

Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co
Ltd and Another and Another Appeal
[2009] SGCA 9

Case Number : CA 58/2008, 65/2008
Decision Date : 02 March 2009
Tribunal/Court : Court of Appeal
Coram : Chao Hick Tin JA; Andrew Phang Boon Leong JA; V K Rajah JA
Counsel Name(s) : Tan Tee Jim SC, Christopher de Souza, Ng Guan Zhen and Zheng Shaokai (Lee & Lee) for the appellant in Civil Appeal No 58 of 2008 and the respondent in Civil Appeal No 65 of 2008; M Ravindran, Heng Su Lin Vicki and Sukumar Karuppiah (Ravindran Associates) for the first respondent in Civil Appeal No 58 of 2008 and the appellant in Civil Appeal No 65 of 2008; Lau Kok Keng and Low Wei Ling Wendy (Rajah & Tann LLP) for the second respondent in Civil Appeal No 58 of 2008
Parties : Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd — Qinghai Xinyuan Foreign Trade Co Ltd; YCT Import & Export Pte Ltd

Civil Procedure – Costs – Principles – Exercise of court's discretion as to costs was that where there were two (or more) co-defendants – General rule that only one set of costs would be payable – Separate costs where reasonable grounds had been shown for severance of defences – Whether reasonable grounds existed for severance of defences – Order 59 r 3(2) Rules of Court (Cap 322, R 5, 2006 Rev Ed)

Civil Procedure – Declaratory order – Power to grant declaration – Power to grant declaration as to criminal consequences of conduct – Exercise of discretion to grant declaration as to criminal consequences of conduct – General rule that court would be slow to grant declaration unless circumstances were exceptional – Whether or not exceptional circumstances existed – Order 15 r 16 Rules of Court (Cap 322, R 5, 2006 Rev Ed)

Copyright – Declaratory order – Declaration sought that any copyright in various labels did not subsist in favour of defendants and that plaintiff had not infringed any such copyright – Whether declaration ought to have been given

Courts and Jurisdiction – Declaratory order – Jurisdiction of court to grant declaration – Jurisdiction to grant declaration as to criminal consequences of conduct – Exercise of discretion to grant declaration as to criminal consequences of conduct – General rule that court would be slow to grant declaration unless circumstances were exceptional – Whether or not exceptional circumstances existed – Order 15 r 16 Rules of Court (Cap 322, R 5, 2006 Rev Ed)

Trade Marks and Trade Names – Invalidity – Registration criteria – Capable of distinguishing – Whether opposed mark was capable of distinguishing – Customary mark – Whether opposed mark was customary – Bad faith – Whether opposed mark was registered in bad faith – Fraud and misrepresentation – Whether registration of opposed mark had been obtained by fraud or misrepresentation – Residual discretion not to grant relief where grounds for revocation and/or invalidation had been made out – Sections 7(1)(a), 7(1)(d), 7(6), 23(1) and 23(4) Trade Marks Act (Cap 332, 2005 Rev Ed)

Trade Marks and Trade Names – Revocation – Genuine use for five years following registration – Whether there had been genuine use of opposed mark – Non-use for uninterrupted period of five years – Whether there had been use of opposed mark – Common name in the trade – Whether opposed mark had become common name in the trade – Residual discretion not to grant relief where grounds for revocation and/or invalidation had been made out – Sections 22(1)(a), 22(1)(b) and 22(1)(c) Trade Marks Act (Cap 332, 2005 Rev Ed)

Chao Hick Tin JA (delivering the judgment of the court):

Introduction

1 This judgment relates to an appeal (*viz*, Civil Appeal No 58 of 2008 (“the Appeal”)) and a cross-appeal (*viz*, Civil Appeal No 65 of 2008 (“the Cross-Appeal”)) against the decision of the High Court judge (“the Judge”) in Originating Summons No 2038 of 2006 (“the Originating Summons”) (see *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2008] 3 SLR 296 (“the Judgment”)).

2 The appellant in the Appeal was the plaintiff in the Originating Summons (“the Plaintiff”). The first respondent in the Appeal was the first defendant in that action (“the First Defendant”); it is also the proprietor of two trade marks bearing the “rooster flower” (*ie*, a picture of a rooster within a stylised flower border). Both trade marks are registered in respect of, *inter alia*, cordyceps. One of the trade marks is registered in the Registry of Trade Marks, Singapore (“the Opposed Mark”). The other trade mark is registered in the Trade Marks Office of the People’s Republic of China (“the China Mark”). The second respondent in the Appeal was the second defendant in the Originating Summons (“the Second Defendant”); it is also the exclusive licensee of the Opposed Mark in Singapore. As will be seen (at, *inter alia*, [16] below), marks bearing the “rooster flower” have been used in the cordyceps trade even before the registration of the China Mark and the Opposed Mark. To avoid confusion, we shall in this judgment use the term “the Rooster Sign” to refer generically to any sign or mark featuring the “rooster flower” (whether or not registered as a trade mark) *other than* the China Mark and the Opposed Mark.

3 On 29 November 2005, search warrants premised on the First Defendant’s registration of the Opposed Mark were executed against the Plaintiff. As a result of the raid, cordyceps in the Plaintiff’s possession bearing marks identical and/or similar to the Opposed Mark were seized. On 5 May 2006 and 11 May 2006, under the authority of fiats granted by the Attorney-General’s Chambers, charges under the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the current TMA”) and the Copyright Act (Cap 63, 2006 Rev Ed) were filed against the Plaintiff and some of its directors (“the Plaintiff’s directors”) via private summonses (“the Private Summonses”).

4 Approximately six months later, on 1 November 2006, the Plaintiff applied by way of the Originating Summons for the registration of the Opposed Mark to be revoked and/or invalidated. The Plaintiff also sought a declaration that any copyright in various labels relating to the Opposed Mark (“the Labels”) did not subsist in favour of either the First Defendant or the Second Defendant and that the Plaintiff had not infringed any such copyright (“the Declaration”).

5 The Judge dismissed the prayers for revocation and invalidation of the registration of the Opposed Mark, but granted the Declaration (albeit limited to the First Defendant). The Plaintiff has appealed to this court (via the Appeal) against the Judge’s dismissal of the prayers for revocation and invalidation, while the First Defendant has appealed to this court (via the Cross-Appeal) against the Judge’s grant of the Declaration. To facilitate the reading of this judgment, we set out below the schematic arrangement of its contents:

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The factual matrix

6 The *dramatis personae* in the Originating Summons are companies involved in the business of traditional Chinese medicines in general and cordyceps in particular. The Plaintiff and the Second Defendant are companies registered in Singapore. The First Defendant is a company registered in the People’s Republic of China (“the PRC”), and it has described itself as the PRC’s largest producer and exporter of cordyceps, accounting for 80% of the exports of the product.

7 The First Defendant is the owner of the Opposed Mark and the China Mark, which, as mentioned earlier (see [2] above), are registered in Singapore and the PRC respectively for cordyceps (amongst other products). According to the First Defendant, this was how it derived proprietorship of the Opposed Mark and the China Mark:

(a) After trade mark registration was introduced in the PRC on 1 March 1983, the Qinghai branch of China National Cereals, Oils & Foodstuffs Corp (“Qinghai Cofco”) applied on 29 October 1984 to register the Rooster Sign as a trade mark. There was no opposition to the application and the Rooster Sign was registered in the PRC on 15 June 1985 as Trade Mark No 227740 (*ie*, the China Mark). In 1989, the rights in the China Mark were assigned by Qinghai Cofco to Qinghai Medicines & Health Products Import & Export Corp (“Qinghai Meheco”); the assignment was subsequently approved and recorded in the Trade Marks Office of the PRC on 28 September 1995.

