

20. INTELLECTUAL PROPERTY LAW

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I. Copyright

A. **Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd – Copyright Infringement – Standing to sue – Meaning of “broadcast” – Test for communicating the work to the public**

20.1 The decision of *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd*¹ was handed down in October 2021 by Dedar Singh Gill J. The plaintiff, Composers and Authors Society of Singapore (“COMPASS”), is a collecting society which administers the rights of public performance, broadcast, diffusion and reproduction in music and musical associated literary works on behalf of its members. The defendant, Fox Networks Group Singapore Pte Ltd (“Fox”), is a regional broadcasting company based and operating in Singapore. It programmes, operates and provides to its authorised, independent content distributors (“Distributors”) subscription pay television channels in an encrypted format (“the Encrypted Channels”) accessible only by the Distributors. There are only two Distributors located in Singapore – Singtel and Starhub. Only one Encrypted Channel is transmitted by the defendant via satellite to the Distributors in Singapore – Fox Sports 3. The other Distributors are located outside Singapore. The Distributors own, operate and manage their own television platforms. Members of the public in the country the Distributor operates in may subscribe to these television platforms.

20.2 COMPASS claimed that on or around 18 May 2014, Fox caused, allowed and/or authorised the uplinking of programmes (“the Disputed

1 [2021] SGHC 241.

Programmes”) by satellite transmission to third parties (including the Distributors and the end-users). According to COMPASS, the Disputed Programmes contained, comprised and/or featured musical works of owners represented by the plaintiff, and the defendant was alleged to have caused, allowed and/or authorised the communication to the public, performance in public and exploitation of musical works of owners represented by COMPASS without obtaining a licence from COMPASS. In particular, COMPASS alleged that there were six songs contained in the Disputed Programmes wherein its reciprocal agreements (“the Disputed Reciprocal Agreements”) with Performing Right Society Limited (“PRS”) and Australasian Performing Right Association Limited (“APRA”) made it the exclusive licensee of the performing rights in Singapore. It was on this basis that COMPASS claimed that it was an exclusive licensee and it had the same rights of action as the owners of the musical works under s 123 of the Copyright Act,² thus acquiring the standing to sue.

20.3 In summary, Gill J’s conclusion on primary infringement was as follows: COMPASS lacked standing. But even if the plaintiff had standing, Fox’s satellite transmissions were *not* communicated to the public because the defendant’s uplinking activities did not constitute broadcasting and did not make the works available in the manner statutorily defined. In the alternative, the works were not communicated to the “public” within the meaning of s 26(1)(a)(iv) of the Copyright Act.

(1) *Primary infringement*

20.4 According to Fox, s 25(1) of the Copyright Act confined a copyright owner’s exclusive rights to the particular act or class of acts that his ownership rights were in respect of. Further, it argued that s 9(2) of the Copyright Act recognised that the right to do an act and authorise the same were distinct, and there was nothing in the Copyright Act suggesting that the latter encompassed the former.³

20.5 The court was of the view that there were two questions here to be resolved:⁴

2 Cap 63, 2006 Rev Ed. See *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [10].

3 Section 9(2) of the Copyright Act (Cap 63, 2006 Rev Ed) reads: “For the purposes of this Act, the exclusive right to do an act in relation to a work, an adaptation of a work or any other subject-matter *includes the exclusive right to authorise a person to do that act* in relation to that work, adaptation or other subject-matter” [emphasis added].

4 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [26].

- (a) Whether the exclusive right to authorise the doing of an act in relation to a copyright work [(“Right of Authorisation”)] is separate and distinct from the doing of the act [(“Underlying Right”)] itself? ...; and
- (b) Even if the first ... is answered in the affirmative, whether being the owner or the exclusive licensee of the Right of Authorisation necessarily implies ownership of or an exclusive licence over the Underlying Right?

Gill J observed that copyright comprises “a bundle of legally enforceable exclusive rights in respect of certain types of products of ‘intellectual’ activity”⁵ and that the Right of Authorisation and the Underlying Right are distinct. Section 25 of the Copyright Act does permit the Right of Authorisation to be severed from the parent Underlying Right, and nothing prevents a copyright owner from granting an exclusive licence in respect of the Right of Authorisation only.

20.6 Answering the first question in the affirmative, Gill J found the Australian authorities to be persuasive, commenting that:⁶

... the outcome in [the Australian High Court’s decision of] *Moorhouse* corroborates Gummow J’s analysis in *WEA International* that infringement of the Underlying Right and Right of Authorisation are separate causes of action rooted in breaches of distinct exclusive rights.

20.7 Regarding the second question, as Gill J had found the Right of Authorisation to be distinct and severable from its corresponding Underlying Right, in order for COMPASS to have standing in this suit, it had to be established that the plaintiff was the owner or an exclusive licensee of the Right of Authorisation who *necessarily owned or was an exclusive licensee of the Underlying Right*. It was held that “[c]ause 2(1) of the plaintiff’s reciprocal agreement with PRS only permits the plaintiff to ‘authorise the public performance, broadcasting and inclusion in a cable programme of any work in the Repertoire of PRS’” and “Art 1(I) of the plaintiff’s reciprocal agreement with APRA similarly only allows the plaintiff to ‘grant the necessary *authorisations* for all public performances ... of musical works’” [emphasis added by the High Court].⁷ Gill J was of the view that s 25(1) makes clear that a partial assignment of exclusive

5 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [28], referring to *PCCW Media Ltd v M1 Ltd* [2018] 5 SLR 375 at [29], citing George Wei, *The Law of Copyright in Singapore* (SNP Editions, 2nd Ed, 2000) at para 1.1.

6 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [34]. The decisions referred to were *University of New South Wales v Moorhouse and Angus & Robertson (Publishers) Pty Ltd* (1975) 133 CLR 1 and *WEA International Inc v Hanimex Corp Ltd* (1987) 77 ALR 456.

7 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [36].

rights will only transfer ownership of the exclusive rights which are the subject of the assignment, and nothing more; moreover, “there is little commercial sense in finding that being an owner or exclusive licensee of the Right of Authorisation necessarily implies ownership of or a licence over the Underlying Right”.⁸ In summary, COMPASS was only licensed the Right of Authorisation by PRS and APRA, and was not the exclusive licensee of the right to communicate the Disputed Musical Works to the public or to perform these works in public. Therefore, it lacked standing to bring claims for primary infringement.

(2) *Communication to the public under section 26(1)(a) of the Copyright Act*

20.8 While Gill J’s finding on lack of standing was sufficient to dispose of the claim, he proceeded to analyse whether uplinking activities constitute communication to the public under s 26(1)(a)(iv). Citing Susanna Leong’s commentary,⁹ Gill J noted that Fox’s activities fell within the meaning of point-to-point satellite transmissions (“PTP transmissions”) as the Encrypted Channels uplinked by the defendant were only downlinked to the Distributors.¹⁰ The Distributors were in turn then responsible for transmitting the defendant’s channel(s) to their own subscribers.

20.9 In its exegesis of the history of the right to broadcast copyright works, the court noted that “[t]he right to communicate works to the public was enacted to bring Singapore’s copyright framework in line with international standards, such as that in Article 8 of the World Intellectual Property Organisation’s Copyright Treaty 1996”.¹¹ Pertinently, at the second reading of the Copyright (Amendment) Bill 2004,¹² then Deputy Prime Minister and Minister for Law, S Jayakumar, had said that the right to communicate works to the public “encompasses both the *existing* broadcasting and cable programme rights, and also the right to control the dissemination of works on the Internet” [emphasis added],¹³ which

8 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [39].

9 Susanna Leong, *Intellectual Property Law of Singapore* (Academy Publishing, 2013) at para 08.158.

10 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [43].

11 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [53].

12 Bill 48 of 2004.

13 *Singapore Parliamentary Debates, Official Report* (16 November 2004), vol 78 at col 1043.

meant that the former right of broadcasting was subsumed within the right of communication to the public.¹⁴ Gill J then concluded that:¹⁵

... uplinking signals to a satellite in the context of PTP transmissions does not constitute a broadcast and, therefore, a communication to the public under s 26(1)(a)(iv) of the Copyright Act. This is because a broadcast must objectively involve direct transmission to the general public or a part thereof.

20.10 The court opined that one interpretation of “broadcast” was that “the work must be transmitted directly to the general public or a part thereof” and another interpretation was that the plain meaning of “broadcast” “does not shut out the conceptual possibility of the PTP transmission being downlinked to numerous intermediate broadcasters which together form a *part of the general public*” [emphasis in original].¹⁶ In deciding which was the preferred interpretation, Gill J drew much reference from the relevant legislative developments in the UK, and what was significant was that the UK parliament deliberately opted *not* to expand the definition of “broadcasting” in the UK Copyright Act 1956¹⁷ to include PTP transmissions.¹⁸ His Honour commented that Singapore had not enacted the equivalent of s 6 of the UK Copyright, Designs and Patents Act 1988;¹⁹ instead, having incorporated s 14(10) of the UK Copyright Act 1956, as amended by the UK Cable and Broadcasting Act 1984,²⁰ into Singapore’s Copyright Act 1987,²¹ “the UK’s intention to *exclude* PTP transmissions from the ambit of ‘broadcasting’ in the Copyright Act 1956 (UK) was likely also imported” [emphasis in original].²² Hence, Gill J accepted the ordinary meaning of “broadcast” which requires the copyright work to be disseminated *directly* to the general public or a part thereof.

20.11 In response to the plaintiff’s contentions, Gill J observed that s 6(1)(b) of the UK Copyright, Designs and Patents Act 1988 extended

14 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [53].

15 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [54]. In reaching this conclusion, the court was guided by the three-step approach to purposive statutory interpretation outlined in *Tan Cheng Bock v Attorney-General* [2017] 2 SLR 850 at [37].

16 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [56].

17 c 74.

18 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [62].

19 c 48.

20 c 46.

21 Act 2 of 1987.

22 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [64].

the meaning of “broadcast” to PTP transmissions, but the fact that Singapore did *not* enact an equivalent of s 6(1)(b) pointed away from PTP transmissions being broadcast under Singapore’s Copyright Act. His Honour also cited an article by Susanna Leong and Chen Yuanyuan in support of his finding, where the authors commented that “the better view is that broadcasting does involve some notion of a direct transmission to the general public or a class thereof”.²³

(3) *Meaning of “the making available of a work” in section 7(1) of the Copyright Act*

20.12 Regarding the plaintiff’s submission that the defendant’s act of satellite uplinking made the Disputed Musical Works available to the Distributors and through the Distributors to the subscribers of the respective Distributors, Gill J was unable to find that by uplinking the Encrypted Channels, the defendants had allowed any person to access the Disputed Musical Works at their choosing. Referring to Art 8 of the World Intellectual Property Organisation Copyright Treaty 1996,²⁴ the court held that “the phrase ‘making available’ in Art 8 is targeted at the act of providing *access* to a work” [emphasis in original].²⁵ For a work to have been made available within the meaning of Art 8 and s 7(1) of the Copyright Act, any person must be able to exercise their “individual choice” to access the work. However, the signals uplinked by Fox were encrypted, and only the Distributors were provided with the decoder device to decrypt the signals at the downlinking site. Since Fox’s actions did not allow anyone other than the Distributors to lawfully access the Disputed Musical Works, the defendant’s actions were “comparable to the uploading of works to a password protected cloud storage system”.²⁶

(4) *Meaning of “public” under section 26(1)(a)(iv) of the Copyright Act*

20.13 Gill J noted that although the word “public” is not defined in the Copyright Act, the Court of Appeal in *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd*²⁷ had previously stated that the “public” ordinarily

23 Susanna H S Leong & Yuanyuan Chen, “The Right of Communication in Singapore” (2010) 22 SAcLJ 602 at 622, para 50.

24 2186 UNTS 121 (20 December 1996; entry into force 17 April 2005).

25 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [81].

26 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [82].

27 [2011] 1 SLR 830.

connotes “all members of the community or a section of the public. A substantial number of persons can sometimes be ‘the public’”.²⁸

20.14 His Honour commented that the question of whether a communication has been made to the public is a “multi-factorial inquiry”.²⁹ The factors include the number of persons to whom the work is communicated, whether the recipients of the communication are the copyright owner’s public, and whether the communication is of a commercial character.³⁰ The court also relied on the findings in *SBS Belgium NV v SABAM*,³¹ a decision of the Court of Justice of the European Union (“CJEU”): this judgment reiterated that the concept of “communication to the public” in the European Union Copyright Directive³² to include two cumulative criteria: an “act of communication” of a work and the communication of that work to a “public”.³³ According to Gill J, it was significant that:³⁴

... [o]nly two entities in Singapore, Singtel and Starhub, received the communication directly from the defendant. This number is too small to amount to a communication to the public. It bears emphasising that Parliament shuns tautology ... If communicating to two discrete entities is sufficient to amount to a communication to the public, this threatens to render the word ‘public’ in s 26(1)(a)(iv) otiose.

