IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2016] SGHC 131

Suit No 34 of 2013

Between

(1) ALLERGAN, INC

(2) ALLERGAN SINGAPORE PTE LTD

… *Plaintiffs*

And

FERLANDZ NUTRA PTE LTD

… *Defendant*

JUDGMENT

[Tort]—[Malicious Falsehood]

[Trade Marks and Trade Names]—[Groundless threat]

[Trade Marks and Trade Names]—[Infringement]

[Trade Marks and Trade Names]—[Passing off]

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This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Allergan, Inc and another
v
Ferlandz Nutra Pte Ltd

[2016] SGHC 131

High Court — Suit No 34 of 2013
George Wei J
20, 21, 22, 25, 26 January 2016; 26 February 2016

20 July 2016 Judgment reserved.

George Wei J

1 These proceedings concern an action brought by Allergan, Inc ("the First Plaintiff") and Allergan Singapore Pte Ltd ("the Second Plaintiff") (collectively, "the Plaintiffs") against Ferlandz Nutra Pte Ltd ("the Defendant") for trade mark infringement, passing off and malicious falsehood. The Defendant counterclaims against the Plaintiffs for making groundless threats of infringement.

Facts

The Plaintiffs' product, mark and sign

2 The First Plaintiff is an American company that develops and commercialises healthcare products.[1] It has offices in more than 100 countries

and employs more than 10,000 employees.[2] The Second Plaintiff is the wholly-owned Singapore subsidiary of the First Plaintiff. It distributes the First Plaintiff's products in Singapore.[3]

3 The product central to this case is an eyelash growth product[4] that the Plaintiffs have sold in Singapore since January 2011[5] ("the Latisse Product"). The Latisse Product treats eyelash hypotrichosis, a medical condition where a patient has inadequate or insufficient eyelashes. It is currently the only product approved by the United States Food & Drug Administration ("the FDA") for the treatment of hypotrichosis.[6]

4 The Latisse Product was marketed by the Second Plaintiff under both a word mark ("the LATISSE mark") and a sign ("the Latisse Device Sign") (collectively, "the Latisse Signs"):

The LATISSE mark	The Latisse Device Sign
LATISSE	Latisse™

[1] Bryan Smith's affidavit of evidence-in-chief ("AEIC") at para 5.

[2] Bryan Smith's AEIC at para 6.

[3] Agnes Lim's AEIC at para 6.

[4] Agnes Lim's AEIC at para 7.

[5] Agnes Lim's AEIC at para 10.

[6] Bryan Smith's AEIC at paras 8—10.

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5 The LATISSE mark is a word mark registered by the First Plaintiff under the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the TMA") in Class 5 of the International Classification of Goods and Services under the Nice Agreement ("the Nice Classification").

6 Class 5 of the Nice Classification covers:

> Pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for humans and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

7 The actual specification of the application for the LATISSE mark is in respect of "Pharmaceutical preparations used to treat eyelashes".[7] The LATISSE mark is also registered worldwide in 47 jurisdictions, with registrations pending in 6 jurisdictions.[8]

8 The Latisse Device Sign, on the other hand, comprises the word "Latisse" and a design resembling eyelashes ("the Eyelash Device") located just above the letters "isse". The Latisse Device Sign is not registered.[9]

The Defendant's product and signs

9 The Defendant is a Singapore company that imports and distributes cosmeticeutical and neutraceutical products.[10] It was incorporated by Mr Lee

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[7] Bryan Smith's AEIC at para 11; Exhibit BS-3 at page 22 of Smith's AEIC.

[8] Bryan Smith's AEIC at paras 13—14.

[9] NOE, 21/01/2016, at p 61 line 20.

[10] Lee Boon Guan's ("Mr Lee") AEIC at para 5.

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Boon Guan ("Mr Lee"), its sole director and shareholder, in 2005. The Defendant is essentially Mr Lee's own business in a corporate structure.[11]

10 In July 2012,[12] the Defendant brought into Singapore an eyelash growth-enhancement product ("the Lassez Product")[13] that is made in America.[14] The Lassez Product was marketed under the following 3 signs:

The Plain Lassez Sign	The Lassez Device Sign	The Lassez "Ingredient" Sign
LASSEZ		

11 The Plaintiffs allege trade mark infringement only in respect of the Defendant's use of the Plain Lassez Sign and the Lassez Device Sign (collectively, "the Allegedly Infringing Signs").[15] The Lassez "Ingredient"

[11] NOE, 25/01/2016, at pp 2—3.

[12] NOE, 25/01/2016, at p 17 line 9.

[13] Mr Lee's AEIC at para 6.

[14] NOE, 26/01/2016, at p 58 line 1.

[15] SOC at para 12.

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Sign, however, may be relevant to the passing off inquiry and will be referred to at the appropriate juncture.

12 The Defendant has, in its closing submissions, rather belatedly objected to the Plain Lassez Sign being considered as the Defendant's sign for the purposes of trade mark infringement. This is on the ground that it was the Lassez Device Sign that was used to market the product.[16]

13 However, this argument is precluded by the Defendant's admission in its pleadings that it previously sold the Lassez Product with reference to both the Plain Lassez Sign and the Lassez Device Sign.[17] Further, the Defendant's argument is also somewhat inconsistent with its own pending trade mark application in relation to the Plain Lassez Sign.[18] Parenthetically, I note that the pending application is opposed by the Plaintiffs, and is currently held in abeyance pending the outcome of these proceedings.[19]

The issues

14 The issues that arise fall broadly into four categories: infringement, groundless threat, passing off and malicious falsehood.

15 The first issue is whether the Defendant infringed the First Plaintiff's LATISSE mark under s 27 of the TMA.

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[16] Defendant's closing submissions at paras 16—23.

[17] Defence (Amendment No. 3) at para 7, r/w Statement of Claim (Amendment No. 2) ("SOC (2)") at para 12.

[18] Mr Lee's AEIC at para 36.

[19] NOE, 26/01/2016, at p 62 lines 3—6.

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16 In relation to alleged trade mark infringement through the Defendant's use of the Allegedly Infringing Signs, the subsidiary issues are:

(a) Whether the Allegedly Infringing Signs are similar to the LATISSE mark;

(b) Whether the Lassez Product is identical with or similar to pharmaceutical preparations used to treat eyelashes (the Latisse Product which is approved by the FDA to treat hypotrichosis being the actual product to which the LATISSE mark has been applied); and

(c) Whether on the account of the presence of the first two conditions, there exists a likelihood of confusion on the part of the relevant public.

17 In relation to alleged trade mark infringement through the Defendant's use of the LATISSE mark in comparative advertising, the following subsidiary issues are engaged:

(a) Whether the Defendant's promotional brochures containing the LATISSE mark constitute "use" in the trade mark sense; and

(b) Whether the Defendant's promotional brochures containing the LATISSE mark constitute fair use within the meaning of s 28(4) of the TMA.

18 The second issue is whether the First Plaintiff is liable for making groundless threats of infringement proceedings under s 35(2) of the TMA. This claim is premised upon the Defendant's successful defence of the Plaintiffs' claims of trade mark infringement.

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19 The third issue is whether the Defendant is liable to the Plaintiffs in the tort of passing off. The following subsidiary issues are engaged:

(a) Whether the Plaintiffs enjoy relevant goodwill in Singapore;

(b) Whether the Defendant has made a misrepresentation that creates a likelihood of confusion; and

(c) Whether the Plaintiffs have or are likely to have suffered damage as a result of the Defendant's misrepresentation.

20 The final issue is whether the Defendant is liable for spreading a malicious falsehood about the First Plaintiff. This engages the following subsidiary issues:

(a) Whether the Defendant published a false statement;

(b) Whether the false statement was published maliciously; and

(c) Whether the false statement is calculated to cause pecuniary damage.

Whether the Defendant infringed the First Plaintiff's trade mark

21 The Plaintiffs plead two categories of infringement of the LATISSE registered mark by the Defendant.

22 First, the Plaintiffs plead that the Defendant supplied Lassez Products (which were marketed or sold by reference to the Allegedly Infringing Signs) to clinics ("the first category of alleged infringement").[20]

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[20] P's SOC (2) at para 12 and 13(a)—(b).

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23 Second, the Plaintiffs plead that the Defendant used the LATISSE mark on promotional brochures for the Lassez Product ("the second category of alleged infringement").[21] As will be seen, the brochure in question sets out *inter alia* a comparison of the Latisse Product and the Lassez Product. These alleged infringements will be considered in turn.

The first category of alleged infringement

24 The Plaintiffs rely on s 27(2)(*b*) of the TMA for the first category of infringement.[22] Section 27(2)(*b*) provides:

> (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.

25 As held by the Court of Appeal in *The Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* [2006] 2 SLR(R) 690 ("*The Polo*") at [6], to succeed in claim under s 27(2)(*b*) of the TMA, a plaintiff has to show:

(a) First, that the sign of the defendant is similar to the plaintiff's mark;

(b) Second, that both the sign and mark were used in relation to similar or identical goods or services; and

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[21] P's SOC (2) at para 15.

[22] Plaintiffs' closing submissions at para 63.

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(c) Third, that there exists a likelihood of confusion on the part of the public on account of the preceding two factors.

26 The Defendant's defence in relation to first category of infringement is that none of the above requirements are satisfied.

27 Accordingly, I will determine if the requirements under s 27(2)(*b*) of the TMA are satisfied. I note in passing that there is no challenge by the Defendant to the registration of the LATISSE mark.

Whether the Allegedly Infringing Signs are similar to the LATISSE mark

28 The proper approach to the assessment of the similarity between an allegedly infringing sign and a registered mark ("the similarity of marks inquiry") was summarised by the Court of Appeal in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal* [2013] 2 SLR 941 ("*Hai Tong*") at [40]. The court will consider the visual, aural and conceptual similarities between the mark and the sign. The relative significance of such similarities will depend on the facts of the case, including the nature of goods and types of marks involved.

29 It is well established that no single aspect of similarity is always sufficient or necessary for an ultimate finding of similarity between the mark and the sign. The marks or signs will be assessed "mark for mark", without taking extraneous matters into account. The court will adopt the viewpoint of the average consumer who exercises some care and a measure of good sense in making purchases, not that of an unthinking person in a hurry. The courts have also recognised that it is usually appropriate to take into account the fact that the average consumer has imperfect recollection. It will, in appropriate

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cases, pay particular attention to the dominant features of the marks or signs on the perception of the average consumer.

30 Further, as was held in *Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd* [2015] SGHC 216 ("*Rovio Entertainment*") at [77], the similarity of marks inquiry is "more a matter of feel than science". To this end, the comment of the Court of Appeal in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal* [2014] 1 SLR 911 ("*Staywell*") at [17] bears repeating: the comparison between the marks is "ultimately and inevitably a matter of impression rather than one that can be resolved as a quantitative or mechanistic exercise".

31 I will begin by considering who the "average consumer" in the present case is. I will then consider the three aspects of the similarity of marks inquiry, before coming to a conclusion on whether the Allegedly Infringing Signs are similar to the LATISSE mark.

Identity of the "average consumer"

32 The parties dealt with the issue of the identity of the "average consumer" in their submissions on whether there exists a likelihood of confusion on the part of the public, rather than in the context of the similarity of marks inquiry.

33 In *Rovio Entertainment*, the question before me was whether in conducting the similarity of marks inquiry, I should adopt the viewpoint of a notional average consumer or the viewpoint (and characteristics) of the average consumer who actually purchases the parties' products.

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34 I noted (at [97] of *Rovio Entertainment*) the Court of Appeal's ruling in *Hai Tong* (at [40(c)] that the viewpoint of the average consumer in assessing similarity, and the separate but related question of a likelihood of confusion, was for all intents and purposes the same. The question that remained was whether the average consumer (who exercises some care and good sense) refers to a notional average consumer or the average consumer/customer of the parties' actual products.

35 Following the Court of Appeal's statements in *Hai Tong* (at [85(c)(iii)] and [87]) and *Staywell* (at [96(b)]) that the particular characteristics of the relevant segment of the public (*ie*, the likely purchasers) is an extraneous factor in the similarity of marks inquiry, it must follow that these are matters which are only directly engaged when the court turns to consider likelihood of confusion. For this reason, I held (at [101]) that it would not be appropriate to delve into the detailed characteristics and perceptions of the actual consumers in the similarity of marks inquiry. Similarity of marks is a matter of impression for the judge who must of course assume the mantle of a reasonable or "notional" average consumer as opposed to an unthinking person in a hurry. I emphasise that this does not mean that the court ignores the reality that the effect of similarity might depend on circumstances such as the particular nature of the goods and the perception of actual customers. What it does mean is that such circumstances are assimilated into the overall inquiry when the court assesses the effect of the similarity that has been found, *ie*, whether such circumstances give rise to a likelihood of confusion.

36 I return to the facts of the present case. I make the preliminary observation that the dispute over the identity of the "average consumer" arises primarily because of the way in which the Latisse Product is sold. In Singapore, the Latisse Product is a prescription drug, and thus can only be sold

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to patients with a doctor's prescription. As a result, the Second Plaintiff has only sold the Latisse Product to medical clinics and hospitals.[23] Interestingly, the Defendant has also chosen to sell the Lassez Product through medical clinics only.[24] Unlike the Latisse Product, the Lassez Product is not a prescription drug. The Lassez Product was notified with the Health Sciences Authority ("the HSA") as a cosmetic product.[25] Cosmetic products do not require a doctor's prescription before sale and may, in theory, be sold in supermarkets.[26]

37 As aforementioned, the particular characteristics of the customers or end-users will be discussed in more detail below when I consider whether a likelihood of confusion exists. For the purpose of the similarity of marks inquiry I find that the correct approach is to assess similarity on an objective basis with reference to reasonable or notional average consumer and not the unthinking person who is in a hurry.