The rights in the China Mark were later assigned by Qinghai Meheco to the First Defendant by way of two agreements dated 10 February 1999 and 14 August 2000 respectively, and the assignment was approved and recorded by the Trade Marks Office of the PRC on 28 October 2000. On the legitimacy of the registration of the China Mark and the subsequent assignments of the rights in that trade mark, the First Defendant has in these proceedings declared that:[\[note: 1\]](#)

Since its registration more than 20 years ago, the China ... Mark has never been challenged by any party on any ground. No allegation has ever been made in [the PRC] that copyright in the [China Mark] ... does not subsist in favour of the [First Defendant].

(b) On 6 September 1995, Qinghai Meheco applied to register the Rooster Sign at the Registry of Trade Marks, Singapore. The registration was opposed by a partnership, Wing Thye Loong, but the opposition was successfully resisted (see *Qinghai Medicines & Health Products Import and Export Corp v Wing Thye Loong* [2001] SGIPOS 2 (“*Wing Thye Loong*”)) and a certificate recording the registration of the Rooster Sign in Singapore as Trade Mark No T9508502Z (*ie*, the Opposed Mark) was issued on 27 August 2001, with the registration backdated to take effect from 6 September 1995.

(c) Subsequently, the Opposed Mark went through two assignments. It was first assigned on 30 March 2001 by Qinghai Meheco to the First Defendant and another entity, Qinghai Yixin Medicines Ltd (“Qinghai Yixin”), under a joint acquisition agreement (“the Joint Acquisition Agreement”). Subsequently, on 28 May 2003, Qinghai Yixin assigned its rights in the Opposed Mark to the First Defendant. On 12 August 2005, the First Defendant, notwithstanding that it had become the sole owner of the Opposed Mark by then, and Qinghai Yixin applied to the Registry of Trade Marks, Singapore, to be registered as the joint proprietors of the Opposed Mark. Subsequently, on 13 March 2006, the First Defendant applied to transfer the Opposed Mark to its sole name. A “Certificate of Subsequent Proprietor” recording the First Defendant’s sole proprietorship of the Opposed Mark, backdated to 30 May 2003, was issued by the Registrar of Trade Marks on 8 June 2006.

8 On or about 25 July 2005, the First Defendant granted Yu Ceng Trading Pte Ltd (“Yu Ceng”) an exclusive licence to use the Opposed Mark. On or around 20 August 2006, Yu Ceng’s licence was novated in favour of a related company, *viz*, the Second Defendant. Prior to the novation, the First Defendant decided in 2005 to take enforcement action against the sale of cordyceps which were not permitted to bear the Opposed Mark (“unauthorised cordyceps”). On 16 November 2005, the First Defendant issued a letter of authorisation to Yu Ceng permitting the latter to take “such steps as [might] be necessary to protect and enforce the [Opposed] Mark”.[\[note: 2\]](#) Before taking any enforcement action, the First Defendant, through its representatives in Singapore, cautioned the public at large against buying unauthorised cordyceps by sending out more than 600 letters dated 6 September 2005 (one of which was received by the Plaintiff) and placing half-page advertisements in *Shin Min Daily News* and *Lianhe Wanbao* on 8 September 2005.

9 On 29 November 2005, Yu Ceng applied for and obtained search warrants to search the Plaintiff’s premises for unauthorised cordyceps. The search warrants were executed against the Plaintiff on the same day and, as mentioned earlier (at [3] above), cordyceps in the Plaintiff’s possession bearing marks identical and/or similar to the Opposed Mark were seized. The cordyceps which were seized had an approximate value of \$4.8m. Some of the seized cordyceps were later returned to the Plaintiff; the cordyceps which were returned had an approximate value of about \$1.8m.

10 On 5 May 2006 and 11 May 2006, under the authority of fiats granted by the Attorney-General's Chambers, charges under the current TMA and the Copyright Act were filed against the Plaintiff and the Plaintiff's directors via the Private Summonses. The charges under the Copyright Act concerned the copyright in the Labels.

11 On 1 November 2006, the Plaintiff applied by way of the Originating Summons to, *inter alia*, revoke and/or invalidate the registration of the Opposed Mark. It also sought a declaration (*ie*, the Declaration) that the copyright in the Labels, which was the subject matter of the charges under the Copyright Act, was not owned by either the First Defendant or the Second Defendant and that the Plaintiff had not infringed the said copyright. Specifically, the Plaintiff asked for: [\[note: 3\]](#)

1. an Order that Trade Mark Registration No. T9508502Z [*ie*, the Opposed Mark] ... be revoked pursuant to section 22(1) of the Trade Marks Act (Cap. 332) ("the Act") [*ie*, the current TMA] as from 15 November 2005 or such other date as this Honourable Court may deem fit;
2. further or alternatively, an Order that Trade Mark Registration No. T9508502Z ... be declared invalid pursuant to section 23(1), (3)(b) and/or (4) of the Act;
3. a Declaration that any copyright in each of the [L]abels ... or in any literary or artistic work in each of the said labels does not subsist in favour of the [First Defendant and the Second Defendant] or any of them and that the Plaintiff has not infringed the copyright (if any) ...

For ease of reference, we shall hereafter use (where appropriate) the terms "Prayer 1", "Prayer 2" and "Prayer 3" to denote, respectively, the first, the second and the third of the prayers reproduced above.

12 One day after filing the Originating Summons, the Plaintiff also filed Criminal Revision No 17 of 2006 ("the Criminal Revision") for, *inter alia*, the dismissal of the Private Summonses. One of the grounds given by the Plaintiff was that the charges in the Private Summonses did not disclose the commission of any offence.

13 On 27 June 2007, a few days before the hearing of the Originating Summons (which was scheduled to start on 2 July 2007), the First Defendant filed Summons No 2766 of 2007 ("the Summons") for, *inter alia*, Prayer 3 of the Originating Summons (*ie*, the prayer for the Declaration) to be struck out. The Judge, however, refused to grant the application.

The Plaintiff's submissions in the High Court

14 In its submissions before the Judge, the Plaintiff explained that in the past, when the PRC operated a centrally-controlled economy, cordyceps came from or were supplied by only a single state-owned company, namely, China National Native Produce and Animal By-Products Import & Export Corporation ("China Tuhsu"). This company was the PRC's first comprehensive state-owned foreign trade company engaged in the trade of, *inter alia*, native produce, animal by-products, tea and processed goods. In the 1950s, China Tuhsu established various provincial branch companies. The main provincial branch companies dealing in cordyceps included Guangdong Tuhsu, Sichuan Tuhsu and Qinghai Tuhsu. Of these companies, only Guangdong Tuhsu was authorised by China Tuhsu to obtain purchase orders from overseas buyers.

