergence of the cosmetic skin care and pharmaceutical/medical industries in the production of "cosmeceuticals". There was a risk that the public would be confused thinking there was an economic link/collaborative marketing between the plaintiff and the defendants. As Dr Wong himself revealed, citing the brand "Perricone MD" as an example, at the time of the trial, there were already some doctors who had started their own skin care line and were selling their products on a retail basis. [note: 14] Dr Wong had also admitted that, as part of his services, he offered three lines of skin care products to his patients and that this ventured beyond his traditional business of medical practice into the cosmetic industry. [note: 15] Conversely, at the time of the trial, skin care products by cosmetic skin care companies were also moving into doctors' clinics. In fact, the Vice-President and Senior Trademark Counsel of Estee Lauder, Ms Lesley A. Moradian ("Ms Moradian"), stated that the plaintiff had entered into a strategic collaboration with Allergan Inc., a leader in medical aesthetics and the maker of Botox (a treatment which the Clinique Suisse Business offered to its clients), to develop a line of clinically proven skin care products specifically designed for patients under a physician's care. The new skin care line developed by Clinique and Allergan Inc. would be called "CLINIQUE MEDICAL" and would be available exclusively through physician offices.

31 In the UK decision of *In the matter of Application No. 2460800 by Ozone UK Limited to register the trade mark*  *in Class 3 and In the matter of Opposition thereto under No. 96252 by Ozone Laboratories Limited*, O-245-09, the Registrar stated at [26] – [27]:

> [26] … There are clear differences between pharmaceutical and cosmetic products… However, the evidence makes it clear that a product can be both pharmaceutical and cosmetic and that in

such circumstances it falls under the rules and regulations governing pharmaceuticals. Also from the evidence, it is clear that the gap between the two sets of goods is becoming narrower with the use of pharmaceuticals such as Botulinum toxin purely for cosmetic purposes and also being administered on the high street in ordinary shops such as Boots. Cosmetic products are also making claims to restoring, correcting or modifying physiological functions. Although the term "cosmeceuticals" is not recognised by the relevant drug authorities in the USA or UK its use in so many journals, newspapers and magazines shows that the gap between the two sets of products is narrowing…

[27] … The evidence shows that the "gap" between pharmaceuticals and cosmetics is becoming increasingly blurred and that there are products which are classified as both. Although not officially recognised, the term cosmeceuticals has been coined for products which are at the very edge of being a pharmaceutical but yet remain a cosmetic. In such circumstances the specifications of the two parties could be in competition or complementary.

In view of the above, there was a likelihood of confusion on the part of the public.

(b) The plaintiff's and the Clinique Suisse Business' channels of distribution were not distinguishable.

32 Dr Wong and his staff member, one Ms Lim Nee (DW3) testified that Dr Wong had instructed his staff that the Clinique Suisse Business' products could only be purchased after a patient had consulted Dr Wong or Dr Wong's employee, one Dr Chan Yat Chun ("Dr Chan"), and obtained a prescription for the products. [note: 16] The defendants therefore claimed that there was no likelihood of confusion since the channels of distribution for the plaintiff's and the Clinique Suisse Business' products were distinguishable in that the plaintiff's products could be purchased at departmental stores whilst the defendants' products could only be purchased after consultation in a confidential medical setting. However, the plaintiff adduced evidence of an online purchase of a Clinique Suisse product from the Clinique Suisse Website by a private investigator Ms Tan Poh Tiang (PW3) on 3 April 2009, which product was subsequently delivered to the private investigator on 20 April 2009, without the said private investigator having had to consult Dr Wong or Dr Chan.

33 When he was confronted with the above evidence, Dr Wong had agreed with counsel for the plaintiff that the Clinique Suisse Website was designed such that anyone could access the website and look at the Clinique Suisse products and that there was no mention on the Clinique Suisse Website that Clinique Suisse skin care products would only be sold to patients. However, he disagreed with the statement by counsel for the plaintiff that anybody who had internet access would be able to buy the Clinique Suisse products. Rather, Dr Wong claimed that sales of the Clinique Suisse products on the internet were subject to terms and conditions. [note: 17] Yet, as counsel for the plaintiff pointed out to Dr Wong, the terms and conditions page of the Clinique Suisse Website was blank when the plaintiff's solicitors accessed it. [note: 18] It appeared that the website www.cliniquesuisse.com was an avenue through which the plaintiff's products could be bought by members of the public without the buyer having to consult a medical doctor.