38 I now turn to consider whether there is aural, visual and/or conceptual similarity between the LATISSE mark and the Allegedly Infringing Signs.

Aural similarity

39 Parties disagree over how "Latisse" and "Lassez" should be pronounced and whether they are aurally similar. The Plaintiffs argue that the words should be pronounced as "lah-tees" and "lah-sees" respectively. The

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[23] Agnes Lim's AEIC at para 10.

[24] Mr Lee's AEIC at para 40.

[25] Mr Lee's AEIC at para 15; Letter from Via Law Corporation dated 4 Feb 2016, found at Annex A to Defendant's closing submissions.

[26] NOE, 26/1/2016, at p 61 lines 11—22.

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first syllables are aurally identical, while the second syllables are aurally similar, resulting in overall similarity. In particular, the Plaintiffs emphasize the similarity in the first syllable of "Latisse" and "Lassez", citing *Johnson & Johnson v Uni-Charm Kabushiki Kasish*a *(Uni-Char Corp)* [2007] 1 SLR(R) 1082 (at [11]) for the proposition that "the first syllable of a mark is most important as there is a 'tendency for persons using the English language to slur the termination of words'".

40 The issue as to whether the marks are aurally similar is a question of fact and judgment for the court. In my view, there is some aural similarity between "Latisse" and "Lassez". The evidence led by the Defendant regarding the French pronunciation of "Lassez" is of no direct relevance to the present case, for what must be ascertained is how the Singaporean consumer (whether medical professionals or end-users) will pronounce "Latisse" and "Lassez": *Sarika Connoisseur Café Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 ("*Sarika*") at [30]. I have not been provided sufficient evidence to persuade me that the degree of slippage from French to English is so high that the Singaporean consumer would pronounce "Lassez" according to the French pronunciation.

41 Accordingly, I find that "Latisse" and "Lassez" are aurally similar.

Visual similarity

42 In assessing visual similarity, the court considers the length and structure of the marks, and whether the same letters are used: *Sarika* at [22]—[23]. The Plaintiffs argue that the LATISSE mark and the Allegedly Infringing Signs are visually similar because they both begin with "La" and contain the letters "sse".[27] The Plaintiffs also point to the identical structure (one word

[27] Plaintiffs' closing submissions at para 73.

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each) and similar length (seven letters in "Latisse" and six in "Lassez"). Additionally, they rely on the survey evidence of Dr Chan Wai Ming ("Dr Chan"), expert witness for the Plaintiffs, according to which 83 out of 400 respondents indicated that "Latisse" and "Lassez" "look similar" in terms of spelling.[28]

43 The Defendant argues against visual similarity by emphasising the presence of "z" at the back of "Lassez", which the Defendant claims is easily noticeable by the reader.[29] The Defendant also points to differences in font size and colour between the LATISSE mark and the Allegedly Infringing Signs when they are depicted on their respective products.

44 I reject the Defendant's argument. The registration of the LATISSE mark in block capital letters covers the use of the word in every font or style possible. In the case of inherently distinctive words, differences in the presentation of the word mark, *eg*, colour, is immaterial: *Sarika* at [24]—[25]. The LATISSE mark was registered in block capital letters. The word "Latisse", an invented word,[30] is also inherently distinctive. Thus, mere differences in font or colour between the Allegedly Infringing Signs and the LATISSE mark are insufficient to dispel the similarity.

45 Indeed it is well established that in assessing similarity of marks, the court may have regard to technical distinctiveness: *Staywell* at [24]. For example, a newly invented word (*ie*, a freshly coined word which bears no meaning) will carry a high degree of technical or what is sometimes called

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[28] Dr Chan's AEIC p12.

[29] Mr Lee's AEIC at para 30.

[30] NOE, 21/01/2016, at pp 60—61.

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inherent distinctiveness, when it is used as a trade mark. This is because the newly coined and meaningless word does not say anything about the character, quality, nature or attributes of the goods or services. The features that make a mark inherently distinctive in this sense makes it difficult to establish dissimilarity by asserting differences in font and colour in the case of simple plain word marks.

46 I find that there is visual similarity between the LATISSE mark and the Allegedly Infringing Signs. The visual similarity will certainly be stronger for the Plain Lassez Sign as opposed to the Lassez Device Sign as the latter incorporates the Eyelash Device. Nevertheless, in my view, the difference is negligible in view of the dominance of the word "Lassez" in the Lassez Device Sign. I should add that the eyelash device has clear descriptive connotations. A consumer who views the Lassez Device Sign is likely to regard the word "Lassez" as the dominant feature.

Conceptual similarity

47 Conceptual similarity refers to the similarity of the ideas that lie behind or inform the marks or signs. Where the marks are "invented and meaningless with no particular idea underlying each of them" it is difficult to say that they are conceptually similar: *Sarika* at [34].

48 Both "Latisse"[31] and "Lassez"[32] fall within this category of invented and meaningless marks and signs. They are invented words with no meaning in English. While *lassez* has a meaning in French (*ie,* to weary), this was neither intended by Mr Lee[33] nor is it likely that the Singaporean consumer

[31] NOE, 21/01/2016, at p 60—61.

[32] Mr Lee's AEIC at para 7.

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would know the meaning of the French word. Accordingly, I find that the meaning of the French word *lassez* is irrelevant for present purposes.

49 That said, it might be suggested that the concepts are similar in the loose sense that "Latisse" and "Lassez" may be viewed as invented words with what is best described as a French ambience. But, even if Mr Lee conceived the word "Lassez" in part because it had a French nuance, I am not satisfied that this is how it will be perceived by the average consumer in Singapore. Indeed, even if the average consumer does perceive "Lassez" in this manner, I do not accept that similarity in the sense that both marks appear to be based on a foreign language, even the same foreign language, is sufficient to amount to conceptual similarity. Whilst the Plaintiffs in their opening submissions referred to conceptual similarity, I note that in light of the invented and meaningless nature of the mark and sign in question, the Plaintiffs accepted in the closing submissions that there is no conceptual similarity.[34] In my view, this very fair concession was rightly made and I find no conceptual similarity between the mark and sign.

Conclusion on similarity

50 Having considered the similarities between the LATISSE mark and the Allegedly Infringing Signs as a whole, I conclude that they are similar.

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[33] NOE, 25/01/2016, at p 28 line 19.

[34] Plaintiffs' closing subs at para 114.

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Whether the Lassez Product is similar to the goods and services for which the LATISSE mark is registered

51 The comparison of the similarity of goods and services is made "between the alleged infringing goods and the products in respect of which the trade mark is registered for": *Sarika* at [46].

52 As noted at [5] above, the LATISSE mark is registered in Class 5 in respect of "pharmaceutical preparations used to treat eyelashes".[35]

53 Accordingly, the question here is whether the Lassez Product is similar to "pharmaceutical preparations used to treat eyelashes".

54 The Defendant's key argument in relation to the similarity of goods is that the Lassez Product is a cosmetic product, not a pharmaceutical one. In support, the Defendant points to its HSA notification of the product as a cosmetic product, and its trade mark for "LASSEZ" in Class 3 of the Nice Classification, *ie*, in relation to "soaps; perfumery; essential oils; cosmetics; *cosmetic products for eyelashes*, serums for cosmetic use; hair lotions; topical preparations for promoting hair growth; dentrifrices" [emphasis added].[36]

55 I accept that the Lassez Product is in broad terms a cosmetic product, and not a pharmaceutical one. However, that is not conclusive of the matter. Products falling within different Nice Classifications may still be *similar* (*Staywell* at [43]; Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2nd Ed, 2014) ("*Ng-Loy Wee Loon*") at para 21.5.23). Additionally, in *Clinique Laboratories, LLC v Clinique Suisse Pte*

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[35] Bryan Smith's AEIC at para 11; Exhibit BS-3 at page 22 of Smith's AEIC.

[36] Defendant's closing submissions at para 49.

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Ltd and another [2010] 4 SLR 510 ("*Clinique*") at [28], the court recognised that there was a "convergence between the cosmetic care and medical industries which had resulted in both industries competing for the same group of consumers".

56 Accordingly, the Lassez Product's status as a cosmetic product that does not require a prescription and the Latisse Product's status as a pharmaceutical product available only on prescription cannot be conclusive of whether the goods are similar. The court must proceed to consider the usual factors to determine the similarity of goods. This includes (but is not limited to) the uses, users and the trade channels through which the goods reach the market and the extent to which the goods are competitive: *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281("*British Sugar*) at 296—296; *Hai Tong* at [92].

57 The Defendant objects to the application of the factors identified in *British Sugar* to the present case. They rely on *Sarika*, where the Court of Appeal noted (at [53]) that many of the *British Sugar* factors, which are "premised on comparing two actual products", may not be applicable when one seeks to compare the allegedly infringing good with goods within the trade mark registration specification. The Defendant argues that the *British Sugar* factors are therefore not applicable, in so far as the specification of the LATISSE mark extends to products which have not yet been produced.

58 In my view, the Court of Appeal did not mean to say that the factors identified in *British Sugar* should not be applied. This can be observed from a closer examination of the Court of Appeal's decision in *Sarika*. At [52] of *Sarika*, the Court of Appeal held:

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> The difficulty with applying the *British Sugar* factors to the present case is that we need to compare the Appellant's product *not only* with the actual Nutella product (*ie*, the Nutella spread) but also with the specification of the registration, *ie*, "chocolate products".
>
> [emphasis added]

59 I pause here to observe that the phrase "not only" indicates that while the actual products should be compared, a comparison between the allegedly infringing good and the goods falling within the specification of the registration is *also* relevant. The concern of the Court in *Sarika* (at [53]) was that:

> In so far as the specification of the "Nutella" mark extends to products which *have not yet been produced* by the Respondent, then the *British Sugar* factors *may not be entirely helpful* in the conduct of the similarity analysis.
>
> [emphasis added]

60 This does not, of course, mean that the *British Sugar* factors are irrelevant. After all, the factors are not rules set in stone. In *Ng-Loy Wee Loon*, the learned author observes (at para 21.5.22, n 158) that the Court of Appeal in *Sarika* cited the *British Sugar* factors with approval. The learned author rightly adds that the factors are not requirements that must all be satisfied before goods/services can be treated as similar. The fact that the *British Sugar* factors may not be entirely relevant to products not yet produced does not mean they carry no weight at all. The *British Sugar* factors are best characterised as a guide to assist the court in reaching its conclusion.

61 I now apply the *British Sugar* factors (as a guide) to this case:

(a) *Uses*: Both products share largely similar uses as they both promote eyelash growth. While only the Latisse Product purports to treat hypotrichosis, this difference does not detract from the similarity

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of uses since the treatment of hypotrichosis by the Latisse Product is ultimately aimed at the promotion of eyelash growth. The similarity of the products' uses is also evidenced by the Defendant's own promotional brochures, which contain a chart that compares the effectiveness of both products.

(b) *Users*: As noted at [36] above, both products are sold through clinics to patients who visit these clinics. I note that the Defendant's Lassez Product was being test-marketed at the time to medical clinics: not directly to end-users. The end-users are thus also largely similar, although there is the difference that users of the Latisse Product must necessarily be patients with hypotrichosis. This may not necessarily be the case for users of the Lassez Product.

(c) *Trade channels*: Given that both products are sold through clinics, the trade channels are similar. Again, there exists a difference in that the Latisse Product must be prescribed by a doctor, while the Lassez Product need not. That said, I note that the Defendant's intention (at least during an introductory or testing period) was to make the Lassez Product available only through medical clinics.

(d) *Substitutability*: Given the similar uses of the products and the fact that the Lassez Product promotional brochures compare both products, I find that the products are in competition. This is corroborated by the Defendant's own witness, Mr Poh Yew Jin ("Mr Poh"), who agreed in cross-examination that if customers came to the clinic asking for the Latisse Product but did not want to get a doctor's prescription, the Lassez Product would be an alternative.[37]

[37] NOE, 22/01/2016, at p 31 lines 15—19.

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62 Overall, the *British Sugar* factors indicate that the Latisse Product and the Lassez Product are similar. Thus, the Lassez Product is at the very least similar to the products in respect of which the LATISSE mark is registered for.

63 The preceding conclusion is reinforced when one considers the Lassez Product against the specification for the LATISSE mark. It will be recalled that the specification was "Pharmaceutical preparations used to treat eyelashes." The actual product to which the Plaintiffs had applied the mark was a pharmaceutical product available only by prescription to treat hypotrichosis.

64 The parties agree that hypotrichosis is a medical condition whereby the patient suffers from inadequate or insufficient eyelashes.[38] Considering other products which may fall within the full range of the specification, the minor differences raised during the *British Sugar* analysis disappear. For example, in relation to uses and users, the Latisse Product's ability to treat hypotrichosis (and thus the profile of its users as patients suffering from hypotrichosis), ceases to be relevant since the phrase "to treat eyelashes" is broad enough to cover other eyelash products that do not specifically treat hypotrichosis. Another difference, that the Latisse Product requires a prescription while the Lassez Product does not, also ceases to be relevant as the specification for "pharmaceutical" products includes both prescription and over-the-counter products.[39] Accordingly, I find that the Lassez Product is similar to the range of products in respect of which the LATISSE mark is registered for.

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[38] Agnes Lim's AEIC at para 8; Mr Lee's AEIC at para 38.

[39] Defendant's closing submissions at paras 53—54; HSA Consumer Guide, "HSA's role in the regulation of western medicine in Singapore" (TAB D of D BOA).

