

## **Case Summary: Baidu Online Network Technology (Beijing) Co Ltd v Baidu Europe BV ([2023] SGIPOS 2)**

### **Baidu China defeats trade mark troll Gleissner in Singapore**

- **Baidu China sought to invalidate two marks registered by Baidu Europe in Singapore**
- **Marks were allegedly registered in bad faith, confusingly similar, likely to cause damage and on basis of passing off**
- **All four grounds were accepted by IPOS, affirming that well-known companies will be protected from trade mark trolls**

The Intellectual Property Office of Singapore (IPOS) has invalidated two trade marks registered by infamous trade mark troll Michael Gleissner, in [Baidu Online Network Technology \(Beijing\) Co Ltd v Baidu Europe BV \(\[2023\] SGIPOS 2\)](#).

Baidu Online Network Technology (Beijing) Co Ltd – also known as Baidu China – sought to invalidate two marks (one word and one device) owned and registered by Baidu Europe BV in Singapore.

Baidu China had registered its own mark on 18 August 2010 in Classes 38 (revoked) and 42.



Baidu Europe applied for two marks in Class 38 on 24 December 2015 and 24 February 2016, respectively.



Baidu China successfully applied to the Hearings and Mediation Department of IPOS on the following grounds:

1. Baidu Europe's marks had been registered in bad faith pursuant to Section 7(6) of the Trade Marks Act 1998.
2. Baidu Europe's marks were confusingly similar to Baidu China's earlier marks pursuant to Section 8(2)(b) of the Trade Marks Act.
3. Baidu China's earlier marks were well known in Singapore and Baidu Europe's marks would indicate a connection and cause damage to the same marks pursuant to Section 8(4) of the Trade Marks Act.
4. Baidu Europe's trade marks should be prevented on the basis of passing off pursuant to Section 8(7)(a) of the Trade Marks Act.

### **History of the companies**

Baidu China was established on 18 January 2000 by Robin Li and Eric Xu in Beijing. It is predominantly known for its search engine website. Its parent company, Baidu Inc, was listed on the NASDAQ exchange on 5 August 2005 and is now one of the biggest Chinese technology multinationals globally.

Baidu Europe, on the other hand, was established on 23 June 2003 by Pieter Frederik Ufkes. While trading under the name 'Baidu Europe' and 'Baidu', Ufkes provided software consultancy, among other services. From 9 August 2006, the company also started to offer telecommunication services.

Baidu Europe has a storied past. It was acquired by CKL Brands Pte Ltd (later known as Morton & Associates Pte Ltd) on or around 14 December 2015, passing control and indirect ownership to Gleissner, its sole director and shareholder.

Since 2019, Baidu Europe's sole director was Jonathan G Morton, who shared a long working relationship with Gleissner, which could be traced back to 2016, when Morton was general counsel and IP attorney at Gleissner's companies, CKL and Fashion One.

## **IPOS decision relies partly on WTR investigations and likelihood of confusion**

### ***Bad faith***

To prove that Baidu Europe's marks had been registered in bad faith, Baidu China brought to bear evidence pointing towards Gleissner's reputation as a trade mark troll and called into question his motivations behind the applications and subsequent Baidu Europe registrations. The first Baidu Europe mark was applied for on 24 December 2015, just 10 days after its acquisition by CKL Brands Pte Ltd/Morton & Associates.

A large bulk of the evidence used against Gleissner came in the form of articles and investigative reports from WTR. In her grounds of decision, registrar Sandy Widjaja cited the following WTR articles and their relevance.

### **WTR articles cited and references by the registrar**

S/No	Description	Relevance
1	WTR article dated 19 May 2019 entitled " <a href="#">What brands need to know about the trademark activity of Michael Gleissner</a> "	Provides an overview of the extent of Gleissner's activities globally
2	WTR article dated 25 January 2018 entitled " <a href="#">'Infamous troll' Michael Gleissner involved in 5% of all live contested trade mark cases in United Kingdom</a> "	Refers to <i>Paper Stacked Limited v CKL Brands NB</i> , in which the opponent is Paper Stacked Limited (Case 0-036-18)
3	...	...
4	WTR Special Report Q1 2021 article entitled " <a href="#">MICHAEL GLEISSNER The 'Infamous troll' who upended the trademark industry</a> "	Provides an in-depth analysis of Gleissner's activities over the years and across jurisdictions
5	WTR Report article dated 29 January 2019 entitled " <a href="#">The Gleissner Files 2019: brand owners warned as IP office reveals staggering number of trademark applications</a> "	<ul style="list-style-type: none"> <li>Makes reference in particular to the headquarters of Baidu Europe in the Netherlands.</li> <li>Includes a picture of the building with a conspicuous sign which is identical to Baidu Europe's second mark, together with the flags of both the Netherlands and China.</li> </ul>

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*NB: The above table is reproduced in part from Paragraph 55 of the grounds of decision and wherein some information has been omitted for relevance and ease of reading.*

With reference to point 5, the registrar took particular interest in a picture of Baidu Europe's headquarters in Swalmen, the Netherlands, as published in the WTR report dated 29 January 2019.

### **Baidu Europe's headquarters in Swalmen, the Netherlands**



Baidu Europe's headquarters in Swalmen, Netherlands. *Source: Facebook*

This roused the registrar's suspicions and curiosity and begged the question (at Paragraph 47 of the grounds of decision): "If it is true that [Baidu Europe] is simply continuing what [Ufkes] had tried to establish, why is there a need to fly a China flag in addition to the Netherlands flag?"

An inference could therefore be drawn from the picture that Baidu Europe intended to allude to a connection to Baidu China and its marks when none in fact existed.