34 I did not accept Dr Wong's position that Clinique's trained consultants are "glorified salesgirls". Whilst they may not have the medical training that Dr Wong has, as the Brand General Manager of Estee Lauder, Ms Khiu Lee Wah ("Ms Khiu"), had testified, they are trained to, amongst other things, analyse skin to ascertain skin types, assess the needs of customers and recommend suitable products following such analysis and/or assessment. In the course of their career, all Clinique consultants are required to undergo and pass a training programme termed "the Clinique Education Programme". Clinique promotes itself as "the last stop before the dermatologist's office and the first stop after".

The sale of Clinique products is complemented by Clinique services through which customers can have their skin analysed / assessed by a trained Clinique consultant who would also help to address the customer's skin concerns, recommend suitable products and advise on the proper usage and application of each product. In this manner, the plaintiff, much like the defendants, also offers beauty consultation services before a customer purchases its products, albeit that the plaintiff's trained Clinique consultants are not qualified doctors. Both the plaintiff and the defendants provide recommendation of skin care products to the users of their products.

(c) The purchasers of the plaintiff's and the defendants' products were likely to confuse between the Clinique and the Clinique Suisse brands.

35 The plaintiff adduced evidence of a street intercept survey conducted by Asian Strategies Pte Ltd at eight high traffic areas (spread across the major retail areas that account for most of the sales of premium skin care products in Singapore) on 408 interviewees, all of whom had been selected on the basis that they had purchased and used one or more of Clinique's or any of 22 specified premier skin care brands in the past 12 months, were female, and were aged between 18 and 49 years old. 207 of the interviewees were existing Clinique consumers at the time of the survey whilst 201 of the interviewees were potential Clinique consumers. The survey found, *inter alia*, that:

(a) Clinique was well established in Singapore – 46% of the non-Clinique consumers interviewed had used Clinique's products at least once and only 5% of the non-Clinique consumers interviewed were unaware of the Clinique brand.

(b) When shown the Clinique Suisse logo on a plain card, 47% of the interviewees mentioned Clinique as the brand or company that would operate the Clinique Suisse brand. A further 2% mentioned the plaintiff's parent company as the operator of the Clinique Suisse brand and a further 2% opined that it might be Clinique but that they were not sure.

(c) When shown photographs of a range of Clinique and Clinique Suisse products, 46% of the interviewees either: (i) thought that the products were from the same company (28% of the interviewees); (ii) thought that the products looked the same (6% of the interviewees); (iii) thought that the products were manufactured by the same company but belonged to different ranges (2% of the interviewees); or (iv) were unsure (10% of the interviewees). Only 54% of the interviewees felt that the products were made by different companies.

36 Gregory Ian Coops ("Mr Coops"), the Managing Director of Asian Strategies Pte Ltd and the person who had designed and directed the survey and prepared the survey report, testified for the plaintiff. Mr Coops (PW8) explained that his market research generally focused on a tight, discrete group of consumers from which a random and representative sample was interviewed. According to Mr Coops, he had focused his research resources on addressing the plaintiff's core target audience (*ie*, females aged between 18-49 who were either existing or potential Clinique users) after he had identified the characteristics of the vast majority of the plaintiff's consumers as female, relatively well-educated and upscale. [note: 19] In other words, the survey concentrated on the most important segments of the public from the plaintiff's point of view.

37 The plaintiff highlighted that in assessing "a likelihood of confusion on the part of the public", the average consumer need not necessarily mean the general public and the Court may ascertain who, precisely, the target consumers are (*City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier*

[2010] 1 SLR 382 at [54] and [59]). Moreover, in *Jumbo Seafood Pte Ltd and Anor v Hong Kong Jumbo Seafood Restaurant Pte Ltd* [1997] 3 SLR(R) 878, where 40% of the interviewees of a survey thought that the defendant's restaurant was somehow associated or connected with the plaintiff's restaurant, this was construed as evidence indicative of confusion.