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Whether there exists a likelihood of confusion, given that the first two conditions are satisfied

65 At this stage of the infringement inquiry, the court is essentially concerned with the effect of the objective similarity between the marks on the perception of consumers. *Staywell* at [20].

Who are the relevant consumers: what is the relevant section of the public?

66 This is a matter that was briefly addressed above, albeit in the context of the similarity of marks inquiry. It will be recalled that the Court of Appeal in *Staywell* held (at [96(b)]) that the particular characteristics of the relevant segment of the public (*ie*, the likely purchasers) is largely immaterial in the similarity of marks inquiry. The characteristics may however be engaged where relevant when the court subsequently turns to consider likelihood of confusion.

67 The infringing acts complained of were committed at a time when the Defendant was starting to test market and evaluate the commercial prospects for the Lassez Product. Mr Lee in fact accepted that he had distributed samples of the Lassez Product together with the Lassez promotional brochure to Temasek Medical Centre, the National Skin Centre, Dr TC Tan, and Ageless Aesthetics Medical Centre between May and August 2012.[40]

68 As noted above (at [36] above), Mr Lee marketed the Lassez Product exclusively to doctors. Mr Lee explained that he did so as he was attempting to gather feedback from the doctors on their assessment of the product. He claimed that this was the natural thing to do as he had worked with doctors for

[40] Mr Lee's AEIC at para 69.

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close to two decades.[41] This included his prior work experience as a Product Specialist with pharmaceutical firms where he sold products to the medical profession in Singapore.[42]

69 There are two parts to the parties' dispute on the identity of the average consumer. First, as a preliminary matter, they disagree on whether end-users are considered part of the relevant public. Second, if end-users are included in the relevant public, they disagree on the identity or characteristics of these end-users.

WHETHER END-USERS ARE PART OF THE RELEVANT PUBLIC

70 The Defendant asserted, without citing any authority in support, that the "average consumer" viewpoint adopted by the court should only be that of doctors and/or clinic staff ("medical professionals").[43]

71 The Plaintiffs, on the other hand, argue that the "average consumer" of pharmaceutical products (including prescription-only medicine) includes the end-users (*ie,* the individuals who acquire the products for application or use).

72 In support, the Plaintiffs rely on the European decisions of *Alcon v OHIM* [2007] ETMR 68 ("*Alcon (2007)*") and *Mundipharma AG v Ohim* (Case T-256/04) [2007] ECR II-00449 ("*Mundipharma*").

73 In my view, the "average consumer" in the present case includes the end-users. In arriving at this conclusion, I should emphasise that there is no

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[41] NOE, 26/1/2016, at p 34 line 8.

[42] NOE, 26/1/2016, at p 5 line 12.

[43] Defendant's closing subs at para 62.

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blanket rule that end-users are included in the "average consumer" analysis whenever pharmaceutical products are concerned. Much will depend on the degree to which the end-users are involved in selecting the particular product. This approach is consistent with both European and local case law.

74 In *Alcon (2007),* the products in question were medicinal products for which doctor's prescriptions were required prior to their sale to end-users in pharmacies. In these circumstances, the question was whether the relevant public comprised the professionals who prescribed the medicinal product, the pharmacists who sold the product and the end-users. The Court of Justice of the European Union ("CJEU") held that under Community Trade Mark law the essential function of a trade mark is to guarantee the identity of the origin of the marked goods or service to the consumer or end-user. The CJEU held (at [59]) that the perception in the mind of the average consumer of the category of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion.

75 The CJEU in *Alcon (2007)*, in deciding that end-users were included within the relevant public, placed much weight on the fact that the products in question were sold in pharmacies to end-users (after the end-users obtained doctor's prescriptions). Thus, end-users could be confused, because they were likely to be faced with the competing products at the pharmacy. The CJEU held (at [58]) that even though the choice of products was influenced or determined by intermediaries, a likelihood of confusion existed for customers since they were likely to encounter those products even if that took place during separate purchasing transactions for each of the individual products at various times. As the CJEU pointed out at [55], a likelihood of confusion includes the risk that the public might believe the goods or services come from the same undertaking or from economically linked undertakings. In these

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circumstances, the mere fact that intermediaries are involved is unlikely to remove such a risk.

76 *Alcon (2007)* can be usefully contrasted with *Alcon v OHIM* (Case T-237/01) [2003] ECR II-411 ("*Alcon (2003)*") (which was cited in *Alcon (2007)* at [48] and upheld on appeal in *Alcon v OHIM* (Case C-192/03) [2004] ECR I-8993 at [30]). In *Alcon (2003)*, the mark in question was to be registered for "Ophthalmic pharmaceutical preparations; sterile solutions for ophthalmic surgery". The court found (at [41]—[42]) that only the viewpoint of medical specialists was to be considered in deciding whether the mark had become customary. This made eminent sense since the medical specialists targeted were ophthalmologists and ophthalmic surgeons.

77 Quite apart from the fact that the legal issue was different, the court's decision not to take the end-users' viewpoint into account can be explained on the basis that end-users did not play any role in purchasing the sterile solutions for their surgery. The patients had no knowledge of the brand of sterile solutions used in surgery. There was thus no need to consider whether the mark had become customary from their perspective.

78 This approach of focusing on the degree in which persons are involved in selecting a product is also consistent with the old local case of *Re Lovens Kemiske Fabrik Ved A Konsted's Application for Registration of Trade Mark 'Leocillin'* [1953] MLJ 215. In that case, the court assessed the likelihood of confusion between two marks which were applied to penicillin products from the viewpoints of chemist assistants, sisters and nurses (in addition to doctors and chemists) on the basis that these persons also extensively handled the products, and might possibly administer the wrong drugs to the patients if they were confused.

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79 Similarly, in more recent decisions, the courts have, in other (non-medical) contexts, also recognised that the relevant public includes those who deal with the relevant goods, for example, through their involvement in the goods' distribution: *Ng-Loy Wee Loon* at para 21.5.27. Accordingly, the degree to which persons are involved in selecting a product for the end-user will determine whether these persons are considered part of the "average consumers".

80 I now turn to examine the degree to which the end-users in the present case were involved in selecting the Latisse and Lassez Products. Evidence led by both the Plaintiffs' and the Defendant's witnesses suggested that end-users were significantly involved in the selection process.

81 The Defendant's witness, Mr Poh, was a Drug Dispenser formerly employed by the medical clinic, Dr T C Tan Medical Consultants.[44] Mr Poh retired on 1 March 2015.[45] On the stand, Mr Poh told the court that people had previously entered his clinic asking for the Latisse Product. Some of these people were unaware that the Latisse Product required a doctor's prescription. For people unwilling to see the doctor, Mr Poh agreed that the Lassez Product was an alternative,[46] though Mr Poh testified that he would not recommend any product unless the person specifically requested for them.[47]

82 The Plaintiffs' witness, Ms Chen Way Lee ("Ms Lee"), is a private investigator engaged by the Plaintiffs to conduct a trap purchase of the Lassez

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[44] Mr Poh's AEIC at para 1.

[45] NOE, 22/1/2016, at p 17 line 12.

[46] NOE, 22/01/2016, at pp 30—31.

[47] NOE, 22/01/2016, at p 24 line 16.

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Product at Ageless Aesthetic Medical Centre ("Ageless Aesthetic") on February 2013.[48] When conducting the trap purchase, Ms Chen asked Ageless Aesthetic's employee for "a product extending eye lashes". Ms Chen was then shown both the Latisse Product and the Lassez Product.[49] I also note that photographs taken by Ms Chen at Ageless Aesthetic showed both products displayed side-by-side in the cabinet.[50]

83 Looking at the evidence on the whole, I am of the view that end-users may have a significant degree of involvement in the selection process of their eyelash growth-enhancing product. In coming to this view, I am aware that no evidence has been led as to the proportion of end-users who ask clinic staff for eyelash growth-enhancing products directly (as opposed to seeing a doctor directly). Mr Poh only testified to "some" such end-users. However, there has been no suggestion by the Defendant that such end-users are uncommon or are effectively *de minimis*.

84 In this regard, I remain mindful of the warning in *Nation Fittings (M) Sdn Bhd v Oystertec plc and another suit* [2006] 1 SLR(R) 712 ("*Nation Fittings*") at [103]. In *Nation Fittings*, the court had to decide whether the "average consumer" of the pipe fittings was the general public, or plumbers and contractors. In arguing that the "average consumer" included the general public, counsel pointed to individual consumers with a "do-it-yourself" spirit. In rejecting counsel's argument, the court held that even if some of those customers were misled, these would have been isolated events and accordingly those customers could not be identified as "average consumers".

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[48] Ms Chen's AEIC at paras 1—3.

[49] Ms Chen's AEIC at p 12.

[50] Ms Chen's AEIC at p 17, at the photo marked B.

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85 However, the court's ruling in *Nation Fittings* must be seen in light of evidence given by a witness in that case that 99% of sales of the product concerned were to plumbers and contractors, as opposed to the individual consumer. There is no similar suggestion in the present case that end-users who ask clinic staff for eyelash growth-enhancing products themselves (without a prior prescription) are in such minority. Additionally, I also note the possibility that end-users who see the doctors directly and receive their prescription may again be faced with the Latisse Product and Lassez Product when they proceed to purchase their medication from the pharmacist (as was the case in *Alcon (2007)* as discussed at [74] above), especially given the evidence that Ageless Aesthetic displayed both products side-by-side. Accordingly, in light of the significant involvement end-users have in the selection process of the products, I find that end-users are included in the "average consumer" analysis.

86 Having found that the views of end-users are included in the "average consumer" viewpoint, I am also in agreement with *Mundipharma* (at [73]—[74]) that similarity of marks or confusion from the end-users' perspective alone is sufficient to meet the requirements of similarity of marks and likelihood of confusion, respectively. This is to protect end-users, whom I have already found to be significantly involved in the selection process of the product. Otherwise, a confused end-user will find cold comfort in the fact that medical professionals might not be similarly confused. Trade mark law, in safeguarding the use of trade marks as a badge of origin, should do so in relation to all members of the relevant public.

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THE IDENTITY OF THE END-USERS

87 I now address the parties' dispute over the identity or characteristics of these "end-users". The Plaintiffs defines them as "females who have an interest in improving the appearance of their eyes or eyelashes, and who are the target customers of the products in question" ("the Plaintiffs' definition").[51]

88 The Defendant, on the other hand, limits the definition of end-users to present and future patients suffering from hypotrichosis and are deemed fit by their doctors to use the Latisse Product ("the Defendant's definition").[52] The Defendant limits its definition because the Latisse Product (as prescription-only drug meant for hypotrichosis) is only available for purchase by patients who fit the Defendant's definition.[53]

89 This dispute raises an interesting legal issue of whether the average consumer is the consumer of the *Plaintiffs'* product, or the consumer of the "general class" of products which the Plaintiffs and Defendant are selling. Where the plaintiff's and defendant's goods are exactly the same, no difficulty arises on this account. But, if the defendant's goods fall within the penumbra of being "similar goods" to those for which the plaintiff's trade mark is registered, the question may gain significance. By general class, what is referred to is the fact that trade mark infringement can arise where the plaintiff's trade mark is used by the defendant on similar goods or services. How much significance will, of course, depend on the facts as a whole.

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[51] Plaintiffs' closing submissions at para 154.

[52] Defendant's closing submissions at para 79.

[53] Defendant's closing subs at paras 66—70.

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90 It also bears repeating that the First Plaintiff has the right to use the registered mark for the complete range of goods within the specification: namely pharmaceutical preparations to treat eyelashes. The specification is not limited to pharmaceutical preparations available only on medical prescription to treat hypotrichosis. Indeed, the exclusive rights conferred on a registered trade mark is infringed not just by the use of the same or similar mark on the same goods or services but also in respect of use on similar goods or services. This is the statutory framework against which the question as to whether the goods are similar is to be addressed.

91 The Plaintiffs submit that the target group of consumers covered by the products comprises "females who have an interest in improving the appearance of their eyes or eyelashes." Whilst a query may arise as to whether the group is properly limited to "females" the general class of end-users suggested is consistent with the specification.

92 I find that there is no basis for limiting end-users to those deemed fit by a doctor (medical prescription) to use the Latisse Product to treat hypotrichosis, as the Defendant proposes. The decision of the Court of Appeal in *Staywell* supports this conclusion by underscoring the need to take into account the actual use (if any) and notional fair uses of the two marks by their respective proprietors. Whilst these remarks were made in respect of assessment of confusion and trade mark opposition proceedings, the Court of Appeal went on to state at [62] that in infringement proceedings the only question is whether the actual use by the alleged infringer infringes the notional fair use rights of the registered proprietor of the mark. The point remains that in so far as the registered proprietor is concerned, he is entitled to have the issue of confusion determined on the basis of the actual goods to

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which the mark has been applied and those properly falling within his notional fair use rights (by reference to the specification).

93 The issue as to whether it is the viewpoint of the registered proprietor's customer or the defendant's customers that is important is, for the reason set out in the preceding paragraph, more apparent than real. The customers of the registered proprietor are the customers of the actual goods to which he has applied the mark as well as (notional) customers of goods falling within the specification given his notional fair use rights.

94 Indeed, the Defendant's definition of end-users as comprising present and future patients suffering from hypotrichosis and who are deemed fit by their doctors to use the Latisse Product raises a question about the significance of the reference to "future patients". If this refers to nothing more than individuals who will actually be diagnosed with hypotrichosis in the future – then the reference adds very little. On the other hand, if it refers to consumers who have not yet been diagnosed with hypotrichosis but who are at present interested in products to treat eyelashes, it is hard to see how this differs very much from the Plaintiffs' definition.