Furthermore, the fact that a communication was made in a commercial setting is not determinative of communication to a public.³⁵

28 *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd* [2011] 1 SLR 830 at [24].

29 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [86].

30 Under this factor, if the recipients of the communication are persons from whom the owner is entitled to expect payment for the work’s authorised communication, this would weigh in favour of the communication having been made to the public: *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [86], citing *Telstra Corp Ltd v Australasian Performing Right Association Ltd* (1997) 146 ALR 649 at 658 and *TuneIn Inc v Warner Music UK Ltd* [2021] EWCA Civ 441 at [70(4)], [70(11)] and [70(14)]. See also *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [96].

31 *SBS Belgium NV v Belgische Vereniging van Auteurs, Componisten en Uitgevers* (C-325/14) EU:C:2015:764.

32 Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC.

33 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [88]–[91].

34 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [87].

35 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [92]–[98]. Gill J noted (at [97]) that a decision by the Court of Justice of the European Union had held that “that the profit-making
(cont’d on the next page)

20.15 In respect of whether persons outside of Singapore form part of the “public” under s 26(1)(a) of the Copyright Act, the court pointed out that the fact that “Singapore did not adopt Australia’s extraterritorial definition of ‘to the public’ in our Copyright (Amendment) Bill 2004 evinces Parliament’s intention to limit the ambit of the ‘public’ to persons in Singapore”,³⁶ and to “read the word ‘public’ in s 26(1)(a) with an extraterritorial gloss will exceed the boundaries of what is permissible in statutory interpretation”.³⁷ Moreover, the decision in *Lance Court Furnishings Pte Ltd v Public Prosecutor*³⁸ underscored the impermissibility of giving a provision in the Copyright Act extraterritorial effect in the absence of express language. Essentially, the Disputed Works were not communicated to the “public” within the meaning of s 26(1)(a)(iv) of the Copyright Act.

(5) *Claim for authorising primary infringement or authorisation liability under section 31(1) of the Copyright Act*

20.16 Gill J held that the claim for authorisation liability was “legally unsustainable”.³⁹ In order to establish authorisation of an infringing act, there must first be proof that an infringing act took place within Singapore,⁴⁰ and the plaintiff did not even plead that the Distributors, especially Singtel and Starhub, committed primary infringement.

B. Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd – Copyright music-license contract

20.17 In *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd*⁴¹ (“COMPASS GV”), the defendant, Golden Village Multiplex Pte Ltd (“GV”), entered into a “Copyright Music-Licence Contract” (“the Licence”) with the plaintiff, COMPASS. COMPASS is a collective management organisation operating in Singapore; GV

nature of the broadcast of a protective work ‘does not determine conclusively’ whether a transmission is to be categorised as a communication to the public under Art 3(1) of the EU Copyright Directive”: see *Reha Training Gesellschaft für Sport- und Unfallrehabilitation mbH v Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte eV (GEMA)* (C-117/15) EU:C:2016:379 at para 49.

36 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [103].

37 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [104].

38 [1993] SLR(R) 103.

39 *Composers and Authors Society of Singapore Ltd v Fox Networks Group Singapore Pte Ltd* [2021] SGHC 241 at [113].

40 *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd* [2011] 1 SLR 830 at [43]–[44].

41 [2021] 4 SLR 1061.

is Singapore's largest cinema operator. Under the Licence, GV paid COMPASS a licence fee equivalent to 0.2% of the gross ticket takings of GV's cinemas after the expiry of each quarter ("the Licence Fee").

20.18 GV and other cinema operators ("the Exhibitors") wrote to COMPASS in a letter dated 16 June 2016 to cease the Licence Fee arrangement. In that letter, it was pointed out that COMPASS did not represent *all* composers and authors whose works might be included in movies screened at the Exhibitors' cinemas and hence did not have the right to administer copyright in all musical works in all movies.

20.19 Accordingly, pursuant to the 16 June 2016 letter, GV did not make further payments of the Licence Fee since 1 April 2016. COMPASS then sued GV for breach of contract. COMPASS argued that the Licence remained in force and claimed from GV the Licence Fee due from April 2016 onwards and accrued contractual interest.

20.20 In the High Court, Andre Maniam JC held that the 16 June 2016 letter was an effective notice of termination under cl 6 of the Licence and terminated the Licence on 30 June 2017. Therefore, on the basis that the Licence was only in force until 30 June 2017, GV was ordered to submit its gross receipts from 1 April 2016 to 30 June 2017 to COMPASS for computation of the Licence Fee for that period. As this decision is essentially one of contract law focusing on contractual interpretation and misrepresentation, it will not be analysed in detail here.

20.21 The salient findings were: (a) there was no express term in the Licence that COMPASS had the right to administer copyright in all musical works; (b) there was no implied term in the Licence that COMPASS had the right to administer copyright in all musical works; and (c) COMPASS did not misrepresent to GV that it administered copyright in all musical works.

20.22 What was interesting was GV's argument on misrepresentation: that COMPASS conveyed the message that anyone performing any musical work in public had to obtain a licence from COMPASS. Maniam JC was satisfied that "[n]one of the newspaper articles cited by GV, however, said that COMPASS administered copyright in all musical works, or even that copyright subsisted in all musical works".⁴² Moreover, the articles by the defendant only served to "emphasise that it was only such copyrighted

42 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [62].

music as COMPASS administered that had to be licensed by COMPASS, for payment of royalties”.⁴³

20.23 Based on the terms in the Licence, Maniam JC found that GV was not entitled to terminate the Licence with immediate effect by the 16 June 2016 letter, but the letter had the effect of terminating the Licence with notice. Clause 6 of the Licence stipulated that the Licence would remain in force from year to year until determined by either party giving one calendar month’s previous notice in writing to expire on the 30th day of June in any year. His Honour noted: “No particular form or wording is required for a notice of termination. Words like ‘terminate’ or ‘termination’ need not be used so long as ‘it is clear that the effect of the notice is to terminate the agreement’”.⁴⁴

20.24 COMPASS contended that GV could not have intended to end the Licence with COMPASS, otherwise GV’s continued screening of movies would be in breach of copyright. But the court held that by the 16 June 2016 letter, which contents were then substantially repeated in the 23 June 2016 letter, GV did express its intention of terminating the Licence; indeed, that was how COMPASS understood the correspondence, particularly fortified by the evidence from the cross-examination of GV’s chief executive officer (“CEO”) in court.⁴⁵

20.25 The postscript in the judgment is noteworthy, as Maniam JC cautioned against witnesses having discussions with one another during the course of trial.

20.26 As it transpired, during the lunch break on 9 September 2020, COMPASS’s senior manager of finance, Raymond Tan (who was then in the midst of cross-examination), met with his colleagues senior licensing manager, Melvin Tan (who had finished giving his evidence), and general manager, Edmund Lam (who would be the next witness), together with COMPASS’s counsel. Whilst having coffee they were apparently seen, and overheard, by a trainee from GV’s lawyers’ firm. Maniam JC noted:⁴⁶

It was unwise (to say the least) for COMPASS’s three witnesses to have met for coffee with COMPASS’s counsel, when one witness had finished testifying,

43 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [73].

44 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [81]. See also *The Chem Orchid* [2014] SGHCR 1 at [65] and *Sintra Merchants Pte Ltd v Brown Noel Trading Pte Ltd* [1996] 1 SLR(R) 809 at [58].

45 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [98].

46 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [119].

a second witness was in the midst of cross-examination, and a third witness had yet to take the stand. It would be all too easy for there to be a discussion about the case, as there was.

Whilst this did not affect his findings, “such a discussion between a witness who was still testifying, and one who has yet to testify, should not have occurred”.⁴⁷

C. FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd – Copyright primary and secondary infringement – Additional damages

20.27 In *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd*⁴⁸ (“FUJIFILM”), the plaintiffs pleaded that, without their consent, the defendant PTC Business Systems Pte Ltd (“PTC”) had modified and sold machines bearing the plaintiffs’ “ApeosPort”, “DocuCentre” and/or “Fuji Xerox” marks in Singapore. The plaintiffs sued for copyright infringement, trademark infringement and passing off.

20.28 The first plaintiff, FUJIFILM Business Innovation Asia Pacific Pte Ltd, is a company incorporated in Singapore in the business of manufacturing and importing printing and media equipment under the “Fuji Xerox” mark (“Fuji Xerox Equipment”) in the Asia Pacific region. It has been carrying on business in Singapore using the “Fuji Xerox” mark since its incorporation in 1991, in connection with the provision of the said goods and services. The second plaintiff, FUJIFILM Business Innovation Singapore Pte Ltd, is a wholly owned subsidiary of the first plaintiff. It is also incorporated in Singapore and has been carrying on business in Singapore using the “Fuji Xerox” mark since its incorporation in 1985, in connection with the provision of goods and services of importing, distributing and marketing Fuji Xerox Equipment in Singapore. The third plaintiff, FUJIFILM Business Innovation Corp, is a company incorporated in Japan. The first plaintiff is a wholly owned subsidiary of the third plaintiff, and the third plaintiff is a joint venture between Fujifilm Holdings in Japan and Xerox Corporation in the USA. In 2019, Fujifilm Holdings bought over the Xerox Corporation shares in the third plaintiff.

20.29 All the Fuji Xerox Equipment in this case was manufactured and branded by the third plaintiff in Japan with Xerox Corporation’s

47 *Composers and Authors Society of Singapore Ltd v Golden Village Multiplex Pte Ltd* [2021] 4 SLR 1061 at [120].

48 [2021] SGHC 272.

express or implied consent. All the Fuji Xerox Equipment was installed with licensed software/firmware owned by the third plaintiff, which was required to run and operate the Fuji Xerox Equipment.

20.30 The plaintiffs submitted that the Fuji Xerox Equipment was inoperable without the software/firmware that was installed in the Fuji Xerox Equipment. While the physical machine of the Fuji Xerox Equipment could be leased or sold, the software/firmware was only licensed, and no end-user was granted a right to sub-license the software/firmware. Furthermore, within the software/firmware, relevant rights management information in electronic form was embodied in it. This rights management information was unique to each Fuji Xerox Equipment machine. It included the serial number, machine model, machine name and product code. As a result, the plaintiffs could track every item or component of a Fuji Xerox Equipment by way of this information, through its traceability system. The plaintiffs would also affix a physical label on every Fuji Xerox Equipment machine, where the said rights management information was incorporated into the surface of the Fuji Xerox Equipment and was intended to be a permanent part of the machine.

20.31 On 11 December 2018, the plaintiffs filed their claims in respect of six offending machines which they had acquired from various merchants who had been supplied these machines by the defendant (“Offending Machines”). The software/firmware and relevant rights management information of these Offending Machines were allegedly modified by the defendant.

20.32 In the High Court, Mavis Chionh J held that the plaintiffs succeeded in their claims in respect of trade mark infringement, passing off, secondary copyright infringement and rights management information infringement.

(1) *Claim for primary infringement*

20.33 Chionh J dismissed the claim for primary infringement pursuant to s 26(1)(a)(v) read with s 31(1) of the Copyright Act, for making an unlicensed adaptation of the plaintiffs’ software/firmware.

20.34 It was found that copyright *did* subsist in the software/firmware and that it was owned by the third plaintiff.⁴⁹ Chionh J held that software/firmware is a “literary work” within the meaning of s 7A(1)(b) of the

49 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [155].

Copyright Act, and that “the software/firmware in the present case enjoyed copyright protection in Singapore, as if it had been published in Singapore” pursuant to reg 3(1)(a) of the Copyright (International Protection) Regulations⁵⁰ as “Japan, Malaysia, and China are all members of the World Trade Organisation and are parties to the Berne Convention”.⁵¹

20.35 In relation to computer programs, an “adaptation” is defined in s 7(1)(c) of the Copyright Act as a version of the work (whether or not it is in the language, code or notation in which the work was originally expressed), not being a reproduction of the work. Chionh J found that Offending Machines 1 to 6 contained software/firmware that had been modified from the original version, as evidenced by the various changes in serial numbers, product codes and machine models, as well as alterations to the rights management information: for example, the Offending Machines had object code embodied in the Read-Only Memory (ROM) where the functions they produced were identical to that found in original Fuji Xerox Equipment, the Offending Machines had altered or modified rights management information, and there were Offending Machines that had been up-speeded (which could only be achieved by modifying the software/firmware).⁵²

20.36 However, there was insufficient evidence before the court for Chionh J to conclude that *the defendant was the one* who made the unlicensed adaptation of the software/firmware; thus, the claim of primary infringement failed.