38 I was mindful of the defendants' argument that the target consumers of the plaintiff were not "morons in a hurry" but were discerning consumers who would exercise care when choosing their skincare products. Nevertheless, I was of the opinion that such consumers were still likely to confuse the plaintiff's products with the Clinique Suisse Business' products due to the striking similarity between the trade marks and the packaging of the products. The survey had focused on the relevant segments of the public and the results demonstrating confusion between the Clinique and Clinique Suisse brand by approximately 46% of the interviewees could not be ignored. The interviewees of the survey clearly had difficulty distinguishing between the plaintiff and the defendants with regards to the origin of the products. This meant that there existed a likelihood of confusion on the part of the plaintiff's target consumers. There was a risk that these customers might be misled into thinking that the defendants' products emanated from the plaintiff. The defendants did not adduce evidence of any other survey to contradict and/or cast doubts on the results of the survey conducted by Asian Strategies Pte Ltd.

(4) The Clinique Mark was well-known in Singapore and to the public at large in Singapore.

39 The plaintiff had/has acquired valuable goodwill in the Clinique Mark when used in relation to the plaintiff's products and services. Since 1976, it has painstakingly built up the reputation of the Clinique brand in Singapore as a reliable brand for cosmetic products. The plaintiff had advertised and continues to advertise its products bearing the Clinique Mark in a wide variety of media, including but not limited to newspapers, magazines, radio and television. The advertising, promotional and marketing expenditure for the plaintiff's products sold under the Clinique Mark in Singapore in the years 2004-2008 (inclusive) was in the region of $3m each year. In the years 2004-2008 (inclusive), the plaintiff's sales figures in Singapore for the plaintiff's products sold under the Clinique Mark were in the region of $10m each year. Moreover, the plaintiff's worldwide advertising, promotional and marketing expenditure for the products sold under the Clinique Mark for the period 1 July 2003 to 30 June 2008 was in excess of US$0.4 billion per year.

40 As observed above at [35] – [36], the survey conducted by Mr Coops found that the Clinique brand was well-known to its target consumer group and was therefore within the definition of "well known in Singapore" in s 2(8) read with s 2(9) of the TMA.

41 In my opinion, the Clinique brand was also well-known to the public at large in Singapore in view of the long history of the brand in Singapore, its extensive advertising efforts in various media (which were/are circulated both in Singapore and internationally) and its presence in numerous departmental stores, both locally and worldwide. Indeed, at the time of the trial, Clinique products and services were offered in more than 13,000 sales stores/counters in over 110 countries and territories worldwide, with 13 of such stores/counters being located in Singapore. In certain countries (but not in Singapore), Clinique's products could also be purchased via Clinique's website at www.clinique.com. I agreed with Ms Moradian (PW9) that "most sectors of the population would have to know Clinique". [note: 20]

(5) The use of the Clinique Suisse Mark in relation to the Clinique Suisse Business' goods and/or services would indicate a connection between those goods or services and the plaintiff.

42 The Clinique Suisse Mark was visually, aurally and conceptually similar to the Clinique Mark (see

[21] – [23] above) and both marks were displayed on products which were packaged in a very similar fashion. Moreover, both the defendants' and the plaintiff's fields of business were related (see [30] above). The addition of the word "SUISSE" to the word "CLINIQUE" could well be viewed by the consumer as an indication of the geographical source of the product (*ie*, the place where the particular product was designed or manufactured) rather than as a distinguishing feature between both brands. In those circumstances, the use of the Clinique Suisse Mark in relation to the defendants' goods and/or services would indicate both a connection as to origin and a connection as to business with the plaintiff's goods and services. I was of the view that the defendants' use of the Clinique Suisse Mark was likely to give the impression that the Clinique Suisse brand was either associated with the Clinique brand or was an extension or another line of the plaintiff's Clinique products. The consumer might be misled into thinking that the plaintiff and the defendants belonged to the same corporate group or that both the Clinique Suisse and Clinique products were manufactured by the same company.

(6) The plaintiff's interests were likely to be damaged by the defendants' use of the Clinique Suisse Mark.