95 I accordingly draw no distinction between the two definitions in applying the test of likelihood of confusion. To be clear, I find in any case that the Plaintiffs' definition accords with the teaching of *Staywell* and the authorities.

96 I now turn to the issue of the likelihood of confusion on the facts. Such confusion must arise from (i) the similarity between the competing marks; and/or (ii) the similarity between the goods or services on consumer perception: *Staywell* at [96].

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97 For infringement to arise, it is necessary to show that a substantial portion of the public will be confused (*Sarika* at [57]). Whilst the standard required is above *de minimis* and must be appreciable, there is no need to show that a majority of the public are likely to be confused. As was said in *Sarika*, what is meant is that the number of persons likely to be confused must not be insubstantial.

98 Cases such as *Sarika* (at [94]) and *Staywell* (at [96]) have established that it is legitimate to take into account factors concerning the very nature of the goods without taking into account steps taken by the trader to differentiate the goods. This includes the usual way under which consumers acquire goods of that type, whether the goods are expensive, whether the nature of the goods are such as to command a greater or lesser degree of fastidiousness and attention on the part of prospective buyers and whether the relevant consumer is likely to possess specialist knowledge. Other factors may also be relevant so long as these relate to the nature of the goods rather than marketing choices such as superficial price disparity between competing goods.

End-users and likelihood of confusion

99 I begin by considering the degree of attentiveness that can be expected from the end-users of eyelash growth-enhancing products. The end-users refer to the individual who purchases the products for actual use. I note that European authorities have found that end-users of pharmaceutical products will display a high degree of attentiveness to pharmaceutical products in relation to both prescription products (*Alcon (2007)* at [61]) and over-the-counter products (*Cadila Healthcare Ltd v OHIM* [2012] ETMR 60 at [36]; see generally James Mellor *et al*, *Kerly's Law of Trade Marks and Trade*

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Names (Sweet & Maxwell, 15th Ed, 2011) ("*Kerly's Law of Trade Marks*") at para 9–050) as pharmaceutical products relate to their health.

100 In the context of the eyelash growth-enhancing products, however, the concern for general health may be somewhat diminished as some of these products may be cosmetic in nature. Nevertheless, these products, even if "cosmetic" in nature still relate to personal well-being (including of course physical appearance). Further, in the purchase of these goods, end-users may be motivated to exercise care as these goods are expensive. The Latisse Product costs end-users $240 per bottle, exclusive of Goods and Services Tax. A year-long treatment (which was recommended by the Plaintiffs through its "ilash program") which apparently was withdrawn early on[54] costs in the region of $3000.[55] While the Lassez Product is considerably cheaper, at $120 per bottle,[56] that is still substantial expenditure. For these reasons, I consider that the end-user who acquires that type of product has a relatively high level of attentiveness.

101 The Plaintiffs submit that there is a real likelihood that a substantial portion of the end-users will be confused, either in the sense that the products are the same product, or that the products originate from the same or related source.[57]

102 In making the assessment, I note it is established law that a strong reputation does not mean that there is always a higher likelihood of confusion;

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[54] NOE, 20/01/2016, p 32 lines 14—22.

[55] NOE, 20/01/2016, p 19 line 23— p 22 line 10.

[56] Ms Chen's AEIC at p 8.

[57] Plaintiff's closing submissions at para 168.

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the technical distinctiveness of the registered mark is a factor that can be taken into account.

103 In addition to the similarity of mark and sign and the distinctiveness of the LATISSE mark discussed earlier, the Plaintiffs also rely on their survey evidence of Dr Chan, their expert witness. Dr Chan had conducted a street intercept survey of 400 randomly selected female Singapore Citizens and Permanent Residents aged 20 to 55 years old who use or buy eyelash-related products.[58]

104 In brief, the survey found, *inter alia*, that when respondents were shown the words "Latisse" and "Lassez" on a plain card, 180 of the 400 respondents (45%) thought they were likely to be confused (in the sense that they might mistake one brand for the other).

105 Of these 180 respondents, 93 (*ie,* 51.67% of those 180 respondents) attributed (at least in part) their likely confusion to a similarity in pronunciation. This indicated that at least 23.25% of the respondents overall considered "Latisse" and "Lassez" aurally similar.[59]

106 For purposes of comparison, it is also worth pointing out that of the 219 respondents who said they are unlikely to be confused, 46 (21%) had reasoned that the names sounded different. This group constitutes 11.5% of the respondents overall.

107 The respondents were also shown the Latisse Device Sign and the Lassez Device Sign and were asked to define the relationship between

[58] Dr Chan's AEIC at pp 9-10.

[59] Dr Chan's AEIC p12.

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cosmetic products with these names and signs. 44.8% of the respondents thought they belonged to associated companies while 14.3% felt they came from the same company. This was said to indicate that 59.1% of the respondents thought that they were likely to be confused as to the source of the products (as opposed to 37.3% who thought that they belonged to different companies and 3.8% who were unsure).

108 The Defendant criticised Dr Chan's survey on the basis that the respondents in the survey were not representative of the relevant average consumer. The respondents in Dr Chan's survey included people who bought "mascara/false eyelashes/lash serums" (referred to thereafter as purchasers of mascara).[60] The Defendant contends that the average consumer should be limited to people who visit aesthetic clinics. According to the Defendant, patients of aesthetic clinics will be more attentive than mere purchasers of mascara.

109 Whilst I have noted above that purchasers of cosmetic products for treating eyelashes are likely to be attentive, I find no reason to consider mere purchasers of mascara unrepresentative of the relevant average consumer. This is especially so given the convergence between the cosmetic care and medical industry.

110 The Defendant argues that the context in which the Latisse Product is sold must also be taken into account. According to the Defendant, end-users who purchase the Latisse Product must acquire them from a doctor, who will in turn be circumspect in the prescription of the product by only prescribing

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[60] Dr Chan's AEIC at p 23.

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the Latisse Product for hypotrichosis, while possibly recommending the Lassez Product as an alternative way to enhance eyelash growth.[61]

111 The Defendant's argument has three problems. First, there is no evidence that the doctor will mention and differentiate *both* products to the end-user, rather than simply prescribe one. The patient may be none the wiser after the encounter with the doctor, and might still be confused at the stage when they visit the pharmacist to purchase the medication, or when they return for a repeat purchase.

112 Second, even if the doctor does differentiate both products in terms of their different functions, that differentiation alone is not enough. A mistaken assumption of some economic link or connection between the Latisse Product and the Lassez Product alone will constitute confusion: *Hai Tong* at [73]. In the scenario the Defendant envisages, the doctor does not dispel the latter type of confusion. In this regard, it must be borne in mind that the LATISSE mark is registered for *any* pharmaceutical preparation for treating eyelashes. It is not limited to pharmaceutical preparations that are used to treat hypotrichosis under a medical prescription.

113 Third, the Defendant's argument fails to address other contexts in which end-users may come into contact with both products. Problematic scenarios include end-users who (without seeing the doctor) simply ask clinic staff for eyelash growth-enhancement products. They may then be referred to both the Latisse Product and the Lassez Product and become confused. As seen in [81]—[82] above, the evidence of Mr Poh and Ms Chen indicate that these are not fanciful scenarios. Given the convergence of the cosmetic

[61] Mr Lee's AEIC at para 44.

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skin/hair care industry and medical industry, I find that there is on the facts a likelihood of confusion given the risk that end-users would be confused into thinking there is an economic link or collaborative marketing between the Plaintiffs and Defendant: *Clinique* at [30].

114 I am, of course, mindful that these respondents may have a higher level of attentiveness when they actually buy a product for their own use than when they are simply asked about it in street survey (see generally Tan Tee Jim, *Law of Trade Marks and Passing Off in Singapore*, vol 1 (Sweet & Maxwell, 3rd Ed, 2014) ("*Tan Tee Jim*") at para 12.158). Nevertheless, the survey evidence does indicate that a significant proportion of end-users will be confused. In my view, taking into account the similarity between the LATISSE mark and the Allegedly Infringing Signs and the similarity between the goods, there is a likelihood that end-users will be confused. The survey evidence, whilst not conclusive, points in that direction.

Whether medical professionals are likely to be confused

115 In light of my findings that end-users will be confused, and that their confusion alone means there is a likelihood of confusion for the relevant public, there is no need to proceed further to decide whether the medical professionals will be confused. However, as this matter was argued at some length by the Defendant, I shall record my observations on this point.

116 I note that both products have different active ingredients. The Latisse Product's active ingredient is "bimatoprost",[62] while the Lassez Product's active ingredient is "myristoyl pentapeptide – 17".[63] Mr Poh gave evidence

[62] Agnes Lim's AEIC at p 112.

[63] Mr Lee's AEIC at paras 14, 22(1).

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that as a drug dispenser, he will take notice of the active ingredients of the drugs he dispenses, and can thus easily differentiate between the Latisse Product and the Lassez Product.[64] In addition, I also note that the Defendant points out that Mr Lee sold the Lassez Products directly to clinics and that he left his own name card in the process.[65] The relevance of this is, however, questionable. The Court of Appeal in *Staywell* (at [96]) established that whilst it is legitimate to take into account factors concerning the very nature of the goods, no account should be taken of steps taken by the trader to differentiate the goods. That said, the point may be taken that the provision of his name card is really part of the overall or usual process by which the product is marketed to medical clinics.

117 On the whole, I am satisfied that medical professionals will not be confused between the Latisse Product and the Lassez Product. First, their medical training should disabuse them of any notion that the products are the same. Second, the typical purchasing process of medication by clinics through educational visits by the producer's sales representatives gives them ample opportunity to raise questions on the products.[66] On the whole, I am of the view that medical professionals are unlikely to be confused about the origin of the products.

118 In reaching this view, I note the Plaintiffs' main argument is that Mr Poh's evidence is of little statistical value amongst medical professionals.[67] Indeed, as they emphasise, no doctor has come to court to testify that doctors

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[64] Mr Poh's AEIC at para 9.

[65] NOE, 25/01/2016, p 84 line 11.

[66] NOE, 20/01/2016, p 38 ln 6—18; Mr Lee's AEIC at para 45.

[67] Plaintiffs' closing submissions at para 161.

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will not be confused.[68] However, this argument does not take them very far. The Plaintiffs, for their part, have not provided any evidence that doctors will be confused. Whilst it is not necessary for the Plaintiffs to provide evidence of actual instances of confusion amongst medical practitioners, in the present circumstances, given the training that medical practitioners must have undergone, I am not satisfied on the evidence before me that they will be confused.

Conclusion on the first category of alleged infringement

119 In conclusion, I find that a likelihood of confusion exists for end-users, but not medical professionals. This is sufficient to satisfy the requirement of a likelihood of confusion on the part of the relevant public. It follows that the Defendant is liable for the first category of alleged infringement.

The second category of alleged infringement

120 I turn now to the second category of alleged infringement regarding the Defendant's use of the LATISSE mark on its promotional brochures (for comparative advertising).[69] In this regard, the Plaintiffs rely on s 27(1) of the TMA,[70] which provides:

> 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.
>
> [emphasis added]

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[68] NOE, 25/01/2016, at p 80.

[69] SOC (2) at [15].

[70] Plaintiffs' closing submissions at paras 12— 13.

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121 The Defendant advances two arguments in respect of the second category of trade mark infringement. First, the Defendant argues that its use of the LATISSE mark was not use in the trade mark sense.[71] Second, that any such use constituted fair use in comparative commercial advertising under s 28(4)(*a*) of the TMA.[72]

122 The Defendant states that the brochure was produced "as a detailing aid for the purpose of marketing the Lassez Product to medical professionals in Singapore".[73] The brochure comprises some 4 pages. The main body sets out two charts or graphs. The second chart, entitled "Fast Clinical Results in Just 4 Weeks", compares the Latisse and Lassez products. A more detailed description is set out later.

Use in a trade mark sense

123 A requirement of trade mark infringement is that "the infringing use must be of a trade mark use": *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*City Chain*") at [36]. The Defendant argues that its use of the LATISSE mark in its promotional brochures (reproduced at [151] below) was not use in a trade mark sense as the LATISSE mark was used to refer to various aspects of the Latisse Product, and not as an indicator of the origins of the Defendant's goods.

124 Section 27(4)(*e*) of the TMA provides that a person "uses" a sign if he uses it for advertising. The promotional brochures, in this case, by their nature, must be for advertising. The Defendant has not suggested otherwise. Indeed,

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[71] Defendant's closing subs paras 86—87.

[72] Defendant's closing subs para 89.

[73] Mr Lee's AEIC at para 20.

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such a suggestion will be inconsistent with (what appears to be) the Defendant's primary argument in this regard: that the Defendant may rely on the defence of comparative *advertising*.

125 The crucial point, however, is that the courts have authoritatively determined that "use" to infringe must be use as a "trade mark" (to denote origin). This was the ruling of the High Court in *Nation Fittings* (at [62]) and the subsequent decision of the Court of Appeal in *City Chain*, where the Court of Appeal held that use of sign for predominantly decorative purposes was not an infringing use. It was not trade mark use.

126 Following these decisions, it is incumbent on the Plaintiffs in the present case to establish that the use complained of is use as a trade mark to denote origin. In many cases of comparative advertising, the trade mark or brand of the plaintiff's and defendant's goods or services is quite different. The comparison is between Brand X (the plaintiff's product to which the registered trade mark has been applied) and Brand Y (the defendant's product to which Brand Y has been applied). The complaint is that by using Brand X in the comparative advertisement, the defendant has used an identical sign for identical goods within s 27(1) of the TMA. What makes the present case slightly unusual is that not only has the Defendant expressly referred to Latisse in the brochure (Brand X in my example), he has also compared the Latisse product to the Lassez product bearing the infringing Lassez signs (Brand Y in my example).

