

Landmark decision on protection of well-known marks issued**Singapore - One Legal LLC**

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Dilution
Passing off

In *Novelty Pte Ltd v Amanresorts Ltd* ([2009] SGCA 13, March 31 2009), the Court of Appeal of Singapore has considered whether a modest cluster housing project in Singapore should be allowed to use the same name as an exclusive luxury resort in Bali.

Amanresorts Ltd owns and operates 16 exclusive, luxury boutique resorts in various countries under names prefixed with 'Aman' (eg, Amanpuri, Amandari, Amankila and Amanusa). Amanusa is an exclusive resort in Bali. In Bahasa Indonesia, '*aman*' means 'peace' or 'peaceful', and '*nusa*' means 'island' or 'isle'.

Novelty Pte Ltd is a local property developer. The name of one of its residential projects, Amanusa, was approved by the relevant authorities.

Amanresorts sought to restrain Novelty's use of the name Amanusa. Since AMANUSA was not a registered trademark in Singapore at the relevant time, Amanresorts alleged passing off and infringement of a well-known trademark.

The High Court found in favour of Amanresorts and granted an injunction restraining Novelty from using Amanresorts' trademarks, in particular AMANUSA, in relation to any form of accommodation (for further details please see "[First decision recognizing mark as well known issued by High Court](#)").

On appeal, the Court of Appeal held that Amanresorts had established the "classic trinity of passing off" - namely, goodwill, misrepresentation and damage.

From the evidence adduced, the court concluded that goodwill exists in the 'Aman'-prefixed names in relation to hotels and resorts. However, such goodwill did not extend to other 'Aman'-prefixed names which have not been used by Amanresorts or in relation to residential accommodation.

The court also held that the goodwill in the 'Aman'-prefixed names did not reach across the entire spectrum of the public in Singapore, but existed only among:

- the extremely well heeled individuals who form Amanresorts' core clientele;
- the 'once-in-a-lifetime' guests; and
- visitors who aspire to stay at the resorts.

The court also found that the relevant section of the public would have been exposed to Novelty's use of the name Amanusa for its residential project, which constituted a

misrepresentation that the project originated from or was in some way connected to Amanresorts.

The court also found that there was a likelihood that the relevant public would be confused into thinking that the Amanusa residential project was developed by, or somehow connected to, Amanresorts. In coming to that finding, the court took the following factors into account:

- The name used for the residential project was identical to that of the Amanusa Resort in Bali, and the project was originally touted as having a Balinese atmosphere; and
- The parties were in closely related fields of business - in particular, there was a convergence between the luxury hotel and resort industry and the residential accommodation industry.

The court also held that Amanresorts had established that there was a likelihood of damage in the form of:

- tarnishment of the goodwill attached to the 'Aman' names due to the difference in quality between the Aman Resorts and the Amanusa residential project; and
- a restriction on Amanresorts' expansion into the residential accommodation business in Singapore.

Amanresorts' alternative claim was based on the protection of well-known marks under Section 55(3) of the [Trademarks Act](#). The trademark legislation has undergone two sets of amendments. The latest aimed to import elements of the concept of dilution under US law:

- indirectly through the adoption of, among other things, Article 4(1)(b) of the [Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks](#) (which has been translated into Section 55(3) of the act); and
- directly through the incorporation in Section 2(1) of the act of the definition of 'dilution' set out in the 1996 version of Section 45 of the [Lanham Act](#).

Section 55(3) of the Trademarks Act allows the proprietor of a well-known mark to obtain an injunction restraining a third party from using an identical or similar mark for, among other things, dissimilar goods or services, where the use of the mark by the third party:

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

(b) if the proprietor's trademark is well known to the public at large in Singapore,

(i) would cause dilution in an unfair manner of the distinctive character of the proprietor's trademark [...]; or

(ii) would take unfair advantage of the distinctive character of the proprietor's trademark [...]."

The court held that where a defendant applied on or after July 1 2004 to register a trademark which is identical or similar to the plaintiff's well-known mark, the defendant's mark - regardless of whether the goods or services which it covers are similar or dissimilar to the goods or

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of whether the goods or services which it covers are similar or dissimilar to the goods or services covered by the plaintiff's mark - will be refused registration only if:

- use of the defendant's mark would indicate a connection between the goods or services covered by that trademark and the plaintiff, and is likely to damage the interests of the plaintiff; or
- the plaintiff's trademark is well known to the public at large in Singapore (and not merely "well known in Singapore"), and use of the defendant's mark would either "cause dilution in an unfair manner of the distinctive character of the [plaintiff's] trademark" or "take unfair advantage of the distinctive character of the [plaintiff's] trademark".

The court also clarified that 'dilution' means the lessening of the capacity of a trademark to identify and distinguish goods or services, regardless of whether there is:

- any competition between the proprietor of the trademark and any other party; or
- any likelihood of confusion on the part of the public.

The court accepted that the definition of 'dilution' in Singapore includes both dilution by blurring and dilution by tarnishment.

The court held that marks which are merely "well known in Singapore" (ie, marks which are recognized or known by "any relevant sector of the public in Singapore") should not be protected against the use of a similar or identical mark on dissimilar goods or services where such use does not give rise to confusion.

The court emphasized that only marks that are "well known to the public at large in Singapore" (which form a rare and exclusive class) are entitled to protection from use of a similar or identical mark for dissimilar goods or services even in the absence of a likelihood of confusion. Such marks are thus entitled to protection against "the unfair dilution and the taking of unfair advantage of their distinctive character".

The court ruled that the tests relating to misrepresentation and damage under the tort of passing off were substantively the same as those relating to the 'connection' and 'damage' requirements in Section 55(3)(a). However, there is an important distinction - the proprietor of a well-known mark may enjoy protection under Section 55(3)(a) even if it has no goodwill in Singapore.

Based on its findings under the tort of passing off, the court found that the 'Aman' names were well known in Singapore and that the conditions set forth in Section 55(3)(a) had been satisfied.

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