43 In *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216, the Court of Appeal held (at [97] – [98]):

> 97. There are two primary and very well-established means by which goodwill can be damaged, namely, by "blurring" and by "tarnishment". Blurring occurs when the plaintiff's get-up, instead of being indicative of only the plaintiff's goods, services or business, also becomes indicative of the defendant's goods, services or business. While customers may still be drawn by the attractive force of the plaintiff's get-up, they may be drawn to the business, goods or services of the defendant instead of those of the plaintiff… the damage manifests itself in sales being diverted from the plaintiff to the defendant.
>
> 98. Tarnishment occurs when the business, goods or services of the defendant are of a worse quality than those of the plaintiff or have some other undesirable characteristic. Customers think that the plaintiff is now the source of such poor quality or undesirable business, goods or services. The goodwill previously attached to the plaintiff's business, goods or services loses its attractive quality and may even become a liability, driving away custom rather than attracting it… The plaintiff and defendant can be engaged in entirely different fields of business so long as it is shown that the poor quality or undesirability of the defendant's business, goods or services rebounds on the plaintiff.

The Court of Appeal further held (at [234]) that:

> … the tests to be adopted for the purposes of the "connection" requirement and the "likely to damage the [plaintiff's] interests" requirement in s 55(3)(a) of the current TMA would yield the same results as those obtained from applying the corresponding tests *vis-à-vis* the … claim for passing off … However, … while the tests relating to misrepresentation and damage under the law of passing off are substantially the same as the tests relating to, respectively, the "connection" requirement and the "likely to damage the [plaintiff's] interests" requirement in s 55(3)(a) of the current TMA, the two sets of tests are not identical in one respect. An important distinction is that the tests relating to misrepresentation and damage in passing off actions concern the plaintiff's goodwill … whereas the corresponding tests under s55(3)(a) of the current TMA concern the *interests* of the plaintiff and *not* its goodwill (indeed, as the definition of "well known trade mark" in s 2(1) of the current TMA makes clear, the plaintiff's trade mark may be a "well known trade mark" for the purposes of s 55(3)(a) even if the plaintiff has no goodwill in

Singapore).

In the present case, I found that the defendants' use of the Clinique Suisse Mark would damage the plaintiff's goodwill and interests by blurring and tarnishment.

(a) The use of the Clinique Suisse Mark might damage the plaintiff's goodwill by "blurring".

44 Dr Wong had agreed that an increasing number of doctors who practised aesthetic medicine were able to easily encroach into the field of skin care and skin treatment. The plaintiff also cited Dr Georgia Lee as an example of a doctor who had ventured to sell her range of skin care products in departmental stores. I formed the view that if members of the public were misled into thinking that Clinique Suisse was part of the Clinique range of cosmetics or that the Clinique Suisse Business was related to the plaintiff's business, the defendants would be able to ride on the reputation that the plaintiff had painstakingly and successfully built up in Singapore over the course of close to 40 years, for its Clinique brand through extensive advertising and promotion.

45 The Clinique brand and products sold under the Clinique Mark have won numerous beauty awards around the world and have been featured in several international magazines. The Clinique Mark has been used in Singapore since 1976 and, as noted above at [39], the plaintiff has expended much effort and monies to build up the goodwill in the Clinique brand. On the other hand, the use of the Clinique Suisse Mark and business identifier only commenced in 2006. Whilst Dr Wong claimed that the "Clinique Suisse" name was an allusion to the Clinique Suisse Business' links with a hospital in Switzerland and his traineeship under a French doctor, no witnesses were called to corroborate his explanation. In view of the confusing similarity of the Clinique and Clinique Suisse Marks and the packaging of the plaintiff's and the Clinique Suisse Business' products, as well as the close relation between the plaintiff's and the defendants' products and services, I found that there was a real likelihood that the defendants' use of the Clinique Suisse Mark and business identifier would blur the distinction between the plaintiff's and the Clinique Suisse Business' products and, in so doing, divert business away from the plaintiff to the defendants. Even if no business would be diverted away from the plaintiff and, consequently, the plaintiff's interests would not be damaged by the use of the Clinique Suisse Mark, I was of the view that the Clinique Suisse Business' free-riding on the plaintiff's coat-tails would still amount to an unfair advantage taken by the defendants of the distinctive character of the plaintiff's Clinique Mark.