(2) *Claim for secondary infringement*

20.37 The plaintiffs, however, succeeded in their alternative a claim of secondary infringement by importation for sale or hire under ss 32 and 33 of the Copyright Act:⁵³

The ‘making of the article’ could be discerned from the fact that the defendant extensively refurbished the ‘used’ machines which were intended to be destroyed by the plaintiff, the fact [that] there were Offending Machines that had been up-speeded, modification of some Offending Machines from ‘DocuCentre’ equipment to have ‘ApeosPort’ functions and capabilities, and

50 2009 Rev Ed.

51 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [157].

52 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [160]–[162] and [192].

53 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [197].

the probability that all the Offending Machines had altered or modified rights management information.

20.38 Chionh J noted that secondary infringement would be established.⁵⁴

... if the defendant had (*inter alia*) without the licence of the plaintiffs, imported an article into Singapore for the purpose of selling the article, where it knew or ought reasonably to know that the making of the article was carried out without the consent of the plaintiffs.

Her Honour commented that while the court was unable to conclude that it was the *defendant* who had modified the software/firmware on the Offending Machines, the court was satisfied here that the defendant knew or ought reasonably to have known that modifications had been made to the Offending Machines, and that this was done without the plaintiffs' consent.⁵⁵

20.39 Chionh J referred to the Court of Appeal's decision in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd*,⁵⁶ where the court held that the relevant knowledge for this purpose "is not knowledge, as a matter of legal conclusion, that [the defendant] might be infringing copyright but knowledge, as a matter of fact, that [the defendant] might be using something that belonged to [the plaintiff] without its consent".⁵⁷ Chionh J also referred to the interpretation of "knows, or ought reasonably to know" in s 136 of the Copyright Act in the context of copyright infringement offences by the High Court in *Public Prosecutor v Teo Ai Nee*.⁵⁸ The court there held that the word "know" meant actual knowledge, and the phrase "ought reasonably to know":⁵⁹

... contemplated knowledge of circumstances which would put an honest and reasonable man on inquiry: this would encompass (i) wilfully shutting one's eyes to the obvious, (ii) wilfully and recklessly failing to make such inquiries as an honest and reasonable man would make, and (iii) knowledge of the circumstances which would indicate the facts to an honest and reasonable man.

20.40 Here, PTC knew, or ought reasonably to have known, about the modifications to the Offending Machines *at the time it purchased*

54 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [200].

55 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [202].

56 [2016] 4 SLR 86.

57 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [116].

58 *Public Prosecutor v Teo Ai Nee* [1995] 1 SLR(R) 450 at [45].

59 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [203].

the Offending Machines, and it also knew that the modifications to the Offending Machines were made without the plaintiffs' consent. Furthermore, the defendant knew about the modifications *when* the plaintiffs sent their letters of demand – and despite this knowledge, it persisted in selling the Offending Machines. Hence, the element of knowledge was satisfied.⁶⁰ In the alternative, the evidence also established that the defendant had wilfully and recklessly failed to “make such inquiries as an honest and reasonable man would make”.⁶¹

(3) *Claim for infringement of rights in rights management information*

20.41 The third plaintiff also succeeded in its claim against the defendant in respect of infringement of its rights in rights management information which had been altered without its consent pursuant to s 260 of the Copyright Act. The computer software/firmware that was on the ROM of the Offending Machines was in the form of object code protected as a literary work under the Copyright Act, and the rights management information encoded in this computer software/firmware was the proper subject of the s 260 causes of action.

20.42 The rights management information includes the serial number, machine model, machine name and product code that constitute rights management information as they represent information which identifies the work or subject-matter, being numbers or codes that represent the information.⁶²

20.43 Similar to the findings on secondary infringement by importation for sale or hire, Chionh J held that the third plaintiff had made out the alternative claim against the defendant of distributing and/or importing for distribution rights management information which had been altered without the copyright owner's consent under s 260(3) of the Copyright Act. There was, however, insufficient evidence to conclude that it was *the defendant* who had made the unauthorised removal or alteration of rights management information in this case.⁶³ Chionh J also held that:⁶⁴

... the defendant must have known, or ought reasonably to have known, that the distribution or importation of the rights management information

60 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [205]–[207].

61 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [208].

62 Copyright Act (Cap 63, 2006 Rev Ed) s 258(d).

63 Copyright Act (Cap 63, 2006 Rev Ed) s 260(2)(a).

64 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [219].

would induce, enable, facilitate or conceal an infringement of the copyright in the software/firmware to which the rights management information related (s 260(3)(d)(i) of the Copyright Act).

The defendant's argument of a defence of parallel imports in relation to the third plaintiff's claims of copyright infringement was rejected.

(4) *Additional damages under section 119(4) of the Copyright Act*

20.44 The court noted that in respect of the third plaintiff's claim for additional damages under s 119(4) of the Copyright Act, "it was not disputed that the aim of an award of additional damages is punishment and deterrence, rather than to benefit the plaintiff, and such an award should not translate into an extraordinary profit for the plaintiff".⁶⁵

20.45 Chionh J concluded that there was sufficient evidence of the scale and flagrancy of the defendant's operations and its deplorable conduct to warrant an award of additional damages at a sum of \$100,000. It was noted that "the evidence showed the defendant to have gone through extremely circuitous and convoluted routes to obtain the machines, which included making use of companies whose existence appeared suspect ... in order, no doubt, to obfuscate its trail".⁶⁶

II. Trade marks and passing off

A. **FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd – Trade mark infringement – Parallel imports defence – Passing off**

20.46 The facts of *FUJIFILM* have been covered in the above part on copyright.⁶⁷ To recap, plaintiffs pleaded that, without their consent, the defendant PTC had modified and sold machines bearing the plaintiffs' "ApeosPort", "DocuCentre" and/or "Fuji Xerox" marks in Singapore. The plaintiffs sued for copyright infringement, trademark infringement and passing off. In the High Court, Chionh J held that secondary infringement was established in respect of the copyright claim, and also found for the plaintiffs in the trade mark infringement and passing off claims.

65 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [227], citing *Lotus Development Corp v Ong Seow Pheng* [1996] 2 SLR(R) 514 at [45] and *New Line Productions, Inc v Aglow Video Pte Ltd* [2005] 3 SLR(R) 660 at [110].

66 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [229].

67 See paras 20.27–20.31 above.

(1) *Trade mark infringement under sections 27(1) and 27(2)(a) of the Trade Marks Act*

20.47 Among the Fuji Xerox Equipment, the plaintiffs sold, *inter alia*, two series of multifunction photocopiers under the marks “DocuCentre” and “ApeosPort”. Each machine that carried the “ApeosPort” or “DocuCentre” mark also carried the “Fuji Xerox” trade mark.

20.48 The first and second plaintiffs are licensees of the “ApeosPort” registration. The third plaintiff is the registered proprietor of the trade mark “ApeosPort” in respect of products in Class 9, which includes facsimile machines, printers for use with computers and computer software. Xerox Corporation owns the “DocuCentre” and “Fuji Xerox” trade marks, and all three plaintiffs pay royalties to Xerox Corporation for the use of these marks.

20.49 All the Fuji Xerox Equipment in this case was manufactured and branded by the third plaintiff in Japan with Xerox Corporation’s express or implied consent. All the Fuji Xerox Equipment was installed with licensed software/firmware owned by the third plaintiff, which was required to run and operate the Fuji Xerox Equipment.

20.50 Offending Machines 1 to 3 were sold by the defendant PTC under the name “ApeosPort”, while Offending Machines 4 to 6 were sold under the name “DocuCentre”.

20.51 The plaintiffs claimed – under s 27(1) of the Trade Marks Act⁶⁸ (“TMA”) – that the defendant had been selling, offering or exposing for sale, leasing, servicing, importing and/or advertising photocopiers, printers and facsimile machines bearing the mark “ApeosPort” to members of the public in Singapore, on the defendant’s website and at the defendant’s registered business address. In the alternative, the plaintiffs claimed – under s 27(2) of the TMA – that the defendant had infringed the ApeosPort registration by using in the course of trade without the consent of the third plaintiff a mark, where – because the mark was identical or similar to the “ApeosPort” mark in relation to goods which were identical with or similar to those for which the “ApeosPort” mark is registered – there existed a likelihood of confusion on the part of the public.

20.52 Chionh J dismissed the claim pursuant to s 27(1) on the grounds that “although the plaintiffs’ ‘ApeosPort’ mark and the mark used by the defendant were clearly identical, the parties’ photocopiers and other

68 Cap 332, 2005 Rev Ed.

machines were not”.⁶⁹ The “strict requirement of “double identity”” under s 27(1) as established by the Court of Appeal in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier*⁷⁰ had not been established.⁷¹

20.53 However, the plaintiffs succeeded in making out their case of infringement of the “ApeosPort” mark under s 27(2)(a) of the TMA. The plaintiffs were able to prove that their registered “ApeosPort” mark was identical to the mark used by the defendant, and that the machines in question were similar, even if not identical. Chionh J noted that in the present case, there was no dispute between the parties as to the similarity between the defendant’s Offending Machines and the products in the registration specification in which the “ApeosPort” trade mark was registered (which includes facsimile machines, printers for use with computers and computer software *etc*).

20.54 In respect of the relevant segment of the public, there was no real dispute that this would mainly be comprised of businesses and commercial entities requiring office equipment of a not particularly specialised nature as the machines in question were not sophisticated scientific or medical equipment or specialised tools. It did not appear to Chionh J “that the relevant segment of the public in this case would be ‘highly knowledgeable and very fastidious’”, and it was held that the likelihood of confusion would be high.⁷² Given that the competing marks were identical and the competing goods sufficiently similar, Chionh J also commented that it was not necessary – and, indeed, impermissible – to have regard to yet further extraneous considerations that might have the effect of diminishing the likelihood of confusion.⁷³

(2) *Parallel imports defence – Exhaustion of rights under section 29(1) of the Trade Marks Act*

20.55 As to the defendant’s attempt to invoke the parallel imports defence under s 29(1) of the TMA, Chionh J found it to be baseless and without merit.

69 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [44].

70 [2010] 1 SLR 382.

71 *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 at [39].

72 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [56].

73 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [57], referring to *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [85]–[86].

20.56 The defendant argued that Offending Machines 1, 2 and 3 had been put on the market by the third plaintiff or with its express or implied consent, and that the plaintiffs had not provided evidence of changes to the conditions of these machines after they had been put on the market. Chionh J observed that under s 29(1), goods are “put on the market” when an “independent third party has acquired the right of disposal of the goods bearing the trade mark”, and “this must be an act that simultaneously allows the proprietor of the trade mark to realise the commercial or economic value of the trade-marked goods, and deprives him of the right to control the subsequent exploitation of the goods”.⁷⁴ The court found it:⁷⁵

... highly suspicious ... that despite its repeated claims about being a genuine parallel importer, the defendant gave discovery of only a very small number of documents allegedly related to its purchase and importation of the machines – none of which [the judge] found in the least credible or helpful in shoring up its defence of parallel imports.

The court also found the inability of the defendant’s director to give any coherent evidence about the defendant’s supplier information and its operations highly damaging to the credibility of its parallel importing claim.

20.57 Based on the restrictions imposed by the plaintiffs, the court found that the putting of the goods on the market did *not* occur when the plaintiffs supplied Offending Machines 1, 2 and 3 to their authorised dealers in Japan: the plaintiffs could, and did, legitimately impose restrictions on its Japanese dealers as to how the machines were to be distributed.⁷⁶ Chionh J commented that even if Offending Machines 1, 2 and 3 had been put on the market, there were nevertheless significant changes made to the Offending Machines such that the proviso in s 29(2) would apply so as to preclude the defendant from relying on s 29(1) of the TMA in relation to Offending Machines 1, 2 and 3.⁷⁷

74 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [69], referring to *Samsonite IP Holdings Sarl v An Sheng Trading Pte Ltd* [2017] 4 SLR 99 at [100].

75 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [71].

76 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [83], referring to *Samsonite IP Holdings Sarl v An Sheng Trading Pte Ltd* [2017] 4 SLR 99 at [146].

77 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [85].

(3) *Passing off*

20.58 The plaintiffs also alleged passing off by the defendant in respect of the “ApeosPort”, “DocuCentre” and “Fuji Xerox” marks, that is, the defendant’s acts of, *inter alia*, importing and selling photocopiers and other printing equipment under each of those marks to members of the public in Singapore, when these were not unmodified photocopiers or other printing equipment, amounted to a misrepresentation to members of the public and was likely to cause confusion to the relevant public by leading them to believe that machines affixed with those marks and sold by the defendant were those manufactured by the plaintiffs or connected to/associated with the plaintiffs.