15 Sometime in the 1980s, with the liberalisation of the PRC's economy, China Tuhsu's other provincial branch companies, such as Sichuan Tuhsu and Qinghai Tuhsu, were also allowed to directly sell and export cordyceps to overseas buyers. Subsequently, other state-owned foreign trade

companies, such as the Foreign Trade Import & Export Corporation of Tibet Autonomous Region, China National Cereals, Oils and Foodstuffs Corp ("China Cofco") and China Medicines and Health Products Import & Export Corporation ("China Meheco"), as well as the provincial branch companies of China Cofco and China Meheco (such as Qinghai Cofco and Qinghai Meheco respectively) were likewise permitted to deal directly with overseas buyers.

16 According to the Plaintiff, the Rooster Sign had been the mark used in the PRC since the 1950s (when there was as yet no system for the registration of trade marks) by all the Chinese cordyceps-exporting companies for their cordyceps. The cordyceps which were imported from the PRC and sold in Singapore had labels bearing the Rooster Sign, except for cordyceps sold unpackaged, which did not have any labels affixed on them. As all the Chinese cordyceps-exporting companies used the Rooster Sign for their products, they would compete with each other:[\[note: 4\]](#)

... in other respects, such as price, quality of service and relationship. Each of the companies would claim that its cordyceps were of a better quality than those from another company or another province. Hence, in order to distinguish the cordyceps of one company from those of another, they [*ie*, the Chinese cordyceps-exporting companies] would indicate in the labels the particular provincial company which supplied the cordyceps concerned.

17 The Plaintiff stated that the registration of the Rooster Sign in the PRC as a trade mark (*ie*, as the China Mark) came as a surprise to the Chinese cordyceps-exporting companies (other than Qinghai Cofco and Qinghai Meheco) as it had been obtained without their prior knowledge or consent. The registration of the China Mark was announced for the first time in June 1995 in Xining at a meeting of the main Chinese cordyceps-exporting companies ("the Xining Meeting"). This meeting was organised by the Chamber of Commerce for Import/Export of Medicine & Health Products ("the China Chamber of Commerce"), a body set up by the Ministry of Foreign Trade and Economic Cooperation to regulate the export of cordyceps and address the emergence of disorderly competition amongst Chinese cordyceps-exporting companies following market liberalisation.

18 The Plaintiff's case *vis-à-vis* revocation of the registration of the Opposed Mark was, firstly, that the registration should be revoked pursuant to ss 22(1)(a) and 22(1)(b) of the current TMA due to lack of use of the Opposed Mark. Section 22(1) provides that:

The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, [the trade mark] has not been put to genuine use in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use ...

The Plaintiff argued that these provisions entailed that "a registered trade mark must be used as a *trade mark* (that is, to indicate the origin or source of the goods or services in question)"[\[note: 5\]](#) [emphasis in original]. As for whether the Opposed Mark had been put to such use, the Plaintiff stated:[\[note: 6\]](#)

[T]here was no such use in respect of the [Opposed] Mark for the period of 5 years since the date of completion of the registration procedure (27 August 2001). [The Plaintiff's] evidence is that the [Rooster Sign] has been used in Singapore since the 1950s in relation to cordyceps

imported from [the PRC] and has been perceived as such and that the use was not (and was not perceived to be ...) to distinguish the cordyceps of one company or undertaking from another. Each of the Chinese provincial companies [put] its own name as well as the name of its [*sic*] on the labels to distinguish its cordyceps from another company's. Such use continued during the said 5-year period.

19 The Plaintiff also asserted that the registration of the Opposed Mark should be revoked under s 22(1)(c) of the current TMA, which provides that the registration of a trade mark may be revoked if "in consequence of [the] acts or [the] inactivity of the proprietor, [the trade mark] has become the common name in the trade for the product or service for which it is registered". The Plaintiff elaborated:[\[note: 7\]](#)

26. ... [T]he Rooster [Sign] and Rooster labels [*ie*, labels featuring the Rooster Sign] have been openly used in Singapore since at least the 1950s in relation to cordyceps from the various Chinese provincial companies. Both Qinghai Meheco and the [First] Defendant ... were at all material times well aware of the use. ...

27. ... [T]he Rooster [Sign] was, and still is, commonly associated by cordyceps traders and customers in Singapore as denoting cordyceps from [the PRC]. In particular, they do not associate the Rooster [Sign] with any particular trader or source. They do not consider it to be a mark which distinguishes the cordyceps of one trader from those of another. Whenever they see the Rooster [Sign], mention it (verbally or otherwise) or hear it, they would intuitively have in mind cordyceps imported from [the PRC].

20 As regards invalidation of the registration of the Opposed Mark, the Plaintiff's case was presented under four heads. The first was that at the time of Qinghai Meheco's application to register the Rooster Sign as a trade mark in Singapore, it was customary to use that sign to denote cordyceps imported from the PRC. As such, the registration of the Opposed Mark should be invalidated under s 23(1) of the current TMA, which allows for the invalidation of (*inter alia*) "trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade" (see s 7(1)(d) of the current TMA).

21 The second ground relied on by the Plaintiff was that as a result of the extensive use of the Rooster Sign since the 1950s, the Opposed Mark (which featured the Rooster Sign) was not capable of distinguishing the cordyceps of one supplier from those of another supplier and therefore could not be considered to be a "trade mark", which is defined in s 2(1) of the current TMA as:

... any sign capable of being represented graphically and which is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person ...

For this reason, the Plaintiff submitted, the registration of the Opposed Mark should be invalidated under s 23(1), which allows the registration of (*inter alia*) "signs which do not satisfy the definition of a trade mark in section 2(1)" (*per* s 7(1)(a)) to be invalidated.

22 The third limb of the Plaintiff's case *vis-à-vis* invalidation of the registration of the Opposed Mark was that the registration should be invalidated pursuant to s 23(1) of the current TMA because the application to register that mark had been "made in bad faith" (see s 7(6) of the current TMA). In this regard, the Plaintiff contended that Qinghai Meheco's application in September 1995 to register the Rooster Sign in Singapore (*ie*, the application which led to the Rooster Sign being registered in Singapore as the Opposed Mark) had been made in bad faith because Qinghai Meheco did not have

the exclusive right to use the Rooster Sign then in so far as other Chinese cordyceps-exporting companies, including Sichuan Meheco, Chongqing Meheco and Guangdong Meheco, were also supplying cordyceps bearing the Rooster Sign to Singapore.

23 The fourth head which the Plaintiff relied on was that there had been fraud and/or misrepresentation in the registration of the Opposed Mark. Pursuant to s 23(4) of the current TMA:

The registration of a trade mark may be declared invalid on the ground of fraud in the registration or [on the ground] that the registration was obtained by misrepresentation.

The Plaintiff averred that there had been fraud and/or misrepresentation on the part of the First Defendant in obtaining the registration of proprietorship of the Opposed Mark in, first, the First Defendant's and Qinghai Yixin's joint names and, subsequently, the First Defendant's sole name. According to the Plaintiff (see [25] of the Judgment):

[T]here were indeed untrue statements made by the [First] Defendant to [the Registrar of Trade Marks]. Specifically, [the First Defendant] misrepresented and failed to disclose material facts and documents to [the Registrar of Trade Marks] on 2 occasions:

- (1) when the [First] Defendant and Qinghai Yixin applied to be registered as the proprietors [of the Opposed Mark] in August 2005; and
- (2) when [the First Defendant] applied to be registered as the only proprietor in March 2006.

In particular, [the First Defendant] materially misrepresented and/or failed to disclose material facts and documents to [the Registrar of Trade Marks] relating to its proprietorship of the [Opposed Mark] (or, rather, the lack thereof).