127 I pause here to repeat the earlier holding that the use of the Allegedly Infringing Signs is use of a similar sign on similar goods. The use complained of under s 27(2)(b) of the TMA is use as a trade mark.

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128 The question that arises in respect of the second category of trade mark infringement concerns the use of the identical LATISSE registered mark in respect of identical goods, in the brochure.

129 The Defendant submits that "the use of LATISSE, which is a pure word mark, and which refers (naturally) to the Plaintiffs' Product, does not mean that is was used in the trade mark sense."[74] With respect, this cannot be correct. The word "Latisse" appears 3 times in the Defendant's brochure. It clearly refers the reader to the Latisse Product for the purpose of the comparison that was being made with the Lassez Product. Use of the word "Latisse" in these circumstances constitutes use in a trade mark sense. After all, cases on comparative advertising normally involve identification of the products that are being compared.

130 I find that the use of the LATISSE mark in the brochure was use in the course of trade for a trade mark purpose.

The defence of comparative advertising

131 I now consider the question of whether the Defendant can successfully raise the defence of comparative advertising under s 28(4)(*a*) of the TMA. Section 28(4)(*a*) of the TMA provides:

> (4) Notwithstanding section 27, a person who uses a registered trade mark does not infringe the trade mark if such use —
>
> > (a) constitutes fair use in comparative commercial advertising or promotion;

132 The main dispute between parties here is how "fair use" in s 28(4)(*a*) of the TMA should be interpreted. I note that there are no reported

[74] Defendant's closing submissions at para 87.

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cases on this fairly recent provision. This defence was introduced into the Trade Marks Act 2004 and came into force on 1 July 2004. Thus, I start with a brief history of the provision.

History of s 28(4)(*a*) of the TMA

133 Prior to 2004, the relevant statutory provisions were to be found in s 27(6) of the Trade Marks Act 1998 ("TMA 1998") which provided:

> Nothing in subsections (1) to (5) shall be construed as preventing the use of a registered trade mark by any person for the purpose of identifying goods or services as those of the proprietor or a licensee, but any such use otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the registered trade mark if the use without due cause take unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

134 Under this provision, after the defendant shows that it used a registered trade mark "for the purpose of identifying goods or services as those of the proprietor or a licensee", the question is whether (i) the trade mark use accords with "honest practices in industrial or commercial matters"; and (ii) the use did not without due cause take an unfair advantage of or is detrimental to, the distinctive character or repute of the trade mark.

135 The provision is *in pari materia* with the English counterpart, s 10(6) of the Trade Marks Act 1994 (c 26) (UK) ("TMA UK"). While the phrase "comparative advertising" does not explicitly appear in either provision, s 10(6) of the TMA UK has since been applied by the English courts to the comparative advertising context: see, *eg*, *British Airways plc v Ryanair Ltd* [2001] ETMR 24 ("*British Airways*"). I observe, for the sake of completeness, that decisions by the Court of Justice of the European Union have since rendered s 10(6) of the TMA UK otiose: *Kerly's Law of Trade Marks* at para

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15-059. The lawfulness of comparative advertising throughout the Community is now assessed solely on the basis of detailed criteria laid down by the Community Legislature.

136 Section 27(6) of the TMA 1998 and s 10(6) of the TMA UK were complex provisions to interpret and apply. Did, for example, the reference to taking an unfair advantage add anything to the requirement of use in accordance with honest practices?

137 In *Vodafone Group Plc v Orange Personal Communications Services Ltd* [1997] FSR 34 ("*Vodafone*") at 39—40, the UK High Court held that it did not. Significant English decisions on s 10(6) of the TMA UK aside from *Vodafone* and *British Airways* include the decision in *Barclays Bank Plc v RBS Advanta* [1996] RPC 307. Without engaging in an exhaustive analysis of the English cases, key principles which emerged include the following:

(a) As long as the use of the competitor's mark is honest, there is nothing wrong in telling the public of the relative merits of competing goods or services and using registered marks to identify them: *British Airways* at [30(2)];

(b) The plaintiff has the onus of showing that the defendant was dishonest: *Barclays Bank Plc v Advanta* [1996] RPC 307 ("*Barclays Bank*") at 318;

(c) The test of honesty is objective, viewed from the point of view of an average consumer who is given the full facts. This "average consumer" is the same person as the "average consumer" traditionally applied in trade mark infringement: *British Airways* at [30(5)]—[31];

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(d) A significantly misleading advertisement is considered dishonest: *British Airways* at [30(9)];

(e) The average consumer has been hardened through exposure to advertising and expects hyperbole and puff: *British Airways* at [30(5)]. The degree of acceptable hyperbole depends on the industry. Poking fun is not necessarily unfair or dishonest. For example, what is tolerable in advertisements for second-hand cars may well not be thought honest if used to encourage the use of powerful medicines: *Barclays Bank* at 316;

(f) The advertisement must be considered as a whole: *British Airways* at [30(10)];

(g) The average consumer will not be taken to engage in a minute textual examination: *British Airways* at [30(12)].

138 On 1 July 2004, following the conclusion of the United States–Singapore Free Trade Agreement in 2003, s 27(6) of the TMA 1998 was repealed and replaced by the present s 28(4)(*a*) of the TMA.

139 Section 28(4)(*a*) of the TMA is modelled after s 43(c)(3)(A) of the American Federal trade mark legislation, the Lanham Trade Mark Act of 1946 (15 USC § 1125) (("the Lanham Act"). This introduces a doctrine of "fair use", which originates from United States ("US") trade mark jurisprudence, into Singapore law: see Susanna HS Leong, *Intellectual Property Law of Singapore*, Academy Publishing, 2013 ("*Susanna Leong*") at para 29.112.

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Applicable principles

140 The question arises of the extent (if any) that the introduction of s 28(4)(*a*) of the TMA ("the change in provision") alters Singapore law on the defence of comparative advertising. As is observed at para 29.112 of *Susanna Leong*, the change in provision may mean that Parliament intended to replace the previous English-based position with US-based doctrine. Ultimately, however, the learned author downplays the effects of any possible change, opining at para 29.123 that:

> However, in the author's view there are no major doctrinal differences between the UK/European based position ("in accordance with honest practices in the industrial and commercial matter") and the US-based doctrine of fair use ("nominative fair use of trade marks"). Both approaches are premised upon broad notions of honesty and fairness on the part of the defendant and his purported usage of another's registered mark for purposes of comparative advertising. Building on the foundations of these two approaches, there is ample scope for Singapore to develop her own jurisprudence of what she considers *fair use* of another's trade mark, particularly in the context of comparative advertising.

141 The position taken by Prof Susanna Leong that no major doctrinal changes were introduced by the change in provision appears to be supported by *Tan Tee Jim* at para 13.061, where the learned author suggests that principles from English cases remain useful in interpreting s 28(4)(*a*) of the TMA.

THE US POSITION

142 In brief, the US doctrine of fair use, in the context of trade mark law, comprises two types of fair use, *ie*, classic and nominative fair use. The former is relevant when the defendant has used the plaintiff's mark to describe the defendant's own product, while the latter is relevant when the defendant uses a trade mark to describe the plaintiff's own product: *New Kids on the Block v*

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News America Publishing Inc 971 F 2d 302 (9th Cir, 1992) ("*New Kids*") (at 308). A fuller account of the US fair use doctrine is set out in *Susanna Leong* at paras 29.113— 29.120.

143 Thus, it is nominative fair use that is relevant in the context of *comparative* advertising. To avail himself of the defence of nominative fair use, the Ninth Circuit of the United States Court of Appeal held in *New Kids* (at 308) that a defendant will have to show:

> First, the product or service in question must be one not readily identifiable without use of the trade mark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trade mark holder.

144 The test in *New Kids* has been accepted, with slight modifications, in various other circuits: see *Century 21 Real Estate Corp. v Lendingtree, Inc* 425 F 3d 211 (3rd Cir, 2005) (at 218–222).

COMPARISON OF THE ENGLISH POSITION WITH THE US POSITION

145 Comparing the English principles under s 10(6) of the TMA UK with the US doctrine of fair use, I note there are at least two important differences. First, the English cases place the burden of proving the defendant's dishonest practice on the plaintiff, while the US doctrine requires the defendant to show that its usage of the trade mark was fair use.

146 Second, the scope of both doctrines appears different. The English concept of honest practice appears to include a wider inquiry as to whether the advertisement was significantly misleading in its comparison of the products' qualities (see, *eg*, *Vodafone*), whereas such an enquiry is not apparent in the

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New Kids test. At the very least, it is not clear that such an inquiry is relevant under the US fair use doctrine.

147 In my view, the enactment of s 28(4)(*a*) of the TMA in 2004 means that the court is no longer bound by the case law principles developed in respect of s 27(6) of the TMA 1998. In any case, whilst there were several UK cases on s 10(6) of the TMA UK, there were very few local decisions on the interpretation of s 27(6) of the TMA 1998. Whilst it is clear that Parliament in enacting s 28(4)(*a*) of the TMA was referencing the US fair use doctrine, this court is not bound by US decisions on fair use. I agree with the observations in *Susanna Leong* at para 29.125 that the line which restricts fair use may not always be clear and bold. The line may well have fuzzy edges and that "it is for our courts to arrive at a judgment call as to what sort of fair use in comparative advertising accords with fair practices in the market which is truly reflective of the needs of Singapore and all her stakeholders."

148 It is best to return to the words used in s 28(4)(*a*) of the TMA. In relation to burden of proof, I find that the burden of proving fair use lies with the defendant. Whilst the wording and structure of s 27(6) of the TMA 1998 meant that it was the plaintiff who had to assert (and thus bear the burden of proving) that there was a dishonest practice, it is clear that under the new provision it is the defendant who must assert fair use, and accordingly must bear the burden of proving fair use.

149 I turn now to the issue of whether advertisements that contain untrue statements or which are misleading can nevertheless constitute fair use within the meaning of s 28(4)(*a*) of the TMA. Under the former statutory provision, English courts have held that a person who knowingly puts forth a false claim cannot be said to be acting in accordance with honest practices. Further, an

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advertisement which is significantly misleading is likely to be held to be unfair if it has resulted in a likelihood of confusion. That said, as is observed in *Susanna Leong* at para 29.124(e), under the previous provision, the presence of some confusion through the use of the plaintiff's mark in the defendant's advertisement is not dishonesty *per se*.

150 In my view, the court is entitled to have regard to both factors in reaching a decision on whether the use was fair. Section 28(4)(*a*) recognises that a balance must be struck between the rights of the trade mark owner and the right of competitors to enter the market and to provide the public with alternative choices. Section 28(4)(*a*) permits a fair use of the trade mark for commercial comparative advertising or promotion. By doing so, the public interest in fair competition is safeguarded. Whether or not the inclusion of a false statement negates fair use must depend on the nature of the statement (*eg*, does it significantly undermine the basis of the comparison) and whether the defendant knew or ought to have known that it was false. In those cases where there is a dispute as to whether the statement is misleading, this is best resolved by asking whether the average consumer would find the statement misleading in a material manner. In coming to this decision I hasten to add that control of misleading advertising is a much wider subject than trade mark infringement and comparative advertising (See Jacob J in *British Airways* at [28]). The remarks made are not intended to be an exhaustive guide on principles and factors relevant in determining fair use.

Application of the principles to the present case

151 The primary document for present purposes is the comparative chart[75] ("the Chart") found in the promotional brochures for the Lassez Product. The Chart and parts of the brochure are reproduced below:[76]

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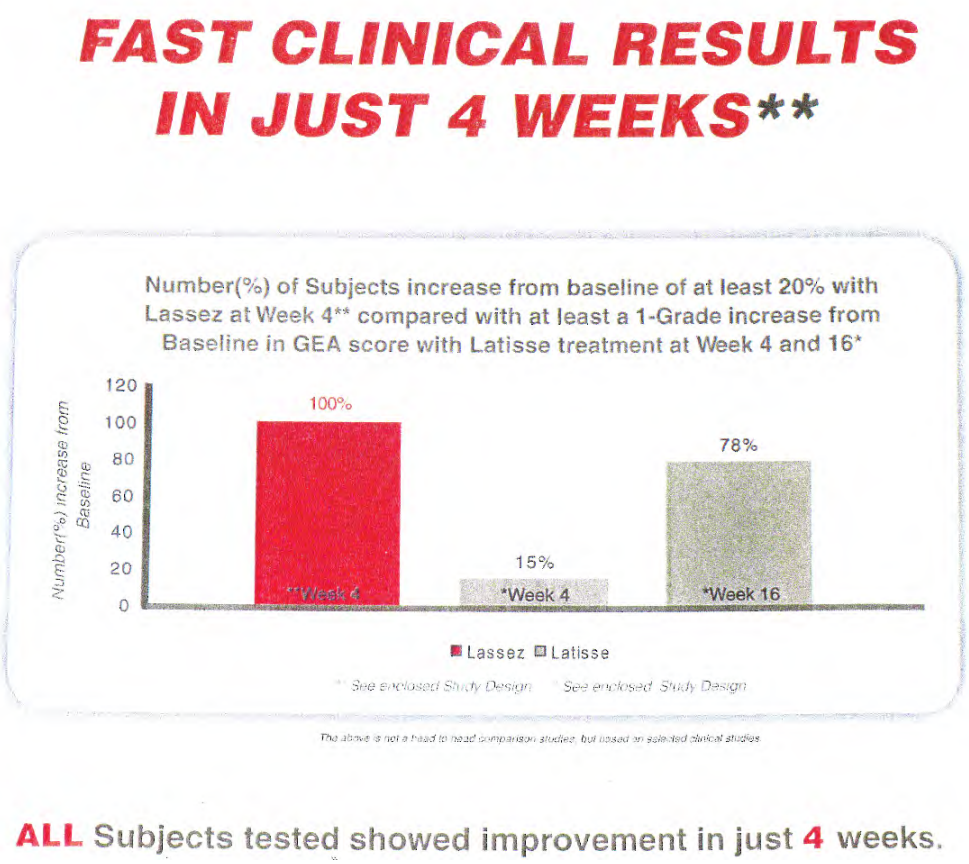

152 The Chart compares the effectiveness of both the Latisse Product and the Lassez Product. It was constructed by Mr Lee using information from the package inserts and product circulars for both products.[77]

153 The main contention between parties is whether the Defendant's use of the LATISSE mark constitutes "fair use" within the meaning of s 28(4)(*a*) of the TMA. The Plaintiffs argue that such use was not fair as it was significantly misleading.[78] According to the Plaintiffs, the Chart gave the false impression

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[75] Mr Lee's AEIC p 54.