20.59 The court found that the plaintiffs had made out their claims of passing off *vis-à-vis* all three marks. Chionh J reiterated that to succeed in its claim of passing off, the plaintiffs had to prove the classic trinity of goodwill, misrepresentation and damage, as stated by the Court of Appeal in *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd*.⁷⁸

20.60 Although in the present case the defendant did not challenge the plaintiffs’ assertion of the existence of goodwill in the “ApeosPort” mark, Chionh J noted that the plaintiffs were not claiming goodwill *vis-à-vis* the public at large in Singapore, but rather “the relevant sector of the public in Singapore would be actual and potential customers of the plaintiffs’ machines, who would primarily come from businesses and commercial entities that had need of office equipment such as printers, facsimile machines and other such goods”.⁷⁹ Regarding misrepresentation, it “must be analysed from the perspective of those who have goodwill in the plaintiff’s get-up”;⁸⁰ Chionh J stated that it must be asked:⁸¹

... whether those people in Singapore with goodwill towards the plaintiffs’ machines believed that the defendant’s machines were those manufactured, imported, distributed, sold, leased, serviced or marketed by the plaintiffs, and/or were connected to or associated with the plaintiffs.

78 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [95], referring to *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [80].

79 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [98], referring to *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 at [44].

80 *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 at [73].

81 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [103].

To this inquiry, it was held that there was misrepresentation to the relevant section of the public as the average reasonable person would likely be confused, as he or she would form the impression that the defendant was offering machines supplied by the plaintiffs or was related to the plaintiffs' business. The element of damage was also made out.

20.61 Regarding the plaintiffs' claims of passing off *vis-à-vis* the "DocuCentre" and "Fuji Xerox" marks, it was unnecessary to inquire whether the plaintiff's goodwill was associated with a name or mark; it sufficed that there was considerable evidence to establish the "attractive force in the [plaintiffs'] business that brings in custom".⁸² Chionh J highlighted the differences between the ownership of goodwill in *Han's (F&B) Pte Ltd v Gusttimo World Pte Ltd*⁸³ ("Han's") (where the plaintiff owned the goodwill jointly and severally with the subsidiary that operated the Han's restaurant business) and *Harvard Club of Singapore v President and Fellows of Harvard College*⁸⁴ (where ownership of the goodwill resided in Harvard University and not in the Harvard Club of Singapore).⁸⁵ The court concluded that the marks were used by the plaintiffs, with Xerox Corporation's consent, for the benefit of the plaintiffs themselves and Xerox Corporation in similar fashion to the subsidiary in *Han's*, that is, the goodwill in the "DocuCentre" and "Fuji Xerox" marks was *jointly* owned by both Xerox Corporation and the plaintiffs. Given this finding, the elements of misrepresentation and damage similar to the earlier reasoning in respect of the "ApeosPort" mark were also made out.

B. TMRG Pte Ltd v Caerus Holding Pte Ltd – Trade mark infringement – "Own name" defence – Passing off

20.62 In a lengthy judgment that spanned 243 paragraphs, in the High Court decision of *TMRG Pte Ltd v Caerus Holding Pte Ltd*,⁸⁶ Andre Maniam JC held that the parties' respective marks and businesses can co-exist without the relevant public being confused. This decision is significant in illustrating how the court would analyse trade mark infringement in respect of a mark that comprises a number of words, each

82 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [114], referring to *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [81]–[83].

83 [2015] 2 SLR 825.

84 [2020] 4 SLR 1378.

85 *FUJIFILM Business Innovation Asia Pacific Pte Ltd v PTC Business Systems Pte Ltd* [2021] SGHC 272 at [115]–[119], discussing *Han's (F&B) Pte Ltd v Gusttimo World Pte Ltd* [2015] 2 SLR 825; *Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378; and *QB Net Co Ltd v Earnson Management (S) Pte Ltd* [2007] 1 SLR(R) 1.

86 [2021] SGHC 163.

of which is not particularly distinctive, and the application of the *Staywell* extraneous factors rule. It also highlights how in a passing off action, in contrast to a trade mark infringement claim, the court may consider factors extraneous to the marks that would otherwise be impermissible in an action for infringement of a registered mark. Last but not least, one should note the application of the Whitford Guidelines⁸⁷ to evaluate the weight of survey evidence which appears to be more stringent than the American approach to the consideration of survey evidence in trade mark infringement claims.⁸⁸

20.63 The first plaintiff, TMRG Pte Ltd, operates a restaurant under the name “Luke’s Oyster Bar & Chop House” at Gemmill Lane, which opened in May 2011, and is the registered owner of the following mark in Class 43 of the International Classification of Goods and Services (“ICGS”) (“the Luke’s Oyster Bar & Chop House trade mark”). The second plaintiff, Luke’s Tavern Holdings Pte Ltd, operated another restaurant by the same name at The Heeren from 2014 until it closed in December 2020; the second plaintiff intends to reopen its restaurant at a new location. The plaintiffs also use an unregistered mark (“the Luke’s Oyster Bar & Chop House logo”). Both restaurants are fine dining restaurants.

20.64 The Luke’s Oyster Bar & Chop House trade mark and Luke’s Oyster Bar & Chop House logo both contain words other than “Luke’s” – specifically, “Oyster Bar”, “Chop House” and “Travis Masiero Restaurant Group” or “Travis Masiero”. Restaurateur Travis Masiero, a director and shareholder of the plaintiffs, claimed that he had named the “Luke’s Oyster Bar & Chop House” restaurants after his son, Lucas. In any event, the plaintiffs contended that the word “Luke’s” by itself was distinctive of their restaurant business.

20.65 The first defendant, Caerus Holding Pte Ltd, is the exclusive Singapore franchisee of Luke’s Lobster. The second defendant is a US company which opened the first “Luke’s Lobster” shack on 1 October 2009 in New York City. Luke’s Lobster derives its name from another Lucas: its co-founder and CEO, Lucas Alexander Holden, who is also known as Luke Holden. Almost 40 Luke’s Lobster shacks were opened in

87 The High Court in *Ferrero SpA v Sarika Connoisseur Cafe Pte Ltd* [2011] SGHC 176 adopted from Whitford J’s decision in *Imperial Group Ltd v Philip Morris & Co* [1984] RPC 293 (“the Whitford Guidelines”). The Whitford Guidelines includes elements such as: the interviewees in the survey must be selected so as to represent the relevant cross-section of the public; the survey must be conducted fairly; the totality of the answers given must be given to the defendant; and the questions should not be leading.

88 See, eg, *RXD Media, LLC v IP Application Development LLC* 986 F 3d 361 (4th Cir, 2021) and *Tiffany and Co v Costco Wholesale Corp* 971 F 3d 74 (2nd Cir, 2020).

the US, Japan and Taiwan either directly or through franchisees before the first Luke's Lobster shack was opened in Singapore on 23 September 2020 at Isetan, Shaw House. In January 2021, the defendants opened a second Luke's Lobster shack in Singapore at Jewel, Changi Airport. Luke's Lobster shacks are small, casual, self-service restaurants marketed as "grab-and-go".

20.66 The second defendant is the registered owner of the following trade marks in Class 43 of the ICGS: the "Luke's Lobster word mark" and the "Luke's Lobster logo" (collectively the "Luke's Lobster trade marks").

20.67 The lobster roll is the most popular item sold by Luke's Lobster in Singapore; lobster features prominently on the menu at Luke's Lobster restaurants. The plaintiffs asserted that their Luke's Oyster Bar & Chop House restaurants also have an established reputation for lobster dishes, although these only account for 5% of their restaurants' revenue; furthermore, their lobster rolls are only available at lunch, and not listed on their main menu. Nonetheless, the plaintiffs contended that by opening Luke's Lobster in Singapore, the defendants were liable for trade mark infringement and passing off. The High Court dismissed the plaintiffs' claims for trade mark infringement, passing off, and invalidation of the Luke's Lobster trade marks.

(1) *Trade mark infringement*

20.68 The law in Singapore governing trade mark infringement is laid out in *The Polo/Lauren Co, LP v Shop-In Department Store Pte Ltd*⁸⁹ and clarified by the Court of Appeal in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc*⁹⁰ ("*Staywell (CA)*"):⁹¹

Under the step-by-step approach, the three requirements of similarity of marks, similarity of goods or services, and likelihood of confusion arising from the two similarities, are assessed systematically. The first two elements are assessed individually before the final element which is assessed in the round.

20.69 Extraneous factors are to be disregarded when comparing the marks: the court will consider mark-for-mark for visual, phonetic (or

89 [2006] 2 SLR(R) 690.

90 [2014] 1 SLR 911.

91 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [15]. For a critique of the *Staywell* rule, see David Tan & Benjamin Foo, "The Extraneous Factors Rule in Trademark Infringement: Avoiding Confusion or Simply Confusing?" [2016] Sing JLS 118.

aural), and conceptual similarity.⁹² In the present case, the court found the marks to be visually, phonetically (or aurally), and conceptually dissimilar.

20.70 Maniam JC noted that “[d]istinctiveness is a factor integrated into the visual, aural and conceptual analysis of the marks ... [and it] refers to what is outstanding and memorable about the mark; distinctiveness in the technical sense is contrasted with descriptiveness”.⁹³ In respect of the plaintiffs’ contention that the dominant and distinctive component of their marks is the word “Luke’s”, Maniam JC pointed out that “Luke’s” was not the only word in the plaintiffs’ mark; they had in fact registered a trade mark with nine words (“Luke’s”, “Oyster Bar”, “Chop House” and “Travis Masiero Restaurant Group”) and 51 letters, while “Luke’s Lobster” logo has one word, five letters and a lobster device.⁹⁴ The differences in fonts, typefaces and design of the marks also contributed to the finding of a lack of visual similarity. In arriving at his conclusion, Maniam JC referred extensively to a number of decisions handed down by the courts as well as the Trade Marks Registry of the Intellectual Property Office of Singapore.⁹⁵ His Honour commented that “Luke” and “Luke’s” were found in the registered trading names of various entities and also featured in the trade marks of registered in a number of other ICGS classes; it was a concern that the plaintiffs were “claiming a monopoly over ‘Luke’s’ – at least in relation to restaurants”.⁹⁶

20.71 Referring to the English Court of Appeal’s reasoning in *Reed Executive plc v Reed Business Information Ltd*,⁹⁷ Maniam JC was satisfied that:⁹⁸

... the words ‘Oyster Bar’ ‘Chop House’ and ‘Travis Masiero Restaurant Group’ in the plaintiffs’ trade mark serve to differentiate the plaintiffs’ restaurants from other ‘Luke’s’ establishments, as does the word ‘Lobster’ or the lobster device in the respective Luke’s Lobster trade marks.

20.72 Regarding phonetic/aural similarity of marks, the court held that “the plaintiffs’ trade mark has 15 syllables; the Luke’s Lobster word mark has three syllables, and the Luke’s Lobster logo has one syllable.

92 *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [20].

93 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [25].

94 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [28] and [32].

95 See, eg, *Han’s (F & B) Pte Ltd v Gusttino World Pte Ltd* [2015] 2 SLR 825; *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203; *Ozone Community Corp v Advance Magazine Publishers Inc* [2010] 2 SLR 459; and *Discovery Communications, LLC v A-Star-Education Discovery Camps Pte Ltd* [2020] SGIPOS 4.

96 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [47].

97 *Reed Executive plc v Reed Business Information Ltd* [2004] ETMR 56.

98 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [43].

Only one syllable is common between the competing marks: ‘Luke’s’.⁹⁹ Unlike the scenario in *Wagamama Ltd v City Centre Restaurants plc*,¹⁰⁰ where the court there noted that much of the plaintiff’s business was likely to come from oral recommendation, and as such the possibility of confusion and imperfect recollection was significant with respect to “Wagamama” and “Rajamama” restaurants,¹⁰¹ Maniam JC held that in the present case, the Luke’s Lobster trade marks were not phonetically (or aurally) similar to the plaintiffs’ trade mark. His Honour was of the view that “‘Luke’s’ (which *per se* is of low distinctiveness ...) does not have the technical distinctiveness of a word like ‘Wagamama’, and there was no evidence that much of the plaintiffs’ business is likely to come from oral recommendation”.¹⁰²

20.73 Finally, on the conceptual similarity of marks, the court referred to the principle articulated in *Staywell (CA)* that the court “seeks to uncover the ideas that lie behind and inform the understanding of the mark as a whole”.¹⁰³ In the present case, it was clear that the phrases “Oyster Bar” and “Chop House” in the plaintiffs’ trade mark brought to mind a place, while the Luke’s Lobster trade marks evoked an animal (the lobster), or a type of food (lobster), rather than a place. The finding of a lack of conceptual similarity was fortified by the typeface of the plaintiffs’ mark, which conveyed an impression of “formality and sophistication”, while the defendants’ marks came across as “casual, even playful”.¹⁰⁴

20.74 Regarding similarity of goods or services, the marks were all registered in Class 43 of the ICGS, but the court observed that this did not mean there was no distinction between the defendants’ Luke’s Lobster shacks and the plaintiffs’ restaurants, and “these differences should more appropriately be considered when evaluating the likelihood of confusion”.¹⁰⁵

20.75 In respect of whether there was likelihood of confusion arising from marks-similarity and goods/services-similarity, the court commented:¹⁰⁶

99 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [54].