The totality of the evidence proved that Gleissner had the *modus operandi* and an international reputation for registering generic and well-known marks globally through his vast network of companies. After considering the evidence, the registrar went on to explain that this was not a "usual" or "normal" case where the 'separate legal entity' doctrine would apply. Hence, Gleissner's conduct was highly relevant and went towards proving that Baidu Europe's marks had indeed been registered in bad faith.

### ***Likelihood of confusion with earlier mark***

Baidu China's second limb of arguments centred around how Baidu Europe's marks were so similar to its own that there would be a high likelihood of confusion.

In this regard, the registrar found that both parties' marks had the word 'Baidu' as their main prominent feature, and that the marks were therefore visually and aurally similar. While there was a low conceptual similarity, ultimately, the registrar held that the marks were overall more similar than dissimilar.

Next, the registrar considered whether there was a similarity of goods and/or services in the classes for which the parties' marks had been registered. A particular challenge that Baidu China faced in this case

was that its earlier marks in Class 38 had been revoked for non-use in an opposition raised by Baidu Europe (*Baidu Europe BV v Baidu Online Technology (Beijing) Co Ltd* [2021] SGIPOS 8).

In finding for Baidu China, the registrar considered that the goods and/or services of the company's earlier mark registered in Class 42 was sufficiently complementary and did overlap with those of Baidu Europe's marks in Class 38.

To that end, the registrar relied upon Paragraph 41 of the *Sunrider* decision (*Sunrider Corporation v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (Case T-222/12)*), which held:

*"[G]oods or services are complementary where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that consumers may think that the responsibility for the production those goods or provision of those services lies with the same undertaking."*

The registrar then went on to opine at Paragraph 95 of the grounds of decision: "My understanding of 'same undertaking' includes subsidiaries. Applying this to the above scenario, it is not far-fetched that one undertaking can potentially own entities, via its subsidiaries, to provide services in Classes 42 as well as 38."

To explain further, especially in relation to the likelihood of confusion in relation to the marks' similarity of goods and/or services, the registrar found that it could be the case that one may think that Baidu Europe's marks were modified marks that Baidu China was using for new, closely related services.

Taken together with the high degree of similarity between the marks, the registrar found that a likelihood of confusion was established, and this ground of invalidation was also made out.

### ***A connection that is likely to damage the interests of the earlier well-known mark***

Baidu China further argued that Baidu Europe's marks were similar to its earlier well-known mark, and that this similarity would result in a confusing connection that was likely to damage its interests.

The registrar held Baidu China's earlier mark in Class 42 was well known in Singapore at the material time, as there was sufficient evidence that the company's marks were well known in the relevant sector of the Singaporean public, which did not need to be large.

However, in light of the confusion between the marks, the registrar held that there was also a likelihood of damage in terms of expansion into a related industry. Thus, this ground of invalidation was also made out.

### ***Passing off***

Baidu China's last argument was that Baidu Europe's marks should be invalidated on the grounds of passing off in relation to Baidu China's earlier mark. The registrar found that Baidu China had established the three elements necessary to prove this – namely, that of goodwill, misrepresentation and damage – and therefore successfully made out the grounds for invalidation on the basis of passing off.

### ***Decision gives reassurance to established companies***

Overall, Baidu China was successful in its application to invalidate Baidu Europe's marks as it succeeded on all four grounds explored above.

# GATEWAY<sub>LAW</sub> CORPORATION

Advocates and Solicitors | Notary Public | Commissioners for Oaths  
Patent, Design and Trade Mark Agents

3 Anson Road  
#24-02 Springleaf Tower  
Singapore 079909  
Telephone: (65) 62216360  
Facsimile: (65) 62216375

As a result, Baidu Europe's marks are deemed never to have been made – although this will not affect any transactions past and closed made by Baidu Europe in relation to those marks.

In essence, trade mark owners in Singapore who have fallen victim to Gleissner (or any other dubious trade mark troll for that matter) may now rely on these grounds of decision to lift the corporate veil and have their conduct used against them in establishing the ground of bad faith.

That being said, a potential downside of this decision would be that trade mark trolls have now been put on notice, and they may take further steps cover their tracks, such that it would be harder to identify them as the ultimate beneficial owner of a contested mark. This would then require practitioners to be more meticulous in their due diligence and investigative work to accurately pinpoint the involvement of such trade mark trolls.

Apart from the above, this decision has again affirmed the expansion of the ground of likelihood of confusion to give greater protection to established companies that may provide a large range of interconnected goods and/or services. That is to say, goods and services need only be complementary and need not be registered in the exact same Class of goods and/or services for it to be deemed to give rise to a likelihood of confusion.

All in all, this decision was extremely timely and has been much welcomed. It gives established and well-known companies in Singapore the reassurance that their marks will be protected against notorious trade mark trolls and squatters who seek to hijack their marks for their own gain or nefarious purposes.

*Should you have any queries as to how this update may affect you or your organisation or require further information, please do not hesitate to email us.*



Max Ng  
Managing Director  
Gateway Law Corporation

max.ng@gateway-law.com



Mitchel Chua  
Advocate & Solicitor  
Gateway Law Corporation

Mitchel.chua@gateway-law.com



Shahera Safrin  
Advocate & Solicitor  
Gateway Law Corporation

Shahera.safrin@gateway-law.com

*This article is intended to offer an overview of the case of Baidu Online Network Technology (Beijing) Co Ltd v Baidu Europe BV ([2023] SGIPOS 2). It is not intended to be comprehensive, nor should it be construed as legal advice.*

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