24 With regard to the Declaration, the Plaintiff submitted that there was no evidence that copyright in the Labels subsisted in Singapore in favour of the First Defendant and/or the Second Defendant.

The decision of the Judge

25 Although the Plaintiff chose to begin the proceedings by way of an originating summons, the Judge ordered the deponents of the affidavits filed by the respective parties to be available for cross-examination. Over the course of nine days, 17 witnesses were called upon to testify.

26 On 9 April 2008, in a reserved judgment (*ie*, the Judgment), the Judge dismissed the Plaintiff's application to revoke and/or invalidate the registration of Opposed Mark, but granted the Declaration *vis-à-vis* the First Defendant. In the main, the Judge held as follows:

(a) The registration of the Opposed Mark could not be revoked under ss 22(1)(a) and 22(1)(b) of the current TMA. The Plaintiff's contention, *viz*, that the Opposed Mark had not actually functioned as a trade mark after its registration as it was the common name in the trade, "[could not] constitute [an argument on] non-use or suspension of use, and relate[d] [instead] to the effect of the use of the mark, which should be considered under the application to invalidate the registration" [emphasis in original] (see [19] of the Judgment).

(b) The registration of the Opposed Mark could not be revoked under s 22(1)(c) of the

current TMA as, *inter alia* (see [16] of the Judgment):

On the [P]laintiff's case, the [Rooster Sign] was the common name in the trade for cordyceps as early as the 1950s, and certainly by the 1980s, and it could not possibly have become the common name as a consequence of [the] acts or [the] inactivity of the [F]irst [D]efendant or its predecessors in title.

(c) The registration of the Opposed Mark could not be invalidated under s 7(1)(d) read with s 23(1) of the current TMA as the evidence did not show that the Rooster Sign had become generic or "customary in the current language or in the bona fide and established practices of the trade" (*per* s 7(1)(d)). This was because the evidence showed that the word "Rooster" by itself, without reference to cordyceps, was not understood to refer to cordyceps from the PRC, and "the 'Rooster' mark or brand [was] not synonymous [with] cordyceps in the way 'thermos' [was] synonymous [with] vacuum flasks" (see [33] of the Judgment).

(d) The registration of the Opposed Mark could not be invalidated under s 7(6) read with s 23(1) of the current TMA. With the registration of the Rooster Sign in the PRC (as the China Mark) in 1985 in favour of Qinghai Cofco (the predecessor in title of Qinghai Meheco), other Chinese cordyceps-exporting companies had no right to use the Rooster Sign (see [53] of the Judgment). The Judge elaborated (*ibid*):

When Qinghai Meheco applied to register the [Rooster Sign] in Singapore in 1995 on that basis and against that background, the application was open to opposition by ... [other Chinese cordyceps-exporting companies]. It may be that if a proper opposition [had been] put up, the application might not have been approved, but that cannot mean that the application was made in bad faith in the first place.

(e) The registration of the Opposed Mark could not be invalidated under s 23(4) of the current TMA. While the Plaintiff's application was to have the registration of *the Opposed Mark* invalidated, the complaint of fraud and/or misrepresentation in fact related to the registration of the two *assignments of the Opposed Mark* (see sub-para (c) of [7] above), which was a completely different matter altogether (see [26] of the Judgment). Such a complaint, the Judge held, was outside the scope of s 23(4) (*ibid*). In any event, on the available evidence, the Plaintiff had not proved that the applications to register those assignments were affected by fraud and/or misrepresentation (see [60] of the Judgment).

(f) The registration of the Opposed Mark could, however, be invalidated pursuant to s 23(1) read with s 7(1)(a) of the current TMA as the Opposed Mark was a mark "which [did] not satisfy the definition of a trade mark in section 2(1)" (*per* s 7(1)(a)). In this regard, the Judge held (at [49] of the Judgment):

There is un rebutted evidence that at the time of the application [by Qinghai Meheco] for registration [of the Rooster Sign] in Singapore in 1995, the [Rooster Sign] was used in Singapore on cordyceps of other suppliers besides Qinghai Meheco and, therefore, that the [Rooster Sign] was not a trade mark as it did not distinguish Qinghai Meheco's cordyceps from that of the other suppliers which use[d] the same mark [*ie*, the Rooster Sign].

(g) Although the registration of the Opposed Mark could be invalidated under s 23(1) read with s 7(1)(a) of the current TMA, this did *not* entail that the registration *had to be* invalidated. The Judge was of the view that it would be "a rather broad proposition" (see [63] of the Judgment) to say that the court had absolutely no discretion not to revoke or invalidate the

registration of a trade mark which fell within ss 22(1) or 23(1) respectively of the current TMA. He held that while it was correct that the power to revoke or invalidate the registration of a trade mark should be exercised when a proper case for revocation or invalidation arose, "that [could not] exclude the converse" (see [70] of the Judgment). In other words, "in situations where the Registrar [of Trade Marks] or [the] Court [found] that there [were] good reasons for not deregistering a mark, they should not be compelled to deregister it" (*ibid*). These considerations, amongst others, led the Judge to conclude that ss 22(1) and 23(1) of the current TMA should be construed so as to give the court and the Registrar of Trade Marks a discretion not to revoke or invalidate the registration of a trade mark even though the requisite conditions for granting relief had been established (see [76] of the Judgment).

(h) The power to revoke or invalidate the registration of a trade mark should be exercised with care, bearing in mind that "an important function of a trade mark registration regime [was] to ensure order in the use of trade marks" (see [78] of the Judgment). This power, the Judge stated, should only be exercised "after all the relevant circumstances [were] taken into consideration" (*ibid*). The relevant circumstances in this regard included "(a) the triggering factor; (b) the conditions at the time of the application to revoke; and (c) the balance of the interests involved" (see [79] of the Judgment) as well as "the conduct of the [party applying for revocation or invalidation]" (see [80] of the Judgment).

(i) On the facts before him, the Judge found that the Opposed Mark was being used by only the First Defendant and the Second Defendant as the other users of the Rooster Sign (which forms the essence of the Opposed Mark) had ceased using that sign after it was registered in Singapore (as the Opposed Mark). Accordingly, there was no confusion or deception arising from the First Defendant's and the Second Defendant's use of the Opposed Mark (see [85] of the Judgment). The Judge noted the Plaintiff's allegation that the Opposed Mark was being used by unauthorised parties, but took the view that the remedy for such improper use was to commence enforcement proceedings and not to remove the mark itself (*ibid*). The Judge elaborated (*ibid*):

[T]he [First Defendant and the Second Defendant] in taking action to promote the mark [*ie*, the Opposed Mark] and protect it from infringement are exercising their existing legal rights. The [P]laintiff, on the other hand, has no interest in the mark. It does not claim ownership of the mark. Its case was that because the mark should not have been registered, the registration should be set aside now, and conditions [should] be allowed to revert to the pre-registration state when the same mark [*ie*, the Rooster Sign] was used for all Chinese cordyceps.

(j) After reviewing the relevant facts and balancing the different interests, the Judge held that the *status quo* should be maintained and the registration of the Opposed Mark should be allowed to remain (see [86] of the Judgment).