100 [1995] FSR 713.

101 *Wagamama Ltd v City Centre Restaurants plc* [1995] FSR 713 at 736.

102 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [55].

103 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [58].

104 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [61].

105 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [66], citing *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [61].

106 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [71], referring to *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd* [2013] 2 SLR 941 at [73]–[74].

What needs to be established is a likelihood of confusion as to the *origin* of the goods or services in question – that extends to the situation where the average consumer mistakenly assumes some kind of economic link or connection between the goods or services of the opposing parties. [emphasis added]

His Honour also reiterated that Singapore law does not recognise “initial interest confusion” as actionable confusion, and in the case of restaurants, “the relevant time for evaluating confusion is thus the point of purchase”.¹⁰⁷

20.76 In the present case, both the plaintiffs’ restaurants and the defendants’ Luke’s Lobster shacks were brick-and-mortar establishments. Although the plaintiffs used the registered Luke’s Oyster Bar & Chop House trade mark on their shopfront windows and business cards, it was the unregistered Luke’s Oyster Bar & Chop House logo that was most commonly used on their website, social media pages, menus and other products. In sum, the registered mark did not have a strong reputation and was not widely known. Maniam JC commented that, following the mark-centric approach set out in *Staywell (CA)* for the inquiry into confusion for the purposes of trade mark infringement, he would first not factor in the significant differences in style, price, range and type of food and services in the present case; however, despite this, he would still find that there was no likelihood of confusion.¹⁰⁸ Regarding the weight to be accorded to survey evidence, Maniam JC applied the Whitford Guidelines,¹⁰⁹ concluding that as a result of the deficiencies in the plaintiffs’ survey evidence, he would place no weight on the findings of the survey in so far as they are said to show a likelihood of confusion.¹¹⁰

107 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [72]–[73]. It is also interesting to note that some leading American scholars have urged a narrower focus on the issue of confusion. See, eg, Mark A Lemley & Mark McKenna, “Irrelevant Confusion” (2010) 62 *Stan L Rev* 413 at 414–415:

We think trademark law needs to refocus on confusion that is actually relevant to purchasing decisions. Specifically, it should anchor once again to the core case of confusion regarding the actual source of a defendant’s product or service, the type of confusion most obviously related to consumer decision making.

108 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [82]. See also *Han’s (F & B) Pte Ltd v Gusttимо World Pte Ltd* [2015] 2 SLR 825 at [179]–[181].

109 Andre Maniam JC also devoted a substantial number of paragraphs in the judgment to explain why he placed no weight on the plaintiffs’ survey evidence: *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [191]–[241].

110 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [87].

(2) “Own name” defence under section 28(1)(a) of the Trade Marks Act

20.77 The court noted that even if the plaintiffs had made out that the marks are similar, and that there is a likelihood of confusion, the “own name” defence under s 28(1)(a) of the TMA ought to be considered in line with the principles articulated by the Court of Appeal in *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd*.¹¹¹

20.78 Maniam JC found that both the first and second defendants were entitled to rely on the “own name” defence. It was pertinent that “Luke’s Lobster” was a trading name which the second defendant, Lukes Seafood LLC, had used since 2009, two years prior to the opening of the first of the plaintiffs’ Luke’s Oyster Bar & Chop House restaurants in 2011. Moreover, the second defendant’s use of “Luke’s Lobster” for its Singapore lobster shacks was in accordance with the “honest practices” proviso to s 28 of the TMA. The court commented that “in principle an individual can use the defence ‘in relation to an adopted name by which he or she is known for business purposes or generally, for example an actor’s stage name or a writer’s *nom de plume*’, and that a corporate entity should be able to do likewise”.¹¹² Consequently, since the first defendant was the exclusive licensee of the second defendant, the first defendant would also secure the same rights and remedies as the second defendant in respect of defending against or initiating any litigation in Singapore related to or in connection with the Licensed Marks under the franchise agreement between them.

(3) *Passing off*

20.79 The claim in passing off failed. While the plaintiffs had goodwill in their Luke’s Oyster Bar & Chop House restaurant business, they did not succeed in proving misrepresentation.

20.80 The court held that the “plaintiffs’ goodwill is not associated with ‘Luke’s’ *simpliciter*”, but it was circumscribed by the full name of plaintiffs’ restaurants “Luke’s Oyster Bar & Chop House” and also in both the Luke’s Oyster Bar & Chop House trade mark and the unregistered Luke’s Oyster Bar & Chop House logo.¹¹³

111 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [103]–[105], referring to *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 617 at [65]–[66]. See para 20.59 above.

112 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [107], referring to *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 617 at [47] and [66].

113 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [122].

20.81 Due to the narrower definition of goodwill, whether there was misrepresentation must therefore be tested against what the plaintiffs' restaurants' goodwill was associated with, that is, not "Luke's", but "Luke's Oyster Bar & Chop House", as part of the Travis Masiero Restaurant Group. Maniam JC emphasised that:¹¹⁴

... a personal name like "Luke" (or its possessive form, "Luke's") is of low distinctiveness, and the average consumer will be sensitive to additional words and/or features that accompany (and qualify) "Luke's" ...: they would distinguish between the Luke's Oyster Bar & Chop House trade mark and the Luke's Lobster trade marks.

20.82 Unlike the exclusion of certain extraneous factors in the analysis of a trade mark infringement analysis as established by the Court of Appeal in *Staywell (CA)*, it was noted that:

... [t]he court is entitled to take a broader view of the context within which the respective marks are employed in ascertaining whether a likelihood of confusion exists for the passing off tort. ... The court is entitled to consider factors extraneous to the marks that would be impermissible in an action for infringement of a registered mark.

20.83 Maniam JC pointed out that in assessing misrepresentation and confusion, initial interest confusion is insufficient for passing off; in order "to satisfy the second element in passing off, the material time at which confusion or likelihood of confusion must exist is the point of purchase".¹¹⁵ In the present case, the court held that the defendants did not use the name "Luke's Lobster" for their lobster shacks because they intended to capitalise on the goodwill of Luke's Oyster Bar & Chop House. On the contrary, there was *bona fide* use of the name "Luke's Lobster" for about two years before the first Luke's Oyster Bar & Chop House restaurant was opened. In line with the findings in *Han's*,¹¹⁶ the "many significant differences in style, price, range and type of food and services" reinforced the conclusion that there was no misrepresentation by the defendants' use of the name "Luke's Lobster" and hence no likelihood of confusion.¹¹⁷ His Honour also commented that the plaintiffs were unable to adduce evidence of direct loss of sales; thus, even if there had been some likelihood of confusion, damage was not proven. In particular, citing

114 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [124].

115 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [127].

116 *Han's (F & B) Pte Ltd v Gusttimo World Pte Ltd* [2015] 2 SLR 825 at [203]. See para 20.61 above.

117 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [132].

Novelty Pte Ltd v Amanresorts Ltd,¹¹⁸ Maniam JC rejected the plaintiffs' contention that confusion *per se* was equivalent to damage.¹¹⁹

(4) *Invalidation of the defendants' marks under section 23 of the Trade Marks Act*

20.84 The court dismissed the plaintiffs' submission that the Luke's Lobster trade marks were invalid pursuant to s 23 of the TMA on the grounds that the marks were registered in breach of ss 8(2)(b) and/or 8(7) of the TMA. Maniam JC took cognisance of the Court of Appeal's explanation of the distinction between opposition and infringement proceedings in the analysis of likelihood of confusion.¹²⁰ However, it was held that the findings on marks-similarity and goods/services-similarity in the context of trade mark infringement applied equally to the invalidity claim. His Honour commented: "As for the confusion analysis, broadening that to include notional fair uses to which the Luke's Lobster trade marks may be put, does not lead to any difference in the outcome."¹²¹ Finally, in view of the decision on a failure to establish passing off, the use of the Luke's Lobster trade marks was not liable to be prevented by the law of passing off under s 8(7).

C. Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co – Test for adducing further evidence on appeal in trade mark disputes

20.85 The applicant in *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co*¹²² ("Yitai") is a Chinese company based in Shanghai. It has been established since 2001 and is in the business of manufacturing and supplying products and parts used in industrial piping systems for local and international markets.

20.86 On 7 October 2015, the applicant sought to register the application mark "CHARLOTTE" in respect of pipes, valves and other fittings in Classes 17, 19 and 20. The respondent, a US incorporated company founded in 1901, manufactures pipes and fittings for plumbing and industrial systems. It has distribution channels in many countries including Singapore and claims to be one of the world's leading

118 [2009] 3 SLR(R) 216.

119 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [169], citing *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 at [1234].

120 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [186], citing *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc* [2014] 1 SLR 911 at [56], [60] and [61].

121 *TMRG Pte Ltd v Caerus Holding Pte Ltd* [2021] SGHC 163 at [187].

122 [2021] SGHC 198.

manufacturers for pipes and fittings. The respondent filed opposition proceedings against the applicant relying on its registered mark in Singapore “CHARLOTTE PIPE” in respect of cast iron pipes and fittings therefor in Class 6. The application date of the respondent’s registered mark was 9 February 2016. In addition, the respondent also relied on its unregistered word mark “CHARLOTTE” as well as an unregistered logo mark:



20.87 The intellectual property adjudicator (“IP Adjudicator”) ruled in favour of the respondent’s opposition and refused registration of the application mark “CHARLOTTE” under s 8(7)(a) of the TMA. The applicant appealed to the High Court submitting that the IP Adjudicator erred in concluding that the respondent’s unregistered logo mark should be considered for the purposes of the opposition; that the Respondent had goodwill in Singapore as of 7 October 2015 as a result of the use of the Respondent’s unregistered logo mark; and/or that the use of the application mark would constitute a misrepresentation giving rise to a likelihood of confusion with the relevant sector of the public.¹²³

20.88 To further substantiate its case for the appeal, the applicant filed an application under O 87 r 4(2) of the Rules of Court¹²⁴ for leave to adduce further evidence that consisted of two categories:

- (a) evidence that aimed to prove use of the Application Mark in Singapore *prior* to the earliest date which the Respondent was held by the IP Adjudicator to have goodwill (“Import Evidence”); and
- (b) evidence that aimed to show that sales of the respondent’s goods had not been made to consumers in Singapore by a company, Agru Technology Pte Ltd (“Agru Tech”), as the terms found in the invoices were not distinctive of the respondent’s goods; instead, they were generic terms and/or specifications widely used in industry (“SCH 80 Evidence”).

123 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [13].

124 2014 Rev Ed.

20.89 The issues to be determined before the High Court were:¹²⁵

- (a) What is the test to be applied in deciding whether to grant leave for further evidence to be adduced under O 87 r 4(2) of the [Rules of Court]?
- (b) Whether the Import Evidence should be admitted on appeal under O 87 r 4(2) of the [Rules of Court]?
- (c) Whether the SCH 80 Evidence should be admitted on appeal under O 87 r 4(2) of the [Rules of Court]?

(1) *Relevant test for adducing further evidence on appeal under Order 87 rule 4(2) of the Rules of Court*

20.90 Having considered the parties' submissions and the relevant authorities, Dedar Singh Gill J, delivering the judgment for the High Court, held that the proper test for determining whether a party was allowed to adduce further evidence on appeals from the Registrar of Trade Marks ("Trade Marks Registrar") under O 87 r 4(2) of the Rules of Court was that which had been set out by the Court of Appeal in *Martek Biosciences Corp v Cargill International Trading Pte Ltd*¹²⁶ ("*Martek*").

20.91 The general test for adducing further evidence on appeal (under O 57 r 13(1) read with O 55D r 11(1) of the Rules of Court) (or the *Ladd v Marshall*¹²⁷ test, as it is commonly referred to) was applied by the Court of Appeal in *Martek*, which involved an appeal from the Registrar of Patents under O 87A r 13(2) of the Rules of Court. The Court of Appeal in *Martek* made clear that the conditions prescribed in the *Ladd v Marshall* test were to give effect to the requirement stated in O 55D r 11(1) for "special grounds" to be proven before further evidence could be adduced on appeal. The conditions cited in the *Ladd v Marshall* test included:¹²⁸

- (a) that the further evidence sought to be adduced must not have been obtainable with reasonable diligence for use at the trial;
- (b) that the further evidence sought to be adduced must be such that, if given, would probably have an important influence on the result of the case, although it need not be decisive; and
- (c) that the further evidence sought to be adduced must be apparently credible, although it need not be incontrovertible.

125 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [26].