[76] Agnes Lim's AEIC p 182.

[77] Mr Lee's AEIC at para 55.

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that the Lassez Product was proven by a study to be significantly more effective than the Latisse Product in stimulating eyelash growth. The Chart merely reflected figures taken from different studies. The parameters and scales used to measure eyelash growth in each study were not the same.[79] The misleading impression was reinforced by the fact that the difference in the studies and scales used were not readily apparent to a reasonable reader. Furthermore, the Chart gave the impression that the Lassez Product was a pharmaceutical product approved by the FDA (just like the Latisse Product) when it was not.

154 The Defendant asserts that the Chart was not misleading. While it concedes that the scale used to measure eyelash growth in each study was different, they explain that they did not use the same scale as the Plaintiffs to avoid litigation.[80] The Plaintiffs had used a scale which they invented[81] and for which patent was pending.[82] The Defendant points out two features on the brochures that clarifies that the Chart was not a head to head comparison. First, the presence of different asterisks ("*" and "**") indicates that different studies were conducted in arriving at the results for the Latisse Product and the Lassez Product.[83] Second, the line "[t]he above is not a head to head comparison studies [*sic*], but based on selected clinical studies", which is found below the Chart, explicitly states that this was not a head to head comparison.[84]

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[78] Plaintiffs' closing submissions at paras 29—60.

[79] NOE, 20/1/2016, p 67 lines 15—24.

[80] NOE, 21/1/2016, p 50 lines 10—17.

[81] NOE, 21/1/2016, p 48 lines 9—16.

[82] NOE, 21/1/2016, p 51 lines 18—19.

[83] Mr Lee's AEIC at para 55.

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155 Looking at the Chart, there is no doubt that the chart in question gives the impression at first glance that the Lassez Product achieves better and faster clinical results than the Latisse Product. Under cross-examination, Mr Lee agreed that the objective of the Chart was to compare efficacy of the two products.[85]

156 A closer examination, however, reveals that the figures for the Lassez Product were based on the percentage increase from the baseline at week 4. In the case of Latisse Product, the figures were based on a 1-grade increase from baseline in Global Eyelash Assessment score at weeks 4 and 16. Mr Lee accepted under cross-examination that he had no idea what a 1-grade increase from baseline meant. Mr Lee admitted that, whatever it meant, the tests for Lassez Product were based on photo-density tests in a totally different study.[86]

157 I accept that careful examination of the fine print in the Chart would reveal that the basis of measurement for the graphs was not derived from a "head to head" comparison. It follows that, on a detailed review, with appropriate study, the chart or graphs did not in fact reveal which product provided better or faster clinical results.

158 I note in passing that there does not appear to be any suggestion that the individual graphs for the Defendant's and Plaintiffs' products were false in and of themselves. The complaint in substance is that the basis of comparison was unfair in that different standards were used by the Plaintiffs and the Defendant. The impression created by the graphs without careful reading of

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[84] Mr Lee's AEIC at para 56.

[85] NOE, 25 January 2016, page 44, lines 7—10.

[86] NOE, 25 January 2016, page 54, line 19.

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the text (qualification) was that the Defendant's product was significantly better.

159 I note that in *British Airways*, the court was also faced with an allegation that the individual prices for Ryanair and British Airways were unfairly compared. They were put forward as "like for like" although they were not. After noting that there was some ambiguity, Jacob J concluded that the average consumer would not find the price comparisons misleading. He would expect there to be some conditions as the small print made clear. On the whole, Jacob J found the advertisements were true in substance.

160 In the present case, the evidence was that the brochure was provided to medical practitioners. The Defendant, however, accepted that there might be some exposure of the brochure to patients, for instance, in waiting rooms. Indeed, looking at the brochure as a whole, I am of the view that, whilst the Defendant may have only passed copies to medical clinics, the brochure was clearly prepared with both medical practitioners and end-users in mind.

161 Even if medical practitioners and pharmacists could be expected to read and understand the small print and qualification, the position may well be rather different from the perspective of end-users. The decision in *British Airways* that consumers would know that there usually small print conditions and terms in advertisements for airline tickets was based on its own facts.

162 I note also my earlier finding that the Defendant's use of the Allegedly Infringing Signs is likely to give rise to confusion in the minds of end-users as to whether there is a trade connection between the products. The long and short of it is that the Defendant's brochure was objectionable from the Plaintiffs' perspective for the following reasons: (i) the use of the Allegedly

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Infringing Signs is confusing in and of itself; (ii) the false impression that the comparison of the products was conducted on a similar basis; and (iii) the false impression that Lassez Product was a regulated product – just like the Latisse Product.

163 Whilst it is not the job of trade mark law to regulate and control misleading advertisements as such, I find that the brochure is misleading in a material manner to end-users such as to bring the Defendant's use of the LATISSE mark outside of the comparative advertising defence.

Conclusion on the second category of alleged infringement

164 In conclusion, I find that the Defendant's use of the LATISSE mark was use in the trade mark sense. The Defendant cannot avail itself of the comparative advertising defence as it used the LATISSE mark in a materially misleading manner. It follows that the Defendant is also liable for the second category of alleged infringement.

Whether the Plaintiffs are liable for making a groundless threat of infringement proceedings against the Defendant

165 Given that I have found that the Defendant is liable in respect of the use of LATISSE mark in the brochure and also by the use of the Lassez signs on the Defendant's product and packaging, I dismiss the Defendant's counterclaim for groundless threats of trade mark infringement proceedings.

Whether the Defendant is liable for passing off the Lassez Product as being connected to or associated with the Plaintiffs

166 I turn now to consider the Plaintiffs' claim in passing off. To succeed in a claim in passing off, the Plaintiffs will have to satisfy the "classical

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trinity" of goodwill, misrepresentation and damage: *Amanresorts* at [37]. Each element shall be examined in turn.

Whether the Plaintiffs have goodwill attached to the goods and services that they provide

167 The Court of Appeal in *Novelty Pte Ltd v Amanresorts Ltd and Another* [2009] 3 SLR 216 ("*Amanresorts*") identified the following two essential features of goodwill:

> First, it is the association of a good, service or business on which the plaintiff's mark, name, labelling, etc (referred to generally as the plaintiff's "get-up") has been applied with a particular source. Second, this association is "an attractive force which brings in custom".

168 The relevant date to assess the presence of goodwill is the date on which the defendant's conduct complained of started: *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 at [34]. In the present case, the relevant date would be July 2012,[87] when the Defendant first brought the Lassez Product into Singapore and began promoting it to doctors.[88]

169 The Court of Appeal in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] SGCA 33 ("*Singsung*") made a number of important clarifications on the concept of goodwill. I note that this decision was handed down after the parties had made their submissions. I will begin with some brief remarks on the concept of goodwill, as outlined by the Court of Appeal in *Singsung*.

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[87] NOE, 25/01/2016, at p 17 line 9.

[88] NOE, 25/01/2016, at p 17—9 .

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170 Goodwill is the legal property protected by the law of passing off. Goodwill in the context of passing off is not goodwill in the mark, logo or get-up as such. Instead, goodwill is the trading relationship with his customers. Viewed from this perspective, passing off is concerned with goodwill in the business as a whole and not its constituent elements such as the mark, logo or get-up that it uses.

171 The Court of Appeal in *Singsung* held (at [37]) that for conceptual clarity, the issue as to whether a mark or get up is distinctive of the plaintiff's product or services is best dealt with in the context of whether the defendant had made a misrepresentation. Further, at [55], the Court of Appeal emphasised that the goal of the tort is to prevent unfair competition brought about by deception or misrepresentation by the defendant as to, amongst other things, the origin of goods. Where the defendant has engaged in deliberate copying, the question of whether this indicates an intention to deceive or pass off is an assessment to be made in the light of all the facts and circumstances, including but not limited to the defendant's explanation for the similarities in the indicia used, the defendant's course of conduct, the circumstances of the copying and whether the defendant attempted to sufficiently distinguish its goods from that of the plaintiff. The important point is that where it is established that the defendant intended to *deceive*, the court will not be astute to find that the defendant has failed in its purpose (*Singsung* at [54]).

172 The Plaintiffs have pleaded that both the LATISSE mark and the Latisse Device Sign are associated with its goods and business.[89] This is unlike the claim in trade mark infringement, where only the LATISSE mark is registered and relied on.

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[89] SOC para 3 r/w para 17.

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173 I observe in passing that the LATISSE mark and Latisse Device Sign are present (and readily apparent) in most of the Latisse Product's packaging,[90] marketing materials[91] and publicity materials[92] (which are discussed in greater detail below).

174 The Court of Appeal held in *Singsung* (at [38]) that the issue of distinctiveness is best understood as a threshold inquiry in the context of determining whether the defendant has committed an actionable misrepresentation. Applying the Court of Appeal's guidance, the question in the present context is whether the LATISSE mark and Latisse Device Signs, as a threshold inquiry in the context of determining actionable misrepresentation, are distinctive of the Plaintiffs' product. Are the LATISSE mark and Latisse Device signs exclusively associated with the Plaintiffs, such that they have become badges or indicia of origin?

175 With the above in mind, I turn to consider the evidence.

176 The Plaintiffs adduced evidence of the Latisse Product's sales, advertising and publicity. The Second Plaintiff's turnover from sales of the Latisse Product in Singapore is substantial: $819,000 in 2011 and $680,000 in 2012.[93] I note that these figures represent the total turnover from the sale of the Latisse Product by the Second Plaintiff's distributors to medical clinics, rather than sale by the Second Plaintiff to medical clinics (or end-users) directly.[94] While this may impact the assessment of damages the Plaintiffs have suffered

[90] Agnes Lim's AEIC at pp 27—32.

[91] Agnes Lim's AEIC at pp 100—135.

[92] Agnes Lim's AEIC at pp 145—170.

[93] Agnes Lim's AEIC at para 13.

[94] NOE, 20/1/2016, pp 45—46.

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(which I note is not in issue presently, given the bifurcated nature of these proceedings),[95] it does not detract from the value of these figures in indicating a substantial market for the Latisse Product.

177 The Second Plaintiff's marketing expenditure is also significant: $354,000 in 2011 and $128,000 in 2012. It should be noted that the Second Plaintiff asserts that it limited its marketing activities to medical professionals only,[96] in compliance with proscriptions against direct-to-consumer advertising found in the Medicines Act (Cap 176, 1985 Rev Ed) and the regulations thereunder.[97] However, it is clear that the Latisse Product has also been covered by mainstream publications (as opposed to those targeted at medical professionals), receiving positive publicity in publications such as *The Sunday Times*, *CLEO Singapore*, *Elle Singapore* and *Her World Singapore Online* before July 2012.[98] The target audience of these articles appear to be potential end-users of the product: readers concerned with enhancing the appearance of their eyelashes.[99]

178 In light of the foregoing evidence, I find that the Plaintiffs enjoy goodwill in their business in Singapore.

179 The Defendant has contended that the Latisse Product, as a prescription-only drug, does not enjoy "goodwill" among end-users, who may merely be prescribed the Latisse Product by doctors as opposed to being

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[95] NOE 20/1/2016, p 1.

[96] Plaintiffs answer to interrogatories dated 29 Oct 2015 at annex 1(a).

[97] Plaintiffs' Opening statement at [46]. Note chapter number there appears to be incorrectly cited.

[98] Agnes Lim's AEIC pp 143—144.

[99] See, *eg*, Agnes Lim's AEIC pp 154—155.

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drawn by the attractive force of the product's reputation.[100] It appears that in using the term "goodwill", what the Defendant really refers to is the reputation of the Latisse Product. I find that a drug's status as prescription-only is no impediment to it acquiring a reputation to end-users. Neither is it an impediment to the brand name becoming a recognised indicator of origin. Famous brands like Viagra (a brand for another prescription-only drug) come to mind. Despite being prescription-only, these drugs may acquire a reputation under the brand such that end-users actively seek such a prescription by reference to the brand name from clinics. In fact, the Defendant's own witness, Mr Poh, recounted incidents of members of the public trying to purchase the Latisse Product from his clinic.[101] Thus, I reject the Defendant's argument.

180 Further, I am satisfied that the LATISSE mark has crossed the threshold stage of the misrepresentation inquiry in that it has acquired a sufficient reputation as a badge of origin.

181 More difficult, however, is the question whether the Latisse Device Sign is also distinctive of the Latisse Product as a badge of origin. It will be recalled that the Latisse Device Sign comprises the word "Latisse" and the eyelash device. The Latisse Device Sign is not registered but has been used on the packaging of the Latisse Product and a poster. The eyelash device is clearly descriptive of the product and its use. Whilst I am satisfied that a reputation exists in the word "Latisse", I am not satisfied that the eyelash device will be seen as an indicator of trade origin. Indeed, there is evidence that many eyelash products and brands use a similar type of eyelash device.[102]

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[100] Defendant's closing subs para 111.