(k) With regard to the Plaintiff's prayer for the Declaration (*ie*, Prayer 3 of the Originating Summons), the Judge stated (see [98]–[99] of the Judgment):

98 The process of proof of the [F]irst [D]efendant's claim to the copyrights can be broken up into stages. When it claims ownership, the onus of proof is on it. To discharge the onus, it has to present proper and credible evidence. If it does that, the evidential burden shifts to the [P]laintiff to rebut the evidence. But if [the First Defendant] fails to present any proper and credible evidence, its claim fails even if the [P]laintiff does not put up any evidence of its own, because there is nothing to rebut.

99 ... [T]he [F]irst [D]efendant has failed to prove its claim, and ... the [P]laintiff has made a case for [the] declaration sought in Prayer 3 but restricted to the [F]irst [D]efendant as the [S]econd [D]efendant has never claimed to be the owner of the copyrights.

27 In the result, the Judge made the following order (see [100] of the Judgment):

I dismiss [Prayer] 1 and [Prayer] 2 with costs. With reference to Prayer 3, I make the [D]eclaration, restricted to the [F]irst [D]efendant. The [F]irst [D]efendant shall pay the [P]laintiff costs, and the [P]laintiff shall pay the [S]econd [D]efendant costs on this prayer.

The issues before this court

The issues raised in the Appeal

28 The Plaintiff has appealed against:

(a) firstly, the Judge's refusal to revoke the registration of the Opposed Mark on the grounds which it advanced (as set out at [18]–[19] above);

(b) secondly, the Judge's refusal to invalidate the registration of the Opposed Mark on the grounds which it advanced (as set out at [20]–[23] above);

(c) thirdly, the Judge's ruling that ss 22(1) and 23(1) of the current TMA give the court and the Registrar of Trade Marks a discretion not to revoke or invalidate the registration of a trade mark even though the grounds for revocation or the grounds for invalidation specified in the respective provisions have been made out (see sub-para (g) of [26] above); and

(d) the Judge's decision, pursuant to the exercise of the aforementioned discretion, not to invalidate the registration of the Opposed Mark even though the registration had been effected in breach of s 7(1)(a) of the current TMA.

We should add that the First Defendant has, in its response to the Appeal, challenged the Judge's finding that the Opposed Mark had been registered in breach of s 7(1)(a).

29 The Plaintiff has also appealed against the Judge's order on costs. According to the Plaintiff, the Judge did not make it clear in the Judgment that he was referring to only one set of costs for the First Defendant and the Second Defendant combined when he ordered Prayer 1 and Prayer 2 of the Originating Summons (*ie*, the prayers for, respectively, revocation and invalidation of the registration of the Opposed Mark) to be dismissed with costs. On the assumption that the correct interpretation of [100] of the Judgment (which is set out at [27] above) is that the Judge ordered the Plaintiff to pay a separate set of costs to the Second Defendant in respect of Prayer 1 and Prayer 2, the Plaintiff has appealed against that order.

The issues raised in the Cross-Appeal

30 The First Defendant has appealed against the decision of the Judge to grant the Declaration; it contends that the Plaintiff has not discharged the requisite legal and evidential burden to justify the grant of the Declaration.

31 In response to the Cross-Appeal, the Plaintiff has raised a preliminary issue – namely, that the First Defendant is precluded by the doctrine of *res judicata* from arguing the issue of whether the

court should grant the Declaration as that issue had already been decided by the Judge when he refused to grant the application in the Summons (see [13] above).

Our approach to the issues raised by the parties

32 We will now proceed to examine *seriatim* the issues raised by the parties. They can be summarised as follows:

- (a) whether the Judge erred in holding that the registration of the Opposed Mark could not be revoked under s 22(1)(a) of the current TMA;
- (b) whether the Judge erred in holding that the registration of the Opposed Mark could not be revoked under s 22(1)(b) of the current TMA;
- (c) whether the Judge erred in holding that the registration of the Opposed Mark could not be revoked under s 22(1)(c) of the current TMA;
- (d) whether the Judge erred in holding that the registration of the Opposed Mark could not be invalidated under s 23(1) read with s 7(1)(d) of the current TMA;
- (e) whether the Judge erred in holding that the registration of the Opposed Mark could be invalidated under s 23(1) read with s 7(1)(a) of the current TMA (although he ultimately decided, in the exercise of his discretion, not to order invalidation based on this particular ground);
- (f) whether the Judge erred in holding that the registration of the Opposed Mark could not be invalidated under s 23(1) read with s 7(6) of the current TMA;
- (g) whether the Judge erred in holding that the registration of the Opposed Mark could not be invalidated under s 23(4) of the current TMA;
- (h) whether the court has a residual discretion under ss 22(1) and 23(1) of the current TMA not to revoke or invalidate the registration of a registered trade mark even though one or more of the grounds for revocation or the grounds for invalidation set out in those provisions have been made out;
- (i) whether the First Defendant is prevented by the doctrine of *res judicata* from raising in the Cross-Appeal arguments on whether the court should grant the Declaration;
- (j) whether the Judge should have granted the Declaration given the circumstances of this case;
- (k) whether the Plaintiff has discharged the requisite legal and evidential burden to justify the grant of the Declaration; and
- (l) whether a separate set of costs should be paid by the Plaintiff to the Second Defendant in relation to Prayer 1 and Prayer 2 of the Originating Summons.

Revocation and invalidation of the registration of the Opposed Mark

The burden of proof

33 It is trite law that the legal burden of proof needed to substantiate an action for revocation and/or invalidation of the registration of a trade mark lies throughout on the plaintiff. An exception to this rule, *ie*, a reversal of the burden, is provided in s 105 of the current TMA in relation to the use of a registered trade mark. This provision states:

Burden of proving use of trade mark

105. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.

34 The commentary on s 105 in *Halsbury's Laws of Singapore* vol 13(3) (LexisNexis, 2007) is germane, and is as follows (see fn 13 to para 160.620):

[T]his section *effectively reverses the burden of proof*. Generally, the registration [of a trade mark] is prima facie evidence of the validity of the original registration. However, s 105 places the burden on the proprietor; this is as it should be as it is difficult to prove a negative fact, *ie* that the proprietor has not used the mark. This reversal has a concrete ramification under the Trade Marks Rules (Cap 332, R 1, 2000 [Rev] Ed) r 58(3) where the proprietor is required to file, together with the counter-statement, evidence of use by him of the trade mark. [emphasis added]

Revocation of the registration of the Opposed Mark

35 The Plaintiff submits that the registration of the Opposed Mark should be revoked pursuant to ss 22(1)(a) and 22(1)(b) of the current TMA as the Opposed Mark was not put to genuine use as a trade mark during the requisite five-year period stipulated in these provisions. In addition, the Plaintiff contends that the registration of the Opposed Mark should be revoked pursuant to s 22(1)(c) of the current TMA as the Opposed Mark has become a "common name in the trade" (*per* s 22(1)(c)) for cordyceps from the PRC as a consequence of the acts or the inactivity of the First Defendant or its predecessor in title (*viz*, Qinghai Meheco).