126 [2011] 1 SLR 1287.

127 [1954] 1 WLR 1489.

128 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [30].

20.92 However, as the “special grounds” requirement was not found in O 87A r 13(2) of the Rules of Court in an appeal from the Registrar of Patents and the nature of proceedings for revocation of patents was such that it affected the public’s interest in a way not found in private litigation between two parties, the Court of Appeal in *Martek* concluded that the *Ladd v Marshall* test should not be prescribed as a strict test to be applied in applications to adduce further evidence under O 87A r 13(2) of the Rules of Court. Practically speaking, this essentially means an applicant who is unable to satisfy the conditions prescribed in the *Ladd v Marshall* test may still succeed if the court concludes that, having considered other compelling factors, it is “just” to admit the further evidence in question. In this regard, a non-exhaustive list of such other considerations may be found in Laddie J’s judgment in *Hunt-Wesson Inc’s Trade Mark Application*¹²⁹ (“*Hunt-Wesson*”).

20.93 Gill J was of the view that the Court of Appeal’s approach in *Martek* ought to be similarly adopted in respect of applications to adduce further evidence in appeals from a Trade Marks Registrar under O 87 r 4(2) of the Rules of Court.

20.94 The learned judge gave three reasons for adopting this approach. First, O 87 r 4(2) of the Rules of Court is *in pari materia* with O 87A r 13(2), and the reasons provided by the Court of Appeal in *Martek* on why the *Ladd v Marshall* test should not be strictly applied would, in principle, apply equally in the application made by the applicant here. Besides the fact that neither O 87 r 4(2) nor O 87A r 13(2) requires for “special grounds” to be proved in order to adduce further evidence on appeal, the registration of trade marks, like that of patents, affects the public’s interest in a much wider manner beyond that of the private litigants in the particular proceedings to have “repercussions on the market at large”.¹³⁰ The similarities between patents and trade mark proceedings were also recognised by the Court of Appeal in *Martek* and to that extent, the Court of Appeal saw no issue in endorsing the list of other compelling factors enumerated by Laddie J in *Hunt-Wesson* in connection with an application made under O 87A r 13(2) for appeals from a Registrar of Patents, even though *Hunt-Wesson* was a case which involved the dismissal of an opposition to a trade mark registration. Finally, Gill J was of the view that adopting the *Martek* approach in trade mark proceedings is consistent with the two-step analysis prescribed by the Court of Appeal in *Anan Group (Singapore) Pte Ltd v VTB Bank*

129 [1996] RPC 233.

130 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [34].

(*Public Joint Stock Co*)¹³¹ (“*Anan* two-step analysis”) which is used to determine how strictly the *Ladd v Marshall* test ought to be applied in any given case to adduce further evidence in appeals.

20.95 The first step in the *Anan* two-step analysis involves the proper characterisation of the nature of the proceedings. If the appeal is from a proceeding that bears the characteristics of a full trial, the court should apply the requirements in the *Ladd v Marshall* test with its full rigour, subject to the second stage of the analysis, because the interests of finality assume a heightened importance. In contrast, if the appeal is from a proceeding that is of an interlocutory nature, the *Ladd v Marshall* test remains a useful guidance to the court nonetheless, but it is not obligated to apply it in an unattenuated manner. Once the court concludes that the *Ladd v Marshall* test should be applied strictly because of the proper characterisation of the proceedings below, the court should then proceed to consider if there are any other reasons for which the conditions laid down in the *Ladd v Marshall* test ought to be relaxed so that justice may be served. Situations where a relaxation of the *Ladd v Marshall* test may be justified include the presence of new evidence which reveals a fraud that has been perpetrated on the trial court; circumstances under which the applicant was prevented from adducing the fresh evidence during the hearing at the lower courts tantamount to a denial of natural justice; and/or the subject matter of the dispute being of such an particular importance to the litigant or to the society at large that it warrants the court in not strictly adhering to the requirements in the *Ladd v Marshall* test.¹³²

20.96 In applying the *Anan* two-step analysis, the learned judge characterised the proceedings before the Trade Marks Registrar to be akin to full trials as the parties put in evidence by way of statutory declarations and could be directed to provide oral evidence as well as being subjected to cross-examinations. As such, the nature of trade mark proceedings weighed in favour of a strict application of the *Ladd v Marshall* test, but the public implications of trade mark proceedings warranted the court to consider the extent to which the *Ladd v Marshall* conditions could be relaxed having taken into consideration the non-exhaustive list of factors in *Hunt-Wesson*. This then summed up the approach adopted by the court in *Yitai* to determine whether to grant leave for further evidence to be adduced under O 87 r 4(2) of the Rules of Court.

131 [2019] 2 SLR 341.

132 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [36].

- (2) *Application of the Martek approach to the two categories of evidence*
- (a) Import Evidence

20.97 Gill J found that all three conditions in the *Ladd v Marshall* test were not satisfied. On the first requirement of *due diligence*, the court concluded that taking the pleadings and evidence in totality, the applicant was aware of the respondent's intention to rely on the respondent's unregistered marks to oppose the registration of the applicant mark. However, the applicant chose not to respond to these unregistered marks even though they had surfaced from the evidence. Furthermore, the applicant did not dispute that the Import Evidence was within its possession at all material times, and as such have been obtainable with reasonable diligence for use in the opposition proceedings before the Trade Marks Registrar. In respect of the second condition of *important influence*, Gill J was of the view that whether this condition was satisfied or not depended materially on the satisfaction of the third and final condition of *credibility* in the *Ladd v Marshall* test. As there were numerous reservations¹³³ cited by the court in respect of the credibility of the Import Evidence, including that the evidence was adduced late, a mismatch between the details in the Import Evidence photographs and the Hyflux e-mail, a lack of credible reasons for taking the relevant Import Evidence photographs to show that the alleged sales to Hyflux took place, and concerns that these photographs were not truly taken at the time of and in respect of the alleged sales, the court concluded that the third condition of credibility in the *Ladd v Marshall* test was not satisfied. As required by the *Martek* approach, the court went on to consider all the circumstances of the case, including the factors identified in *Hunt-Wesson*, even though none of the three conditions in the *Ladd v Marshall* test were fulfilled.

20.98 On the issue of prejudice, Gill J was persuaded that the respondent would be prejudiced in ways which could not be compensated by costs. One important reason was that if the court were to allow the application of the applicant to adduce further evidence, the matter would have to be remitted to the Trade Marks Registrar as it would only be fair to permit the respondent to test the credibility and relevance of the evidence through cross-examination. By remitting the matter, the final resolution of this matter would be delayed and, in the meantime, the applicant would be able to continue to sell and advertise its goods in the market by reference to the opposed application mark. This would result in two

133 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [50]–[66].

marks with “CHARLOTTE” as the dominant component being used in the marketplace owned by two different parties, and the likelihood of confusion would have been prolonged. Furthermore, the court was of the view that allowing the application would have the effect of significantly undermining the finality of litigation.

20.99 On the issue of multiplicity of proceedings, the court was unpersuaded by the applicant’s argument that if its application was refused, it would have to subsequently oppose the registration of the respondent’s unregistered logo mark based on the very further evidence sought to be adduced. The applicant had consciously decided not to respond to the respondent’s unregistered mark despite being invited to do so before the Trade Marks Registrar. As such, the court had taken the better position, which was to leave the applicant to file the Import Evidence in opposition to any future application of the respondent’s unregistered marks.

20.100 On the contrary, the need for the respondent to fight, for a second time, the opposition which it had already won before the IP Adjudicator was an important factor which the court considered that would undermine this application. In furtherance of the policy objectives of finality in litigation and the expeditious resolution of cases pending before the Trade Marks Registrar, the court ruled that admission of further evidence must be the exception rather than the norm. A holding to the contrary from the court would encourage parties to run their cases in a piecemeal fashion, which in turn would unfairly prejudice the opposing party and impose pressure on precious judicial resources of the registries and the courts. In fact, for parties seeking registration of a trade mark or patent, the court would be less inclined to grant leave to adduce further evidence after failing to obtain registration at first instance for the simple reason that “the party asserting a proprietary right in a patent or trade mark has the responsibility to put forth its entire case, including all relevant material in support thereof”.¹³⁴ As such, the applicant in *Yitai* who had failed to obtain registration of the trade mark before the Registry of Trade Marks in part because of a conscious strategy not to respond to the respondent’s unregistered mark could not be allowed to use this application to make good his failure.

20.101 Finally, on the issue of public interest, the court affirmed that the public interest in deterring parties from presenting a partial or incomplete case at first instance weighed against the admission of further evidence on appeal.

134 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [91].

20.102 In conclusion, the learned judge refused the applicant's application to adduce the Import Evidence on appeal.

(b) SCH 80 Evidence

20.103 The SCH 80 Evidence consisted of the definition of the descriptions of the respondent's products to which the marks were applied; the website illustrating the meaning of the descriptions; and sales brochures from companies around the world which sell the products.¹³⁵ These terms, such as "SCH 80", "Schedule 80" or "PVC SCH 80" (describing the respondent's products), were found in the Agru Tech-Singapore consumers invoices.¹³⁶ The applicant argued that the IP Adjudicator was wrong to hold that whilst there was no clear use of any of the respondent's unregistered marks on these invoices, the descriptions of the products to which the marks were applied corresponded with the description of products sold to Agru Tech and it was therefore clear that the respondent had goodwill in Singapore from 2013 to 2015 because there were sales conducted by the Respondent of its products during this period. On appeal, the applicant sought to adduce the SCH 80 Evidence to show that the descriptions used in the invoices were "generic terms and/or specifications which are widely used in industry"¹³⁷ and were not distinctive of the respondent's goods.

20.104 In respect of the SCH 80 Evidence, the learned judge held that the first *Ladd v Marshall* condition was satisfied on the ground that the issue whether the SCH 80 terms found in the invoices were distinctive of the respondent's good only arose on appeal. Consequently, the requirement of non-availability was satisfied as it was "reasonably not apprehended" that the SCH 80 Evidence would or could have a bearing on the case at hand. At the same time, the High Court also found that the third condition in *Ladd v Marshall* was fulfilled as it was accepted that the SCH 80 Evidence was largely publicly available information. There were no serious doubts as to its apparent credibility. However, the court was not convinced that the SCH 80 Evidence satisfied the second condition of having an importance influence on the outcome of the appeal. The distinctiveness of the descriptions used in the Agru Tech-Singapore Consumers Invoices was not a determinative identifier of the goods being sold in the invoices;

135 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [17].

136 The Agru Tech-Singapore Consumers Invoices were invoices from Agru Tech to its consumers from 2014 to 2015. These were relied upon by the respondent to show goodwill in the respondent's unregistered marks from 2013 to 2015. See *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [12].

137 *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [17].

another common identifier was the serial number tagged to each good sold by the respondent. As these serial numbers were used in both the respondent-Agru Tech invoices¹³⁸ and Agru Tech-Singapore consumers invoices, the commonality of the serial numbers therefore evidenced the fact that Agru Tech was distributing the respondent's goods in Singapore. In any event, the Agru Tech-Singapore Consumers Invoices were not necessary to sustain the finding that the respondent had goodwill from 2013 to 2015 because the sales evidenced by the respondent-Agru Tech invoices established the respondent's good will from 2013 to 2015. Given that the respondent was not disputing that the SCH 80 terms were general descriptors, Gill J concluded that the SCH 80 Evidence was unlikely to have an important influence on the outcome of the appeal.

20.105 As for the *Hunt-Wesson* factors of prejudice, multiplicity and public interest, the learned judge regarded these to be neutral to the question of whether SCH 80 Evidence ought to be admitted. In conclusion, the applicant was denied leave to adduce the SCH 80 Evidence.

20.106 Two important lessons are to be noted from *Yitai*. In the first place, parties ought to produce all relevant evidence for opposition proceedings before the Trade Marks Registrar instead of relying on the court to grant leave to adduce further evidence in an appeal. In the second place, parties must exercise discipline in drafting a clear and concise Notice of Opposition and counter-statement, stating all trade marks (registered or unregistered) to be relied upon so that the real issues in dispute are brought to light and the right evidence adduced.

D. *Digi International Inc v Teraoka Seiko Co, Ltd – Whether a co-existence agreement constitutes consent to the registration of a trade mark and oppositions of trade mark registration under grounds of confusing similarities; passing off; confusing similarities with a well-known mark; and/or bad faith*

20.107 The parties in *Digi International Inc v Teraoka Seiko Co, Ltd*¹³⁹ (“*Digi v Teraoka Seiko*”) each owned and used trade marks that comprised a common identical word, “DIGI”, in relation to their goods and services.