[101] NOE 22/01/2016 at p 30 lines 20—24.

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What is important about the Latisse Device Sign is the word "Latisse". The eyelash device is essentially an embellishment.

Whether the Defendant has made a misrepresentation that creates a likelihood of confusion

182 The Plaintiffs allege that the Defendant's marketing and distribution of the Lassez Product constituted a misrepresentation that the Lassez Product is either the Plaintiffs' product, or somehow connected to the Plaintiffs.[103] This alleged misrepresentation was broadcasted to medical professionals when product samples and copies of the Defendant's promotional brochures were distributed to certain clinics. It was also broadcasted to end-users when one particular clinic, Ageless Aesthetics, offered the Lassez Product for sale to end-users.[104]

183 I turn now to consider whether this alleged misrepresentation creates a likelihood of confusion. I have found above (at [99]—[114]) a likelihood of confusion by end-users in respect of trade mark infringement.

184 It is well established that the court, in conducting a confusion inquiry for passing off, considers a broader view of the context than in the confusion inquiry for trade mark infringement: *Ng-Loy Wee Loon* at para 23.1.11. Nevertheless, I remain of the view that there is a likelihood of confusion by end-users, but not medical professionals.

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[102] See references in Defendant's closing submissions at para 122.

[103] Plaintiffs' closing submissions, p 76 header (iv).

[104] Plaintiffs' closing submissions paras 207-208; Defendant's closing submissions at para 117.

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Intentions of Mr Lee

185 A likelihood of confusion can be more easily established if the defendant is found to have intended to cause such confusion: *Singsung* at [54]; *The Singapore Professional Golfers' Association v Chen Eng Waye and others* [2013] 2 SLR 495 at [41]. Such fraudulent intention must be proven by evidence. The nature of such evidence is explained in Christopher Wadlow, *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011) ("*Wadlow's Law of Passing-Off*") at para 5-063—5-064 as follows:

> … the evidence normally consists of circumstances which are inconsistent with any honest intention and inexplicable except as part of a scheme to deceive. These are conventionally known as "badges of fraud", and are most commonly found in the name or mark itself. If the defendant has no plausible reason for adopting it, and especially if resemblances with the claimant's seem deliberately close, intention to deceive may be inferred. …
>
> Badges of fraud need not be obvious, nor even calculated to deceive in their own right… they may be insignificant in themselves but able to cast "a flood of light" on the defendant's motives and manner of doing business.

186 Two "badges of fraud" are said to stand out in this case. First, the similarities in parties' signs. Second, the striking similarity between the cover page of the Defendant's brochure and the Plaintiffs' poster. In my view, the explanations offered by the Defendant in respect of both badges of fraud have been unsatisfactory.

Similar signs

187 The similarities between the words "Latisse" and "Lassez" have already been discussed above at length in the context of trade mark infringement. Although the Latisse Device Sign and the Lassez Ingredient

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Sign must also be considered in the context of passing off, I consider the words "Latisse" and "Lassez", respectively, to be their dominant features given the size of these words and their placement relative to other features. I also note in relation to the Lassez Ingredient Sign that the term "LA CARIDERM", besides being smaller in size to "Lassez", is also a meaningless,[105] invented word that is less likely to catch the eye of the viewer. Accordingly, the conclusion of similarity in signs remains.

188 I now focus on the explanations proffered by Mr Lee for choosing the similar signs, in particular, the name "Lassez".

189 Mr Lee explained that his choice of name was motivated in part by the first part of the name, "Lass". He explains that this serves two functions. First, it invokes the image of a young lady, thus appealing to women. Second, "Lass" also sounds like "lash" in "eyelash", which is suitable since the Lassez Product is an eyelash product.[106] However, Mr Lee himself asserts that "Lassez" will be pronounced "LAH-SAY" by Singaporeans.[107] If the first syllable of "Lassez" is pronounced as "LAH", then the two reasons offered by the Defendant are unconvincing as these reasons rely on the first syllable being read as "lass".

190 Mr Lee also claimed to have chosen "Lassez" because it is a French word that resembles or embodies female beauty or fashion.[108] However, according to the Defendant's own expert witness, Mr Malachin, the French

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[105] NOE, 26/01/2016, at p 37 lines 1—7.

[106] Mr Lee's AEIC at paras 7—8.

[107] Mr Lee's AEIC at para 10.

[108] Mr Lee's AEIC at para 8.

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word *lassez* is the imperative form of the verb *lasser*. *Lasser* in turn means to weary or tire.[109] Thus understood, "Lassez" can hardly be said to embody female beauty. In cross-examination, Mr Lee acknowledged that he did not know the meaning of "Lassez" when choosing a name for his product (beyond its usage as the surname of a celebrity),[110] although it would have been possible for him to find out the meaning.[111] If Mr Lee indeed chose "Lassez" to embody female beauty, then one would have expected him to have checked its meaning to ensure that at the very least it does not contradict or tarnish the image Mr Lee intended to project. This is especially so in this modern age where the meaning of foreign words can be easily ascertained through an internet search.[112] I thus find this explanation by Mr Lee unsatisfactory.

191 Finally, Mr Lee also claimed to have chosen "Lassez" because the last letter "z" calls to mind the first part of the Defendant's name, "Ferlandz", as it also ends with "z".[113] This explanation, even if it is to be believed, is limited in scope as it does not explain how the rest of the word came about.

192 Accordingly, looking at the circumstances as a whole, the Defendant has failed to show a plausible reason for adopting a similar product name.

Similar promotional materials

193 The first page of the Defendant's brochure bears an uncanny resemblance to the Plaintiffs' poster:

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[109] Mr Malachin's Expert Report at para 17.

[110] NOE, 25/01/2016, p 67 lines 1—11.

[111] NOE, 25/01/2016, p 68 lines 10—22.

[112] NOE, 25/01/2016, p 67 line 14—p 68 line 9.

[113] Mr Lee's AEIC at para 9.

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The first page of the Defendant's promotional brochure	The Plaintiffs' poster

194 The striking similarity between the Plaintiffs' poster and the Defendant's brochure is clear from the above images. This increases the likelihood of confusion for potential consumers who come into contact with these materials.

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195 The inference of an intention to deceive is also strengthened by Mr Lee's admissions that he was aware of the "Latisse" brand, trade mark and logo when designing the brochure.[114] Mr Lee explained in cross-examination that the similarities arose out of the fact that the same elements (such as depiction of the product, a model and the clinical results) are required. However, he also agreed that he had freedom in arranging the various elements in the brochure.[115] Accordingly, I do not consider Mr Lee's explanation satisfactory.

196 The comparative charts on the third page of the brochure[116] (reproduced earlier) seek to demonstrate that the Lassez Product is superior to the Latisse Product. These products are portrayed in a competitive relationship. The point may be taken that the comparative nature of the brochure is inconsistent with an intention to confuse people into thinking the products hail from the same trade origin. The difficulty, however, is that the similarity between the names, the first page of the brochure and the Plaintiffs' poster, and the statement in the brochure that "Product Information can be requested from Medical Professionals" all help to create an impression that the two products are related.

197 In any case, even if Mr Lee did not harbour an intention to pass off, this does not mean that there cannot be a positive finding as to a likelihood of confusion looking at the facts as a whole. Innocent copying does not exonerate a defendant in a passing off action (*Amanresorts* at [83]). To this end, I turn to examine the packaging and the price disparity.

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[114] NOE, 26 January 2016, p 63 lines 14—32.

[115] NOE, 25 January 2016, p 41 lines 20—24.

[116] Agnes Lim's AEIC pp 181—182.

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Product packaging

198 The Latisse Product's packaging adopts a blue colour scheme (blue wording on a white background). The Lassez Product adopts a red colour scheme (red lettering and red embellishments on a white background).

199 The product packages can be seen below:

The Latisse Product packaging	The Lassez Product packaging
	[117]

200 I note that the survey did not involve showing the respondents samples of the actual product or the packaging as a whole. It would have been much better if that had been done. The question is whether the differences in the colour scheme and detailed design of the packaging are enough to dispel confusion as to trade source. There is no evidence before the court that there had been any actual case of confusion. The survey evidence did not provide

[117] This image has been edited to redact handwritten words and signatures that are irrelevant to the comparison of packaging.

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respondents with an opportunity to see the packaging as a whole. That said, the question of likelihood of confusion is one of fact for the court to decide and on which it is entitled to form its own judgment on the facts placed before it. The point that there is no evidence of actual confusion is not determinative.

Price disparity

201 There is significant price disparity between the products. As observed at [100] above, end-users were charged more than twice the price for the Latisse Product as compared to the Lassez Product. Medical professionals were also faced with a significant price disparity between the two products, though the disparity was not as big. Clinics were charged $156 for each bottle of the Latisse Product[118] and $100 for a bottle of the Lassez Product.[119] It does not appear that the respondents in the survey were informed of the cost of the two products.

202 Large price disparity may make it obvious that the products do not share a trade source. However, confusion may still be found in spite of a significant price disparity where the manner of presentation of the product increases the likelihood of confusion. In *Amanresorts* at [85]—[91], the Court of Appeal found a likelihood of confusion between the defendant's mid-range residential accommodation and the plaintiff's ultra-exclusive resort hotels because the defendant increased the likelihood of confusion by presenting its residential project as a "high-quality accommodation which was being sold at affordable prices".

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[118] AB 1 pp 172—177.

[119] Mr Lee's AEIC at para 87.

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203 Similarly, in the present case, the Defendant's promotional brochure increases the likelihood of confusion by presenting the Lassez Product as comparable to the Latisse Product. This effect is likely to be greater on end-users who are not medically trained. There is a real likelihood that end-users will be led to believe that the Latisse and Lassez products are related. Hence, I find that the significant price disparity in the present case does not dispel confusion, especially for end-users.

Conclusion on the likelihood of confusion

204 Accordingly, in the context of passing off, I find that there is a likelihood of confusion for end-users. The element of misrepresentation that leads to a likelihood of confusion is satisfied. In reaching this conclusion, I note that the respondents in the survey were not given information as to the cost of the products.

Whether the Plaintiffs have or are likely to have suffered damage as a result of the Defendant's misrepresentation

205 The Plaintiffs claim that their goodwill have been damaged in four ways, namely:[120]

(a) Actual or potential loss of sales;

(b) Injurious association with the Lassez Product;

(c) Dilution of the Plaintiffs' goodwill; and

(d) Tarnishment of the Plaintiffs' goodwill.

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[120] Plaintiffs' closing subs at para 236.

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206 The two primary means by which goodwill may be damaged are "blurring" and "tarnishment": *Amanresorts* at [97] and *Singsung* at [41]. It is observed in *Ng-Loy Wee Loon* at para 19.1.5 that the more established heads of damage are: (a) damage to goodwill by blurring; (b) damage to goodwill by tarnishment; and (c) restriction on expansion into related fields of activity.

207 In my view, the heads of damage alleged by the Plaintiffs can be succinctly analysed using just the three heads of damage identified by Prof Ng-Loy Wee Loon.

208 I stress in particular, that the use of the term "dilution" is not helpful when it appears that, in substance, it is "blurring" that is complained of:[121] *Amanresorts* at [122]—[131]; *Ng-Loy Wee Loon* at para 19.5.5. This head of damage, in turn, covers actual or potential loss of sales: *Ng-Loy Wee Loon* at para 19.2.1—19.2.2. It concerns loss of sales because custom for the plaintiff is diverted to defendant.

209 I also fail to see the distinction between the Plaintiffs' reliance on injurious association and tarnishment. The Plaintiffs claim that the former relates to damage suffered "by having inferior goods passed off as his"[122] while the latter concerns damage from having goods of worse quality than the Latisse Product or having some other undesirable characteristic passed off as theirs.[123] I fail to see how the former adds to the latter. Accordingly, I will only examine possible damage to the Plaintiffs' goodwill under the heads of

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[121] Plaintiffs' closing subs at paras 253 and 255.

[122] Plaintiffs' closing subs at para 244.

[123] Plaintiffs' closing subs at para 256.

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blurring, tarnishment and restriction on expansion into a related field of activity.

Blurring

210 Blurring occurs when a plaintiff's get-up becomes indicative of the defendant's goods or services, resulting in a diversion of sales from the plaintiff to the defendant: *Amanresorts* at [97]. A likelihood of blurring is readily inferred where parties are in direct competition with each other: *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 1 SLR(R) 903 at [31]. In the present case, I have found the Latisse Product and the Lassez Product to be in competition. Accordingly, I find that blurring will likely result from the Defendant's misrepresentation. In any case, even if the Latisse and Lassez products are not in reality in direct competition (because Lassez is a non-prescription product), there may still be damage by restriction on expansion into related fields of activity.

Tarnishment

211 The concept of "tarnishment" was explained by the Court of Appeal in *Amanresorts* (at [98]) as follows:

> 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.

212 The Plaintiffs argue that the Lassez Product was of a lower quality than the Latisse Product. As evidence, the Plaintiff relies on the following factors:[124]

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(a) The Lassez Product is not an FDA-approved product;

(b) The Lassez Product is of a lower repute than the Latisse Product; and

(c) The Lassez Product is priced at a significantly lower than the Lassez Product.