Sections 22(1)(a) and 22(1)(b): Lack of genuine use and non-use of the impugned trade mark

36 The Plaintiff's first ground for revocation, which (as just mentioned) is premised on ss 22(1)(a) and 22(1)(b) of the current TMA, requires either a lack of "genuine use" (*per* s 22(1)(a)) for a period of "5 years following the date of completion of the registration procedure" (*ibid*) or "non-use" (*per* s 22(1)(b)) for "an uninterrupted period of 5 years ... [with] no proper reasons for non-use" (*ibid*). At this point, we ought to state that we agree with the Judge that the Plaintiff's contention that the Opposed Mark did not actually *function* as a trade mark after being registered should not be considered under these two grounds for revocation as this contention does not relate to the use or non-use of the Opposed Mark, but pertains instead to the *effect* of the use of that mark (see [19] of the Judgment; see also sub-para (a) of [26] above). In our view, the key question in relation to ss 22(1)(a) and 22(1)(b) would be whether there has been *use* of the Opposed Mark as a trade mark which can be considered to be *genuine*. Bearing in mind that the Originating Summons was filed approximately five years after the date of completion of the registration procedure (*ie*, 27 August 2001, the date on which the certificate of registration of the Opposed Mark was issued to Qinghai Meheco), if there was genuine use of the Opposed Mark anytime during the five-year period from 27 August 2001 onwards ("the Relevant Period"), it would mean that the Plaintiff's allegation of non-use for "an uninterrupted period of 5 years" (*per* s 22(1)(b)) would not be made out. Thus, proof of any genuine use of the Opposed Mark during the Relevant Period would completely undermine the complaint of the Plaintiff under both ss 22(1)(a) and 22(1)(b).

(1) *The requirement of "genuine use"*

37 The concept of "genuine use" in s 22(1)(a) of the current TMA was discussed extensively by V K Rajah JA in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR 1073 ("*Warman*"). In that case, Rajah JA began by observing that the concept of "genuine use" was closely linked to the function of a trade mark and the purpose of registering a trade mark. He stated (at [99]):

It must be noted at the outset that this requirement of "genuine use" is closely intertwined with the function of a trade mark and the purpose of registration ... A trade mark serves to indicate the source of the goods to which it is affixed and registration facilitates and protects this function of the trade mark. There must be genuine use of the trade mark before its function is served and protection by registration is justified. Further, as the register also serves as a notice to rival traders of trade marks that [are] already in use, to allow a mark that is not *bona fide* in use to remain on the register would be deceptive and could permit the registered proprietor to unfairly hijack or usurp a mark and/or monopolise it to the exclusion of other legitimate users.

38 Rajah JA then proceeded to consider (*id* at [100]) *Ansul BV v Ajax Brandbeveiliging BV* [2003] ETMR 85 ("*Ansul*"), where the European Court of Justice ("the ECJ") interpreted the concept of "genuine use" under Art 12(1) of the First Directive 89/104/EEC of the Council, of 21 December 1988, to Approximate the Laws of the Member States Relating to Trade Marks ("the European Trade Marks Directive"), which is the European equivalent of s 22(1)(a) of the current TMA. It was indicated in *Ansul* that for use of a trade mark to be considered genuine, the use in question did not have to be significant in the *quantitative* sense provided it was in accordance with the *essential function* of a trade mark, which was described by the ECJ as being "to guarantee the identity of the origin of the goods or services for which it [was] registered ... in order to create or preserve an outlet for those goods or services" (at [43]). However, "token use for the sole purpose of preserving the rights conferred by the mark" (*ibid*) or use which was "just internal use by the [proprietor] concerned" (see *Ansul* at [37]) should not be considered to be genuine use. The ECJ stated that in assessing whether use of a trade mark was genuine (*id* at [43]):

[R]egard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.

39 In a case involving the "Laboratoire de La Mer" mark, *viz, Laboratoire de La Mer Trade Marks* [2002] FSR 51, the English High Court had the occasion to consider this point. There, it was stated in respect of s 46 of the Trade Marks Act 1994 (c 26) (UK) ("the English Trade Marks Act"), which is similar to s 22 of the current TMA, that there was no rule that *de minimis* use of a trade mark could not be "genuine use" for the purposes of that provision. Jacob J opined (at [28]–[32] of *Laboratoire de La Mer Trade Marks*):

28 I turn to the present, European, legislation, focusing on the adjective "genuine." Other languages may not convey quite the same flavour. The corresponding adjectives used in other language versions of the legislation are, in French "serieux", German "ernsthaft", Italian "effettivo", Spanish "efectivo", Portuguese "serio", Dutch "normaal", Danish "reel" and Swedish "verkligt". The researches of counsel did not provide the Greek or [the] Finnish words, but no matter. The flavour of some of the words used may mean that use must be more than very slight, even where that use has been without ulterior purpose. "Serious" may mean that insubstantial [use] does not count. If that is so, a further question would arise: "how do you decide that a use

is too slight to count?" After all what might be "slight" for a large company might be not insignificant for a small one.

29 ... I take the view that *provided there is nothing artificial about a transaction under a mark, then it will amount to "genuine" use. There is no lower limit of "negligible."* However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely "colourable" or "token", that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance [if the use] is in advertisement) then one must further inquire whether that advertisement was really directed at customers here [*ie*, in the UK]. For then the place of use is also called into question ...

30 ... As a matter of commerce small sales are nonetheless sales under and so uses of the mark. The objective observing trader or consumer would so say. The absence of any purpose, other than trying to sell goods under the mark, would lead him to the conclusion that the uses were genuine.

31 Moreover there are real problems if one tries to formulate a *de minimis* rule. Does the amount of use depend on the size of the trade mark owner's enterprise? Does it matter whether he is relying upon use by importation rather than local sale? How little is too little? Does it matter whether the use is in the beginning, [the] middle or [the] end of the relevant period? And so on.

32 Nor do I think that the absence of a *de minimis* rule significantly affects the policy behind the legislation. Yes, marks must be used within the relevant period, but there seems [to be] no reason to make a trader who has actually made some small, but proper, use of his mark, lose it [*ie*, the registration of his mark]. Only if his use is in essence a pretence at trade should he do so. And of course, if he has only made limited use of his mark it is likely that the use will be only for a limited part of his specification of services. If he has a wider specification that can and should be cut back to just those goods for which he has made use [of the mark]. That would leave him with just a small umbra and a correspondingly reduced penumbra.

[emphasis added]

40 It should be noted that Jacob J emphasised that the foregoing merely represented his "own provisional views" (see *Laboratoire de La Mer Trade Marks* at [24]). He went on to refer to the ECJ the question of "whether a very limited amount of use definitely in [the UK could] be regarded as sufficient to be 'genuine'" (*id* at [22]). The ECJ, in its decision on the matter (*viz*, *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38), appeared to uphold Jacob J's view that there was no rule barring *de minimis* use from being regarded as genuine use, stating that "even minimal use of the mark or use by only a single importer ... [could] be sufficient to establish genuine use" (*id* at [27]). Subsequently, the English Court of Appeal, in further proceedings involving the "Laboratoire de La Mer" mark (*viz*, *Laboratoires Goemar SA v La Mer Technology Inc* [2005] ETMR 114), held (at [45]–[46]) that use of a trade mark did not have to be substantial or significant before it could be considered to be genuine, although "the more limited the use of the mark in terms of the person or persons to whom it [was] communicated, the more doubtful any tribunal [might] be as to whether the use [was] genuine as opposed to token" (at [48]). It is also interesting to note that under the previous trade mark legislation regime in force in England (which prescribed *bona fide* use rather than genuine use as the applicable criterion), there was likewise no rule barring *de minimis* use from constituting *bona fide* use. As Jacob J observed in *Laboratoire de La Mer Trade Marks* (at [24] and [26]–[27]):

24 ... [O]ur prior legislation ... required that there be "bona fide use" of a trade mark within a relevant period (see section 26 of the Trade Marks Act 1938 [(c 22) (UK)]).