(b) The plaintiff's reputation was likely to be tarnished by the defendants' use of the Clinique Suisse Mark.

46 Dr Wong had testified that whilst he read up on the literature, he did not conduct safety tests or clinical trials on his products. [note: 21] He had formulated his products based on literature research on the ingredients that should comprise his products. There was therefore no assurance of quality in respect of the products of Clinique Suisse Business. This raised a concern that some day, some patient of his who used the Clinique Suisse Business' products and services may develop an adverse reaction. Additionally, Dr Wong admitted that he had not ensured that the Clinique Suisse Business' products complied with mandatory regulatory labelling requirements for cosmetic products under the Health Products Act (Cap 122D, 2008 Rev Ed). The plaintiff also pointed to several newspaper articles in which Dr Wong had been accused of offering questionable treatments as part of the Clinique Suisse Business and in which charges were said to have been filed against Dr Wong for breaches of the Private Hospitals and Medical Clinics Act (Cap 248, 1999 Rev Ed). Dr Wong admitted that these newspaper articles referred to him. [note: 22]

47 In view of the connection which might be drawn between the Clinique Suisse brand and the

Clinique brand, I was concerned that the negative publicity surrounding the Clinique Suisse Business and the Clinique Suisse Business' lack of quality assurance might tarnish the plaintiff's goodwill and damage its reputation for selling clinically tested, fragrance free and allergy-tested products under the clinical guidelines established by the plaintiff's founding dermatologists.

(c) The defendants' use of the Clinique Suisse Mark would restrict the plaintiff's expansion of use of its Registered Trade Marks.

48 The close connection between the plaintiff's business and the Clinique Suisse Business has already been established (see [42]). The sale of the plaintiff's products through medical doctors was an area of business which the plaintiff was likely to expand into in Singapore, and for which the plaintiff had already entered into a strategic collaboration with Allergan Inc., to develop a line of products that would only be sold at physicians' offices. This is in line with the convergence of the cosmetic and pharmaceutical industries where fierce competition for the same customer dollar has driven doctors working in the field of aesthetics medicine to encroach into the cosmetics industry and cosmetic companies to encroach into the medical and pharmaceutical realms. The defendants' use of the name "Clinique Suisse" for the provision of beauty products, treatments and services would prevent the plaintiff from expanding into the medical/pharmaceutical realm in Singapore.

Conclusion

49 In the circumstances, I allowed the plaintiff's claims against both defendants. Having reviewed the exchange of correspondence between the parties to negotiate a settlement of the matter before proceedings commenced, I ordered costs on a standard basis to be paid to the plaintiff with the exception that all disbursements incurred by the plaintiff were to be paid to the plaintiff on a reimbursement basis.

[note: 1] Plaintiff's Core Bundle of Documents p255-257.

[note: 2] Plaintiff's Core Bundle of Documents p63.

[note: 3] N/E 274 at line 11 – 275 line 3.

[note: 4] Plaintiff's Core Bundle of Documents at 64-5.

[note: 5] N/E 212 at lines 15-21; AEIC of Dr Wong Yoke Meng filed on 4th January 2010 at p225-6 of Defendant's Bundle of AEICs.

[note: 6] P3.

[note: 7] P1.

[note: 8] N/E 293 at lines 7-10.

[note: 9] N/E 278-9.

[note: 10] N/E 302 at lines 18-24.

[note: 11] N/E 296 at line 20 – N/E 297 at line 8.

[note: 12] N/E 297 at lines 9 – 12.

[note: 13] N/E 301 at lines 1-9.

[note: 14] N/E 288.

[note: 15] N/E 296 at lines 2-3 and lines 22-3.

[note: 16] N/E 304 at lines 5-10 and N/E 396-8.

[note: 17] N/E 306-7.

[note: 18] N/E 306 at lines 10-11.

[note: 19] N/E 111-3.

[note: 20] N/E 195 at lines 1-17.

[note: 21] N/E 281 at lines 8-23.

[note: 22] N/E 339-347.

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