213 In my view, the Plaintiffs have failed to show that the Lassez Product is of an inferior quality to the Latisse Product. I note that the Plaintiffs did not lead any evidence to directly compare the quality of both products, for example, in terms of the products' efficacy in eyelash growth-enhancement. This is despite the fact that the active ingredients of both products are known to the Plaintiffs. In this context, it is difficult to reach the conclusion that the Latisse Product is of a superior quality based solely on the factors relied upon by the Plaintiffs. Price disparity can be attributed to many factors (such as the business strategy of a new entrant to the eyelash growth-enhancement market) and is unsatisfactory evidence of quality. What is clear, however, is that the Latisse Product is the only medically approved product for treating a specific condition: hypotrichosis. The Lassez Product, whilst it may well help promote natural eyelash growth, is not a medically approved treatment as such and is available without prescription. Is this sufficient on its own to lead to the conclusion of tarnishment? Whilst the matter is not free of all doubt, I am not satisfied on the facts that the Lassez Product is of such a quality that the Plaintiffs' customers will be "turned off" from buying or acquiring the Latisse Product. Accordingly, I am not satisfied that there is a likelihood of damage to the Plaintiffs' goodwill through tarnishment.

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[124] Plaintiffs' closing subs at para 258.

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Conclusion on the likelihood of damage

214 In sum, the Plaintiffs are successful in showing damage arising from blurring and loss of opportunity to expand but not tarnishment.

Conclusion on the claim in passing off

215 I have found that the elements of goodwill, misrepresentation and damage are all satisfied. Thus, the Plaintiffs succeed in their claim for passing off. I note however that in assessing damages, account must be given for damages awarded for trade mark infringement. There cannot be double recovery.

Whether the Defendant is liable for spreading malicious falsehood about the First Plaintiff

216 On 10 September 2009, the FDA sent a letter to the First Plaintiff ("the FDA Letter"). A copy of this letter was distributed by Mr Lee to the staff of Temasek Medical Centre ("TMC") on or around May 2012.[125] TMC is a customer of the Second Plaintiff. Mr Lee's distribution of the FDA Letter to TMC gives rise to the Plaintiffs' claim in malicious falsehood.

217 The elements of a claim in malicious falsehood are usefully summarised in *WBG Network (Singapore) Pte Ltd v Meridian Life International Pte Ltd and others* [2008] 4 SLR(R) 727 (at [68]) as follows:

> Under the common law, a claim in malicious falsehood succeeds upon proof:
>
> > (a) that the defendant published to third parties words which are false;

[125] Mr Lee's AEIC at paras 96 and 106.

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> (b) that they refer to the claimant or his property or his business;
>
> (c) that they were published maliciously; and
>
> (d) that special damage has followed as a direct and natural result of their publication: see Gatley at para 20.1 and Clerk & Lindsell at para 24-09.

218 A plaintiff is relieved from having to prove special damage (as required in the last element) if it successfully invokes s 6 of the Defamation Act (Cap 75, 2014 Rev Ed) ("Defamation Act"). Here, the Plaintiffs rely on s 6(1)(*a*) of the Defamation Act, which provides:

> 6. —(1) In any action for slander of title, slander of goods or other malicious falsehood, it shall not be necessary to allege or prove special damage —
>
> (*a*) if the words upon which the action is founded are calculated to cause pecuniary damage to the plaintiff and are published in writing or other permanent form;

219 The key areas of contention between parties in the present case are:

(a) Whether the FDA Letter was a false statement;

(b) Whether the FDA Letter was published maliciously; and

(c) Whether the FDA Letter is calculated to cause pecuniary damage to the Plaintiffs.

220 I shall analyse each in turn.

Whether the Defendant published a false statement

221 The key issue in respect of this element is the meaning of the FDA Letter to a recipient in the circumstances in which it was revealed by the Defendant.

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222 The FDA Letter sets out the FDA's view that the First Plaintiff's promotional materials and website in relation to the Latisse Product were "misleading because they omit and minimize risks associated with Latisse", thus contravening US laws.[126]

223 The FDA concluded by requesting that the First Plaintiff "immediately cease the dissemination of violative promotional materials for Latisse" and to submit a written response explaining the First Plaintiff's plans for complying with the request.[127]

224 In their pleadings, the Plaintiffs identified two meanings of the FDA Letter. First, that the FDA had conclusively found that the First Plaintiff's promotional materials for the Latisse Product were and *continue* to be misleading. Second, the Latisse Product is risky, hazardous and/or unsafe.[128] In closing submissions, however, the Plaintiffs appear to advance only the first pleaded meaning.[129] I shall thus focus my analysis on whether the FDA Letter conveyed the first pleaded meaning.

225 The Defendant denies that the FDA Letter and its release to TMC meant that the First Plaintiff's promotional materials *continued* to be misleading. It submits that by showing the FDA letter, the statement made to the recipient (TMC) by the Defendant was only that the FDA *had* found that the First Plaintiff's promotional materials for the Latisse Product *were* misleading (as they existed at that time).[130]

[126] Bryan Smith's AEIC at p 213.

[127] Bryan Smith's AEIC at p 213.

[128] SOC (2) at para 29.

[129] Plaintiffs' closing subs at para 281.

[130] Defendant's closing subs at 172—173.

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226 It is useful to state at the outset that the proper inquiry is: what would a reasonable person in the position of TMC understand to be the meaning arising from the disclosure of the FDA Letter?

227 If the Plaintiffs' first pleaded meaning is accepted (*viz*, the disclosure of the FDA Letter to TMC meant (or would be understood as meaning) that the First Plaintiffs' promotional materials *continued* to be misleading, then it is clear that the meaning constitutes a false statement.

228 The First Plaintiff took steps to comply with the FDA request, as detailed in their written response to the FDA on 24 September 2009. On 28 January 2011, the FDA wrote to the First Plaintiff to confirm that the matter was closed.[131] On the other hand, if the Defendant's interpretation is accepted, then its truth is supported by a plain reading of the FDA Letter.

229 The key question before me, therefore, is whether the revelation of the FDA Letter to TMC meant that the First Plaintiff's promotional materials *are* misleading, or *were* misleading. In my view, the latter interpretation is the correct one. The reasonable person will not interpret the release of the FDA Letter as meaning that the First Plaintiff's promotional materials *are* still misleading. In arriving at this conclusion, I take into account the following factors:

(a) There was a significant passage of time between the date of the FDA Letter, and the date of Mr Lee's distribution. The FDA Letter is clearly dated 10 September 2009, more than two years before Mr Lee's distribution sometime in May 2012. Also, the FDA Letter, in two

[131] Bryan Smith's AEIC at paras 34—38.

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footnotes that reference the First Plaintiff's webpages, states that the webpages were "last accessed June 19, 2009"; [132]

(b) The FDA Letter conveyed a sense of urgency. It called for an immediate stop to the dissemination of the violative material and gave a two-week deadline for a response;

(c) The First Plaintiff, as a major pharmaceutical company with a presence in the US, is likely to treat a FDA request seriously; and

(d) The First Plaintiff continues to market the Latisse Product.

230 In my view, the reasonable person will only interpret the FDA Letter as a record of the First Plaintiff's past brush with US law on misleading advertising, and not that the First Plaintiff is in continuing breach of the law. Accordingly, the Plaintiffs' claim in malicious falsehood fails as they have not proved the publication of a false statement.

231 Having found that there is no false statement, the Plaintiffs' claim in malicious falsehood fails. For completeness, however, I will go on to examine the other elements of the tort of malicious falsehood on the assumption that the release of FDA Letter by the Defendant to TMC does bear the meaning proposed by the Plaintiffs.

Whether the false statement was published maliciously

232 Malice bears a similar meaning in the torts of malicious falsehood and defamation: Gary Chan Kok Yew and Lee Pey Woan, *The Law of Torts in Singapore* (Academy Publishing, 2nd Ed, 2016) at para 14.002. As explained

[132] Bryan Smith's AEIC at pp 213, 219.

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in *Chan Cheng Wah Bernard and others v Koh Sin Chong Freddie and another appeal* [2012] 1 SLR 506 at [90], malice may be proven in two ways:

(a) The defendant's knowledge of falsity, recklessness, or lack of belief in the defamatory statement; and

(b) Where the defendant has a genuine or honest belief in the truth of the defamatory statement, but his dominant motive is to injure the defendant or some other improper motive.

233 The Plaintiffs rely on both ways to prove malice, arguing primarily that the Defendant did not believe in the defamatory statement, and alternatively that the Defendant's dominant motive was to injure.

234 Assuming the FDA Letter bears the meaning contended for by the Plaintiffs (to be clear, I have found otherwise at [229]—[230] above), I accept the Plaintiffs' primary argument. Indeed, Mr Lee stated under cross-examination that he had supposed that the issues raised in the FDA Letter were resolved by the time he distributed a copy of the letter.[133] If that is so, the question is, why did he still choose to show the FDA letter at all to TMC?

235 Even if he harboured some doubts as to whether the FDA complaint had been addressed, the evidence establishes that a check with the FDA websites or authorities would show that the matter had been resolved.[134] Indeed, I note that under cross-examination, Mr Lee accepted that after leaving a copy of the FDA letter with TMC, he never even tried to discuss the contents of the FDA letter with the doctors at TMC. This is puzzling given

[133] NOE, 25 January 2016, p 102 lines 7—16; Defendant's closing submissions at para 177.

[134] Plaintiffs' closing submissions and references to the evidence at paras 311—312.

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that his evidence was that he passed over the copy of the FDA letter because he knew the doctors at TMC well and he wanted to ask them about the Latisse Product and the side effects.[135] I accordingly would have found malice on this ground and would not need to consider the Plaintiffs' alternative submission on motive.

Whether the false statement is calculated to cause pecuniary damage

236 I now turn to the question of whether the FDA Letter was calculated to cause pecuniary damage to the Plaintiffs. The phrase "calculated to" in s 6(1)(a) of the Defamation Act means "likely to produce the result": *Low Tuck Kwong v Sukamto Sia* [2014] 1 SLR 639 at [112].

237 In my view, the FDA Letter is likely to cause pecuniary damage to the Plaintiffs as it alleges that the First Plaintiff's promotional materials are misleading. It is likely to cause some readers to stop buying or asking for the Plaintiffs' products, both because of concerns about the risks of using the Latisse Product specifically, and about the candour of the First Plaintiff's advertising and risk disclosure generally. Mr Poh, the Defendant's witness and a former drug dispenser, agreed that he would have such concerns if shown such a letter from the FDA.[136]

238 The Defendant, in arguing that the FDA Letter is unlikely to cause pecuniary damage, seized upon part of the testimony by Mr Bryan Eugene Smith ("Mr Smith"), the First Plaintiff's in-house counsel. Mr Smith had characterised the letter as "very benign, not severe at all". However, in my

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[135] NOE, 25 January 23, p 127 lines 7—19.

[136] NOE, 25 January 23, p 45 lines 11—12.

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view, that part of Mr Smith's testimony must be seen in its context. The comment arose in the following exchange:[137]

> Q: But the FDA was of the view that the promotional materials were misleading.
>
> A: Yes. There's different mechanisms [*sic*] that the FDA can take. The letter that we got would be what's considered very benign, not severe at all. They send you a letter and ask you to stop. When the FDA has serious concerns about conduct, they can seize product, they can file lawsuits, they can seek injunctions; so the letter that Allergan got is not -- in the United States, it's not considered -- it's not uncommon; FDA sends out hundreds or thousands a year. It's common, and it's a way for them to kind of police promotional materials in the United States.

239 When read in context, it is clear that Mr Smith only said that the FDA Letter is benign *vis-à-vis* other *enforcement mechanisms* at the FDA's disposal. He was not commenting on the FDA Letter's likely impact on medical professionals who read the letter. Indeed, this part of his testimony draws upon his specialised knowledge as an in-house counsel for a major pharmaceutical company. It is unlikely that a medical professional will know about the FDA's various enforcement mechanisms and its continuum of severity. Mr Smith also testified that doctors in the America are unlikely to have such knowledge, and will accordingly be alarmed by the FDA Letter. The same must also be true, *a fortiori*, for medical professionals in Singapore, such as those at TMC who read the letter.

240 Thus, if necessary, I would have found that the FDA Letter was calculated to cause pecuniary damage.

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[137] NOE, 25 January 21, p 18 lines 7—19.

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Conclusion on the claim in malicious falsehood

241 The Plaintiffs' claim in malicious falsehood fails as the copy of the FDA Letter as distributed by the Defendant did not give rise to a false statement. For the sake of completeness, however, I am of the view that the other elements of the tort of malicious falsehood are satisfied.

Final conclusion

242 In summary, I find that the Plaintiffs' claim against the Defendant for trade mark infringement by reference to the use of the Plain Lassez Sign and the Lassez Device Sign on or in relation to the Defendant's product succeeds. The claim for trade mark infringement by reference to the Defendant's use of the LATISSE registered mark in the brochure (comparative advertising) also succeeds. The claim for passing off for the LATISSE word mark succeeds in respect of the claim for damages by blurring and loss of opportunity to expand. The claim for malicious falsehood in respect of the publication of the FDA letter fails. The Defendant's counterclaim for groundless threat of suit fails.

243 The following orders are made in consequence:

(a) An injunction as per prayer 1 of the Statement of Claim (Amendment No. 2) ("SOC(2)");

(b) An injunction as per prayer 2 of SOC (2);

(c) An order for delivery up as per prayer 4 of SOC (2);

(d) An order for erasure as per prayer 5 of SOC (2);

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(e) An inquiry into damages or at the Plaintiffs' election an account of profits as per prayer 6 of SOC (2); and

244 Costs are awarded to the Plaintiffs to be agreed or taxed.

George Wei
Judge

Alban Kang and Oh Pin-Ping (Bird & Bird ATMD LLP) for the plaintiffs;
Wang Yingyu and Roxanne Low (Via Law Corporation) for the defendant.

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