...

26 ... [W]here there was no question of a hidden motive behind the use, the courts were prepared to regard even small quantities of sales under the mark as sufficient to constitute bona fide use. *A little use coupled with [a] genuine intention to establish a market in [the] goods under the mark would suffice (Bon Matin Trade Mark [1989] R.P.C. 537).*

27 Thus under our old law there was no rule of *de minimis*. If a use was only slight, that might, depending on other circumstances, show that the trader was not genuine in his activities ... One would compare the use actually made with the size of the organisation, how it and similar entities normally went about marketing and so on. A big trader who had made only limited sales would particularly have to explain what was going on. If the main or a principal motive was trade mark protection rather than simply making sales under the mark, then the use was not "bona fide".

[emphasis added]

41 Other legal proceedings concerning the "Laboratoire de La Mer" mark have ensued in recent times. Of late, in *La Mer Technology Inc v Office for Harmonisation in the Internal Market* [2008] ETMR 9 ("*La Mer Technology (2008)*"), the European Court of First Instance dealt with an appeal against a decision to uphold the opposition by the proprietor of the "Laboratoire de La Mer" mark to La Mer Technology Inc's application to register the term "La Mer" as a trade mark. One of the issues raised on appeal was whether there had been genuine use of the "Laboratoire de La Mer" mark. The court reiterated (*id* at [55]) what the ECJ had stated in *Ansul* ([38] *supra*) at [43], *viz*, that in assessing whether use of a trade mark was genuine, regard should be given to all the relevant facts and circumstances, including (but not limited to) whether such use was necessary in the economic sector concerned to maintain or create a market share in relation to the goods or services protected by the mark in question, the nature of those goods or services, the characteristics of the market and the frequency of the use of the mark. The court elaborated (at [56] of *La Mer Technology (2008)*):

As to the extent of the use to which the ... trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use ...

The court then proceeded to expand on how an examination of whether a trade mark had been put to genuine use should be carried out. It stated (*id* at [57]):

To examine whether ... [a] trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that [the] commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the ... trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, [the] production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market.

42 The European Court of First Instance also reiterated in *La Mer Technology (2008)* that there was no rule that *de minimis* use could not constitute genuine use, opining as follows (*id* at [57]–[58]):

57 ... [U]se of the ... mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark ...

58 The [ECJ] also added, in [72] of *Sunrider v OHIM* [2004] E.C.R. II–2811 that it is not possible to determine a priori and in the abstract what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM [*ie*, the Office for Harmonisation in the Internal Market (Trade Marks and Designs)] or, on appeal, the [European] Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down. Thus, the [ECJ] has held that, when it serves a real commercial purpose, even minimal use can be sufficient to establish genuine use.

43 To summarise, what these authorities show is that for the purposes of determining whether use of a trade mark is genuine, while there is no rule barring *de minimis* use from being regarded as genuine use, no one single objective formula which applies to all situations can be laid down; much would depend on the *fact situation* in each individual case.

(2) *Whether there was genuine use of the Opposed Mark during the Relevant Period*

44 Pursuant to s 105 of the current TMA (see [33]–[34] above), it is incumbent on the First Defendant to show that there was genuine use of the Opposed Mark during the Relevant Period. In *La Mer Technology (2008)* ([41] *supra*), the European Court of First Instance stated, based on its past decisions, that “genuine use of a trade mark [could not] be proved by means of probabilities or suppositions” (at [59]), but must instead be “demonstrated by *solid and objective evidence* of effective and sufficient use of the trade mark on the market concerned” [emphasis added] (*ibid*).

45 In the present case, there is clear *objective* evidence that, during the Relevant Period, the Second Defendant’s related company, Yu Ceng, sold cordyceps bearing the Opposed Mark. Yu Ceng, it will be recalled, was the exclusive licensee of the Opposed Mark in Singapore before it novated its licence to the Second Defendant (see [8] above). Mr Leow Lay Leng (“Leow”), a director of Yu Ceng, stated in his affidavit filed on 5 April 2007: [\[note: 8\]](#)

24 After its appointment as [the] authorised distributor of Rooster brand cordyceps [*ie*, cordyceps bearing the Opposed Mark] in Singapore, Yu Ceng made sales in Singapore of cordyceps under the [Opposed] Mark amounting to at least S\$114,132.73 (including GST) during the period February to August 2006. Annexed hereto and collectively marked “LLL17” are invoices issued by Yu Ceng to retailers in Singapore for the sales of Rooster brand cordyceps together with translations thereof, as well as a table summarising these invoices.

25 I should note that these invoices do not represent ***all*** of Yu Ceng’s sales of Rooster brand cordyceps, as there were also numerous cash sales for smaller amounts. The invoices for these sales have not been exhibited in my Affidavit because they are extremely voluminous, but I will produce them to the Court if requested to do so.

[emphasis in bold italics in original]

46 The invoices mentioned by Leow recorded numerous sales of “Rooster Brand Cordyceps”.[\[note: 9\]](#) The invoices show that the Plaintiff’s submission – viz, that “the documents relied upon by the [First Defendant and the Second Defendant] as indicating use ... [did] not support their claim that there was relevant use of the [Opposed Mark]”[\[note: 10\]](#) and that the said documents “all mention[ed] ‘cordyceps’ only, except for one which relate[d] to an undated sale to Poo Hong who ... [did] not regard the Rooster mark as a trade mark”[\[note: 11\]](#) – is clearly incorrect.

47 In *Warman* ([37] *supra*), the evidence of the use of the “Warman” mark by the defendant (the registered proprietor of that trade mark) consisted of “three sales transactions, three e-mail enquiries from Singapore companies to the defendant regarding ‘Warman’ pump parts, as well as a fax sent by the defendant to a potential customer for pump parts” (at [101]). Rajah JA was of the opinion that this evidence was sufficient to establish genuine use of the “Warman” mark for the purposes of s 22(1) of the current TMA, stating (*ibid*):

On the basis of what appears to be the settled view of the elements of “genuine use”, I am of the view that the adduced evidence of use, in particular, the three sales transactions made by the defendant in relation to pump parts, is indeed just barely sufficient to constitute “genuine use” for the purposes of s 22(1) of the [current TMA].

In comparison, the evidence adduced in the present case shows numerous sales of cordyceps bearing the Opposed Mark. The evidence as to the use of the Opposed Mark is certainly much more substantial and cogent than the evidence of the use of the “Warman” mark in *Warman*.

48 Further, and in this regard, we would like to refer to the following pertinent observation of this court in *Nike International Ltd v Campomar SL* [2006] 1 SLR 919 (“*Nike International*”) at [15]:

The essential standard of proof required to defeat a revocation application is to show a genuine use of the mark during the relevant five-year period. *One single use of the mark could satisfy the test provided that overwhelmingly convincing proof of the act is adduced.* [emphasis added]

49 In *Nike International*, the purported use of the trade mark consisted of a single sale under which products bearing the mark had been shipped to Singapore. This transaction was rejected as evidence of genuine use of the mark because “*not a single piece of evidence from Singapore was produced*” [emphasis added] (at [19]). Notably, the registered proprietor of the trade mark did not adduce any evidence of receipt of payment for the goods; nor did it adduce any documents in relation to the goods’ arrival in Singapore. In contrast, in the present case, the sales of cordyceps bearing the Opposed Mark were amply evidenced by documents, with numerous invoices adduced by the First Defendant showing, *inter alia*, the purchase orders as well as the shipping and documentation instructions received, the different locations in Singapore to which the cordyceps were to be delivered and different billing addresses in Singapore. These documents constitute clear proof that there were genuine sales of cordyceps bearing the Opposed Mark during the Relevant Period. Those sales were *bona fide* transactions, and not merely transactions concocted just to preserve the validity of the registration of the Opposed Mark. Therefore, in our view, there was overwhelming proof of genuine use of the Opposed Mark by the First Defendant and the Second Defendant.