20.108 The appellant, a US company, is in the business of manufacturing and selling products used “wherever connection with machines

138 The Respondent-Agru Tech Invoices were invoices from the respondent to its Singapore distributor, Agru Technology Pte Ltd, on which the respondent's unregistered logo mark was printed. See *Yitai (Shanghai) Plastic Co, Ltd v Charlotte Pipe and Foundry Co* [2021] SGHC 198 at [12].

139 [2021] SGHC 165.

is required”, forming the essential layer of machine-to-machine communications, and remote monitoring and management of services. The appellant has trade mark registrations of its DIGI-related marks in many countries across the world, including Singapore. The appellant’s DIGI-related marks are registered in Classes 9, 38, 42 in the Singapore trade mark register.

20.109 The respondent is a Japanese company which sells point-of-sale equipment and systems, scales, labellers, sorting machines and systems, vending machines, and cloud and server systems. The respondent’s DIGI mark (“Respondent’s Mark (Singapore)”), which has been registered in Class 9 for “[b]alance and scale, scale equipped with printer, printer” since 18 December 1986, is as follows:



20.110 As a result of a trade mark opposition dispute in Germany, the parties entered into an agreement in 2002 (“the 2002 Agreement”). Following the 2002 Agreement, both parties withdrew their opposition and trade mark cancellation proceedings and parties agreed not to “oppose the registration, renewal and/or use of each other’s marks, covered by the 2002 Agreement, as long as each kept to a demarcated scope of goods and services specified in the 2002 Agreement”.¹⁴⁰

20.111 On its 30th anniversary, the appellant launched a rebranding campaign and gave its corporate logo a new look. The new logo (the appellant’s “Application Mark” in this case), which was to replace the mark identical to the appellant’s old mark, is as follows:



20.112 The appellant also proceeded to register and has since obtained protection of the new logo in many countries across the world including ten territories in which the respondent has also registered marks identical to the Respondent’s Mark (Singapore). The Application Mark was accepted for registration in Singapore, published on 18 August 2017 for opposition, and the respondent opposed the registration on grounds under ss 8(2)(b), 8(4)(b)(i), 8(7)(a) and 7(6) of the TMA. The IP Adjudicator allowed the respondent’s opposition under ss 8(2)(b),

140 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [10].

8(4)(b)(i) and 8(7)(a) but dismissed the ground of opposition under s 7(6) of the TMA.

20.113 The issues to be determined before the High Court were:¹⁴¹

- (a) Whether the Application Mark should be registered under s 8(9) of the TMA (*ie*, consent to registration)?
- (b) Whether the ground of opposition under s 8(2)(b) of the TMA is made out (*ie*, the application mark is similar to the registered mark)?
- (c) Whether the ground of opposition under s 8(7)(a) of the TMA is made out (*ie*, passing off)?
- (d) Whether the ground of opposition in s 8(4)(b)(i) of the TMA, read with s 8(4)(a), is made out (well known trade mark)?
- (e) Whether the ground of opposition under s 7(6) of the TMA is made out (*ie*, bad faith)?

(1) *Consent to registration – Section 8(9) of the Trade Marks Act*

20.114 Section 8(9) of the TMA provides that: “The Registrar may, in his discretion, register a trade mark where the proprietor of the earlier trade mark or other earlier right *consents* to the registration” [emphasis added]. The issue for the court’s determination was whether, by virtue of the 2002 Agreement, the respondent had given his consent for the appellant to register the Application Mark. This in turn was dependent on the scope of the applicability of the 2002 Agreement; essentially, whether the 2002 Agreement governed the registration and/or use of the trade marks which came into existence *after* the 2002 Agreement was entered into.

20.115 Dedar Singh Gill J rejected the appellant’s submission that the 2002 Agreement must be read in the context of the parties’ subsequent conduct of entering into the 2003 Canadian settlement agreement. Under this latter agreement, which was intended to implement the 2002 Agreement, parties were permitted to register close variations of the defined “DIGI” marks in Canada; as such, the appellant submitted that the 2002 Agreement must similarly cover registrations and use of close variation of the parties’ “DIGI” marks defined therein. The learned judge opined that as this was a matter of contractual interpretation,¹⁴² reference would be made to contract law principles. Although the governing law of the 2002 Agreement was German law, the High Court applied Singapore’s principles on contractual interpretation to determine the relevance, if any, of the 2003 Canadian settlement agreement to the interpretation

141 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [70].

142 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [71].

of the scope of the 2002 Agreement on the reasoning that where there is insufficient proof of the foreign law, the court may assume that the foreign law is the same as the local law.¹⁴³



20.116 Guided by the “provisional parameters” laid down by the Court of Appeal in *MCH International Pte Ltd v YG Group Pte Ltd*¹⁴⁴ that must be borne in mind when considering whether evidence of subsequent conduct is admissible in the interpretation of a contract, the High Court concluded that the 2003 Canadian settlement agreement was irrelevant to what the parties intended the scope of the 2002 Agreement to be at the time it was entered into. It was clear that in accordance with cl 6 of the 2002 Agreement, only trade marks existing at the time the agreement was concluded were covered, and the agreement was applicable on a worldwide basis. It was also undisputed that the 2003 Canadian settlement agreement only applied in Canada as evidenced clearly in cl 12 of the said agreement. On these grounds, the High Court accepted the respondent’s position that the 2002 Agreement did not govern the registration of marks that had come into existence after the 2002 Agreement was concluded. Accordingly, the 2002 Agreement did not represent the respondent’s consent to the appellant’s registration of the Application Mark under s 8(9) of the TMA.

(2) *Similar mark on identical/similar goods or services – Section 8(2)(b) of the Trade Marks Act*

20.117 The High Court applied the *Staywell (CA)* step-by-step approach in the determination of whether the grounds for opposition under s 8(2)(b) of the TMA were made out. The step-by-step approach required the court to answer (a) the marks-similarity inquiry; (b) the goods/services-similarity inquiry; and (c) the likelihood of confusion inquiry.

(a) Marks-similarity inquiry

20.118 Under the marks-similarity inquiry, the court assessed the similarity of competing marks, that is, the Application Mark and the Respondent’s Mark (Singapore):

Respondent’s earlier registered mark	Appellant’s Application Mark
	

143 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [72]–[74].
144 [2019] 2 SLR 837.

20.119 The marks-similarity assessment involves the comparison of three aspects of the marks, namely, visual, aural and conceptual similarity. The comparison is mark-for-mark wherein they are considered as a whole without taking into account any external added matter or circumstances.¹⁴⁵ This assessment is carried out from the perspective of an average consumer who would exercise some care in making his purchases albeit with imperfect recollection. The distinctiveness in the technical sense of the capacity of the respondent's earlier registered mark to function as a badge of origin certainly had a bearing on the marks-similarity inquiry and was an integral part of the visual, aural and conceptual comparison analysis. The greater the technical distinctiveness a mark enjoys, the higher the threshold before a competing sign will be considered dissimilar to it. It is also important to note that technical distinctiveness must be assessed by looking at the respondent's earlier registered mark as a whole, especially in the case of a composite mark, because while the individual components of a mark may not be inherently distinctive, the sum of its parts may have sufficient technical distinctiveness.¹⁴⁶

20.120 In the present case, the High Court held that the word component of the Respondent's Mark (Singapore), "DIGI", is a short form for "digital". As such, it was descriptive as it would intuitively be understood to denote the digital nature of the respondent's goods in the Class 9 specification of the Respondent's Mark (Singapore). Nevertheless, the High Court was of the view that individual components of the Respondent's Mark (Singapore), that is, the inverted triangle, coloured black, with white stripes that became increasingly spaced out towards the top, and the word "DIGI", considered as a whole, was inherently distinctive albeit a low degree of distinctiveness. The High Court also accepted that the respondent's earlier registered mark had acquired distinctiveness, a point which was not disputed by the appellant, on the grounds that there was a long-standing and extensive use of the Respondent's Mark (Singapore) in Singapore, both in promotional material and on actual goods sold. Therefore, whilst the word component in the Respondent's Mark (Singapore) was descriptive and the composite mark as a whole was low in inherent distinctiveness, the distinctiveness of the Respondent's Mark (Singapore) was substantially boosted through extensive and long usage.

20.121 Armed with this finding of the level of technical distinctiveness in the Respondent's Mark (Singapore), the High Court conducted a

145 See also paras 20.68–20.70 above.

146 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [86]–[87]. For a critique of technical distinctiveness, see Paul McClelland, "Technical Distinctiveness and the Step-by-step Approach" (2020) 32 SAclJ 74.

comparison analysis of the competing marks in terms of visual, aural and conceptual similarity. Both the Respondent's Mark (Singapore) and the appellant's Application Mark contained the same elements – a triangle and the word “DIGI”; thus, the overall visual impression left by each mark was highly similar and the court characterised the degree of visual similarity between the marks as fair. In terms of aural similarity, as the word component of either of the competing marks was solely “DIGI”, the court held that they were aurally identical. As for conceptual similarity, the inquiry is directed at the ideas that lie behind or inform the marks or signs in question. Even though both the competing marks contained the word “DIGI” and a triangle, the court found them to be conceptually highly similar but not conceptually identical because compared to the appellant's Application Mark, the triangle used in the Respondent's Mark (Singapore) was larger and “loomed” over the textual component. Thus, although the idea connoted by both the Respondent's Mark (Singapore) and the Application Mark would include both technology (DIGI) and the notion of a triangle, this notion was not identical as the two triangle devices were not the same.

20.122 In conclusion, the High Court found the competing marks similar.

(b) *Goods/services-similarity inquiry*

20.123 The starting point of the goods/services-similarity inquiry was a comparison between the specification for which the Respondent's Mark (Singapore) was registered and the specification for which the Application Mark was sought to be registered.¹⁴⁷ This comparison was conducted bearing in mind the *British Sugar* factors endorsed by the Court of Appeal in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd*.¹⁴⁸ The Respondent's Mark (Singapore) is registered in Class 9 for “balance and scale, scale equipped with printer, printer”¹⁴⁹ whilst the Application Mark seeks to be registered in Class 9 for a specification that is more extensive in machine-to-machine communications and remote monitoring and management of devices.

20.124 The High Court held that there was similarity between the Class 9 specification of the Respondent's Mark (Singapore) and the specifications in Classes 9, 38 and 42 in which the Application Mark was sought to be registered. One important factor in the court's consideration was the complementarity of the Applicant Mark's goods and services in the specifications in Classes 9, 38 and 42 to the respondent's Class 9 goods.

147 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [137].

148 [2013] 2 SLR 941 at [92].

149 See para 20.109 above.

It was an undisputed fact that the appellant's goods in Class 9 could be used in connection with the respondent's goods in Class 9 whenever connection with machines was required. The complementarity between the goods meant that the end users of both parties' Class 9 goods were potentially the same and that goods of Class 9 specifications from both parties bearing the competing marks would be distributed through highly similar trade channels. By the same argument, the Application Mark's services in Classes 38 and 42 were complementary to the respondent's Class 9 goods.

(c) *Likelihood of confusion inquiry*

20.125 At the final stage of the step-by-step approach, the court considered the question: given the outcomes of the marks-similarity inquiry and the goods/services-similarity inquiry, how likely would the relevant segment of the public be confused as to the origin of the disputing parties' goods and services? The relevant test in the determination of the likelihood of confusion inquiry is whether a substantial portion of the relevant public will be confused; here, "substantial" means above *de minimis*, but it is not necessary to show that a majority of the public will be confused. In an opposition proceeding, the likelihood of confusion inquiry takes into account the actual and notional fair uses of both the opponent's mark and the application mark in respect of their specifications. As a starting point, it is important to determine who the relevant public is. In this particular case, the High Court accepted that the relevant public was the general public in Singapore.¹⁵⁰

20.126 Having concluded that there were high and moderate degrees of similarity of the competing marks and their specifications respectively, the High Court went on to consider two broad factors which were critical in the IP Adjudicator's analysis of the confusion inquiry, that of mode of purchase and nature of the goods.

20.127 Gill J agreed with the IP Adjudicator that the Application Mark's goods and services and the Respondent's Mark's (Singapore) goods would be sold through both physical and online stores. For sales in physical stores, the High Court held that both visual and aural similarities between the competing marks were important factors to consider. At the same time, it was important to note that the distinctiveness of the Respondent's Mark (Singapore) had, through extensive use, been enhanced to a moderate level; as such, the differences between the triangle devices in the competing marks would not be sufficient to dispel the impression of similarity in the average consumer's mind with imperfect recollection

150 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [174].

resulting in confusion. In the case of online sales, the High Court held that it was common practice for online stores to display the mark used on the goods or in connection with the services sold. Therefore, the high degree of similarity of the composite whole of the competing marks would result in a likelihood of confusion of the public making purchases online.

20.128 As far as the nature of the goods was concerned, it was accepted that the competing marks were applied to goods in a broad price range. On one end of the spectrum would be the general public buying relatively inexpensive goods and services for household or personal use whilst the other end of the spectrum comprised more sophisticated consumers such as information technology professionals and enthusiasts spending large amounts of moneys to set up their Internet of Things, network connectivity infrastructure or hardware equipment in the office. For both these two segments of the relevant public, the High Court concluded that given the competing marks were highly similar overall and the specification of the competing marks were also similar to a moderate degree given the complementarity in their uses and similar distribution channels reaching similar end-users, there would be confusion, even if it was acknowledged by the High Court that the degree of confusion for the more sophisticated segment may be lower than that of the general public purchasing relatively inexpensive goods and services for household or personal use.¹⁵¹

20.129 The opposition grounds under s 8(2)(b) of the TMA were thus made out.

(3) *Opposition under section 8(7)(a) of the Trade Marks Act – Passing off*

20.130 It is trite law that to succeed on the ground of opposition under s 8(7)(a) of the TMA, the opposing party, that is, the respondent here, must establish the three elements of passing off: (a) goodwill; (b) misrepresentation; and (c) likelihood of damage to goodwill.

20.131 With respect to the first element of goodwill, the Gill J reiterated the definition of goodwill and that it is often proved by evidence such as the trader's sales and expenses incurred in promoting the goods or services for which his mark is applied on.¹⁵² The court agreed with the finding of the IP Adjudicator that the evidence of the Respondent's Singapore subsidiary sales and expenses incurred in promoting the goods

151 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [187]–[188].

152 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [197].

and services in connection with the Respondent's Mark (Singapore) in Singapore was sufficient to establish its goodwill in Singapore.¹⁵³

20.132 In relation to the second element of misrepresentation, the High Court first found that the threshold requirement of distinctiveness of the Respondent's Mark (Singapore) was met given that it has acquired a moderate degree of distinctiveness through long and extensive use. As such, the respondent's goodwill was sufficiently associated with the Respondent's Mark (Singapore). As a result of the respondent's goodwill being sufficiently associated with the Respondent's Mark (Singapore) and the similarity between the Respondent's Mark (Singapore) and the Application Mark, the appellant's goods and services would be held out to be or be connected with the respondent's business, thereby giving rise to a misrepresentation that the appellant's goods and services and the respondent's goods emanated from the same source.

20.133 The next question to be addressed by the court under this second element in passing off was whether the misrepresentation would lead to confusion amongst ordinary sensible members of the relevant public causing damage to the respondent's goodwill. It was evident that there existed a high degree of similarity in the nature of the parties' goods and services, and an overlap in the industries they targeted and the highly similar trade channels through which their goods and/or services were distributed. These factors, coupled with the high degree of similarity of the competing marks, led the court to conclude that there was a likelihood of confusion amongst the relevant public; as such, the element of misrepresentation was made out.¹⁵⁴

20.134 With regard to the third and final element of likelihood of damage to the respondent's goodwill, the court agreed with the IP Adjudicator that there was a real tangible risk of the respondent's goodwill being adversely affected through a diversion of custom given that competing marks were similar, the products covered by the competing marks were similar, and that there existed a likelihood of confusion as a result of the misrepresentation.

20.135 In conclusion, the ground of opposition under s 8(7)(a) of the TMA was made out.

153 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [198].

154 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [213].

(4) *Opposition under s 8(4)(b)(i) of the Trade Marks Act – Identical/similar sign with an earlier well-known mark that indicates a connection*

20.136 There was no dispute with regard to the Respondent's Mark (Singapore) being a well-known mark in Singapore as this was not challenged by the appellant on appeal. Given that there was no substantial difference between the sign/marks-similarity analysis necessary in s 8(4)(b)(i) and that in s 8(2)(b) of the TMA, the High Court concluded that the Application Mark and the Respondent's Mark (Singapore) were similar to a high degree and affirmed the IP Adjudicator's findings. In terms of the requirements for a "connection" between the goods or services of the appellant and the respondent as well as the likelihood of damage to the interests of the respondent, the High Court confirmed that the applicable tests were those under the elements of misrepresentation and damage in passing off respectively. Based on its earlier analysis in s 8(7)(a) of the TMA, the court concluded that the elements of connection and likelihood of damage in s 8(4)(b)(i) were also satisfied.

20.137 The grounds of opposition under s 8(4)(b)(i) were made out.

(5) *Bad faith – Section 7(6) of the Trade Marks Act*

20.138 At first instance, the IP Adjudicator had dismissed the respondent's submissions under s 7(6) of the TMA that the appellant's application to register the Application Mark was made in bad faith and, accordingly, it should not be registered.

20.139 The respondent argued that by seeking registration of the Application Mark, the Appellant had acted in a manner contrary to the spirit of the 2002 Agreement, even if not in breach of its terms. In particular, the respondent asserted that the appellant should have known that the respondent would likely have objected to the Application Mark given that it was more similar to the Respondent's Mark (Singapore) and that the appellant is applying for registration in respect of specifications beyond the limits permitted by the 2002 Agreement. Furthermore, the respondent argued that bad faith was evidenced by the appellant's amendment to the specifications of goods in Class 9 to replace the words "computer printer servers" with "none of the aforementioned goods relating to balance and scale, scale equipped with printer, printer", which was done late, and the appellant had begun trading in contravention to the amendment.

20.140 The IP Adjudicator held that there was no requirement under the 2002 Agreement for the parties to inform or consult with each other if a new DIGI related mark was developed, and further rejected the argument

that the 2002 Agreement prohibited parties from adopting a new mark which was more similar to the other party's mark for goods and services beyond the demarcated limits of the 2002 Agreement.

20.141 Gill J first reiterated the main principles in finding bad faith¹⁵⁵ and emphasised the importance of cogent evidence being required before a finding of bad faith is made. Based on the evidence adduced before the court, Gill J was not satisfied that the subjective limb of the test for bad faith was made out on the ground that it was proven that the appellant knew that the respondent was likely to oppose the registration or that it lacked a right to register the Application Mark. This point was further buttressed by the fact that the appellant had already registered a variety of trade marks incorporating the word "DIGI" in Singapore, that were different from the appellant's old mark, without any opposition from the Respondent.

20.142 This was a case in which the appellant honestly believed, albeit mistakenly, that it had a right to register the Application Mark, and the respondent had not been successful in proving otherwise. Furthermore, it was the appellant's belief too that the Application Mark's specification fell within the broad umbrella terms of "data processing devices and computer" in the 2002 Agreement and that they did not include goods and services concerning weighing and measuring devices; thus, the Application Mark's specification did not encroach on the respondent's specified goods and services. Finally, the court was also not convinced that the appellant was trading in contravention of the appellant's Class 9 amendment as there was no evidence that the brochures featuring goods and/or services bearing the Application Mark had been reviewed or distributed in Singapore, or of sales in Singapore of the goods and/or services featured in those brochures.

20.143 Accordingly, the opposition ground in s 7(6) of the TMA was not made out.

155 *Digi International Inc v Teraoka Seiko Co, Ltd* [2021] SGHC 165 at [233].

III. Patents

A. **Kiri Industries Ltd v Senda International Capital Ltd – *Impact of expiration of patents on valuation of shares in a company***

20.144 *Kiri Industries Ltd v Senda International Capital Ltd*¹⁵⁶ (“Kiri”) is a judgment from the Singapore International Commercial Court (“SICC”) on the adjustments to be made in the interim valuation of shares in a private limited company – DyStar Global Holdings (Singapore) Pte Ltd (“DyStar”) – which was previously determined by the SICC in *Kiri Industries Ltd v Senda International Capital Ltd*¹⁵⁷ (“the Valuation Judgment”). It had been held by the SICC that Senda International Capital Ltd (“Senda”) had engaged in instances of oppressive conduct against Kiri Industries Ltd (“Kiri”) and accordingly, Senda was ordered to purchase Kiri’s shares in DyStar. The valuation date was to be the date of the judgment, that is, 2 July 2018, which was not disputed.

20.145 In the Valuation Judgment, the SICC found DyStar’s equity value as at the valuation date to be US\$1,636m subject to the nine adjustments; the parties’ experts were directed to submit a joint report setting out their points of agreement and disagreement in the joint revised valuation of DyStar after considering the nine adjustments. The proceedings before the SICC in *Kiri* were to address the effect of the nine adjustments on the interim valuation of DyStar.

20.146 For the purposes of this case review, the focus will be on the impact on the expiration of DyStar’s various patents, namely the Orange 288 patent and the Indigo 40% patents (collectively “DyStar’s patents”) on the valuation of DyStar.

20.147 The SICC was to determine the following two issues¹⁵⁸ on which the parties disagreed:

- (a) ... whether the expiry of [DyStar’s patents] would have finite or perpetual impacts on DyStar; and
- (b) ... how such finite or perpetual impacts should be quantified and incorporated in DyStar’s final valuation?

156 [2021] 5 SLR 1.

157 [2021] 3 SLR 215.

158 *Kiri Industries Ltd v Senda International Capital Ltd* [2021] 5 SLR 1 at [42].

(1) *DyStar's patents – A finite or perpetual impact?*

20.148 Senda submitted that the expiration of DyStar's patents ought to be modelled into perpetuity in DyStar's valuation whereas Kiri argued that the impact of the expiration was for a finite period only. The difference in the impact of DyStar's patents on DyStar's Enterprise Value ("EV") and its maintainable earnings before interest, taxes, depreciation and amortisation ("EBITDA") was substantial, which in turn affected the final valuation of DyStar. Senda's assessed impact was US\$228.8m to EV compared to Kiri's impact, assessed at US\$72.5m to EV.

20.149 The SICC held that the expiration of the DyStar patents ought to have a finite impact. One important reason for the SICC's decision was that the evidence did not support a perpetual impact on DyStar's maintainable EBITDA. In fact, the evidence supported a conclusion to the contrary: that the expiration of DyStar's patents had a finite impact. In particular, the impact as regards the expiry of DyStar's patents on DyStar's finances was projected on a five-year basis by Senda and no further. As there was no clear evidence supporting the parties' submissions either way, the SICC opined that the preferred conclusion was "one that comports with common and commercial sense".¹⁵⁹ This meant that if the expiration of relevant patents were commercially significant to DyStar, this would surely have spurred DyStar in its research and development efforts to ensure that it retained a competitive edge, and it would not be logical for Senda to suggest that DyStar's research and development efforts would not be targeted at replacements. The SICC therefore concluded that the absence of evidence on contingency measures on the part of DyStar supported the argument that the expiration of the DyStar patents "would have **an impact** on DuStar's maintainable EBITDA, which must be factored into DyStar's valuation" [emphasis in original].¹⁶⁰ The SICC accepted this, but it did not go so far as to further substantiate Senda's assertion that "the impact of the expiration of the Patent and the Indigo 40% patents *would extend into perpetuity*" [emphasis in original].¹⁶¹

(2) *Quantification and incorporation of the finite impact into DyStar's valuation*

20.150 With regard to this issue, the parties had different methodologies, but it was undisputed by both parties that of the two methodologies, only the discounted cash-flow ("DCF") method advocated by Kiri allowed a finite impact of the expiry of the DyStar patents to be modelled. Senda,

159 *Kiri Industries Ltd v Senda International Capital Ltd* [2021] 5 SLR 1 at [47].

160 *Kiri Industries Ltd v Senda International Capital Ltd* [2021] 5 SLR 1 at [48].

161 *Kiri Industries Ltd v Senda International Capital Ltd* [2021] 5 SLR 1 at [48].

on the other hand, was of the view that the impact ought to be perpetual and consequently adopted the comparable companies market approach resulting in a US\$228.8m impact. No alternative model and figure was offered by Senda on the basis that the impact of the expiration of the DyStar patents was finite.

20.151 The SICC, in arriving at the conclusion that Kiri's DCF method and thus the figure of US\$72.5m were the correct method and assessed quantum respectively, also addressed the criticism levied at the seemingly inconsistent approaches taken by Kiri in determining the impact of other adjustments to be made such as the country risk premium on DyStar's valuation (for which the comparable companies or market approach was adopted) and in the computation of the impact of DyStar's patents (for which the DCF method was adopted). The SICC accepted Kiri's submission that the impact of the expiration of DyStar's patents would affect the market approach EVs derived but since the impact was a finite one as opposed to a perpetual one, it was necessary to adopt the DCF method to arrive at a figure which could then be incorporated by way of deduction. This represented a compromised approach¹⁶² which the SICC found to be the best available means to striking a fair figure that reflected the SICC's view that the expiry of DyStar's patents had a finite impact on DyStar's valuation.

20.152 Consequently, the SICC held that DyStar's valuation would be adjusted for the impact of the expiry of DyStar's patents to the quantum of US\$72.5m.

162 *Kiri Industries Ltd v Senda International Capital Ltd* [2021] 5 SLR 1 at [53]–[54].