50 Accordingly, there is no basis whatsoever to revoke the registration of the Opposed Mark for either lack of genuine use during the Relevant Period (see s 22(1)(a) of the current TMA) or non-use for “an uninterrupted period of 5 years ... [with] no proper reasons for non-use” (*per* s 22(1)(b)). Thus, in our view, these two grounds for revocation must fail.

Section 22(1)(c): The impugned trade mark has become a common name in the trade due to the registered proprietor's acts or inactivity

51 The next ground for revocation advanced by the Plaintiff, which is based on s 22(1)(c) of the current TMA, is that the Opposed Mark has become a common name in the trade for cordyceps imported from the PRC as a consequence of the acts or the inactivity of the First Defendant or its predecessor in title. In determining whether s 22(1)(c) has been made out in the present case, two main issues have to be considered, namely (and paraphrasing the test set out by Richard Arnold QC, sitting as a deputy judge of the English High Court, in *Hormel Foods Corp v Antilles Landscape Investments NV* [2005] RPC 28 ("*Hormel*") at [163]):

(a) has the Opposed Mark become a common name in the trade for cordyceps imported from the PRC; and

(b) if (a) is answered in the affirmative, did the Opposed Mark become a common name in the trade due to the First Defendant's acts or inactivity?

(1) *The requirement that the impugned trade mark has become a "common name in the trade"*

52 David Kitchin *et al*, *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 14th Ed, 2005) ("*Kerly's*") describes the question of whether a trade mark has become a common name in the trade for a product or service as "a question of fact to be decided in the circumstances" (at para 101103). The actual *concept* of "common name in the trade" in trade mark law is, however, somewhat ambiguous. A trade mark which is considered to have become a common name in the trade is said to have become – using the term of art – "generic". NgLoy Wee Loon, in *Law of Intellectual Property in Singapore* (Sweet & Maxwell Asia, 2008) ("*NgLoy's Intellectual Property*"), observes (at para 25.4.1) that the ground for revocation set out in s 22(1)(c) of the current TMA "deals with what may be called 'genericisation' – where the trade mark becomes the generic term for the product or services [for which the mark is registered]". Thus far, there have been few judicial pronouncements on what the concept of "common name in the trade" entails. As noted in Christopher Morcom, Ashley Roughton & Simon Malynicz, *The Modern Law of Trade Marks* (LexisNexis, 3rd Ed, 2008) ("*Morcom et al*") at para 7.35, "there is very little guidance in decisions of the [the English trade marks] registry or the courts in the application of this provision [*ie*, the English equivalent of s 22(1)(c) of the current TMA]".

53 Some guidance is nevertheless forthcoming from academic works. David I Bainbridge, *Intellectual Property* (Pearson Longman, 6th Ed, 2007) ("*Bainbridge's Intellectual Property*"), for example, describes a trade mark which has become a common name in the trade as one which is "so well known that [*it passes*] into the language as being the name by which a type of product is referred to rather than the name by which the product of a particular undertaking is sold" [emphasis added] (at p 652). Another leading work, William Cornish & David Llewelyn, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (Sweet & Maxwell, 6th Ed, 2007) ("*Cornish & Llewelyn*"), describes a trade mark which has become a common name in the trade as one which "[has come] to be used as a description of the product itself" (at para 18174).

54 In a similar vein, the Plaintiff's lead counsel, Mr Tan Tee Jim SC ("*Mr Tan*"), in *Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell Asia, 2nd Ed, 2005) ("*Tan's Law of Trade Marks*"), describes a trade mark which has become a common name in the trade as one which has "lost the ability to act as a badge of origin" (at para 7.62). He adds that (*ibid*):

The word 'common' suggests that the use of the name must be established or widespread in the

trade for the relevant goods or services. Precisely how established or widespread the use [must be] in a particular case will depend on the circumstances of the case.

An example of a mark which has become a common name in the trade would be the mark "gramophone". In *In re Gramophone Company's Application* [1910] 2 Ch 423, the English High Court stated (at 431):

On the one hand, distinguishing the public from the trade, it is, in my opinion, clear that to the general public the word "gramophone" now denotes a talking machine with disc[s] as opposed to cylindrical records, that is, a particular type of talking machine, and denotes this without any connotation of the source of manufacture. In this sense the word has found its way into dictionaries, is used in patent specifications, newspapers, and other current literature, and can be found even in arguments of counsel and the decisions of judges of the [English] High Court.

55 Tan's *Law of Trade Marks* further emphasises that "it is the *name* that must have become common ... [and] [i]t must have become common for the goods or services for which it is *registered*" [emphasis in original] (at para 7.63). The name must also have become common due to the acts or the inactivity of the proprietor. Thus (*ibid*):

This ... overcomes the problem encountered by proprietors under the [Trade Marks Ordinance 1938 (SS Ord No 38 of 1938)] whereby they could lose their registration through the use of their mark[s] by third parties on goods or services other than those covered by the registration and in a way that [they] could not control.

56 Section 22(1)(c) of the current TMA specifies that the trade mark in question must have become common "in the trade", which expression includes *consumers* and *end-users* of the product or service for which the trade mark is registered. In *Björnekulla Fruktindustrier AB v Procordia Food AB* [2004] RPC 45 ("*Procordia Food*"), which involved a provision similar to s 22(1)(c) of the current TMA (*viz*, Art 12(2)(a) of the European Trade Marks Directive), the party applying for revocation ("the claimant") contended that the word "Bostongurka" had become the common name for chopped pickled gherkins. In support of its application, the claimant relied primarily on "two market research surveys of consumers" (*id* at [7]). The proprietor of the "Bostongurka" trade mark ("the defendant") resisted the application for revocation, citing in particular "a market research survey of leading operators in the grocery, mass catering and food stall sectors" (*id* at [8]). The Swedish court was uncertain as to the class of persons to be considered for the purposes of the expression "in the trade" and submitted to the ECJ for a preliminary ruling the question of "the relevant circle or circles for determining whether a trade mark has become the common name in the trade for a product in respect of which it is registered" (*id* at [11]). The ECJ found that while the English and the Finnish versions of the term "in the trade" referred to "trade circles alone" (*id* at [17]), the corresponding terms in the languages of other countries (such as Spain, Denmark, France and Italy) were not restricted in such a manner, but instead referred "both to consumers and end users as well as to the operators who distribute[d] the product" (*ibid*). Emphasising the essential function of a trade mark (*viz*, "to guarantee the identity of the origin of the marked goods or service to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or service from others which have another origin" (see *Procordia Food* at [20])), the ECJ opined that, in general, the more significant circles would be "consumers or end users" (*id* at [24]). The court added that, depending on the features of the product market concerned, consideration should also be given to the perception of intermediaries who could influence decisions to purchase the product concerned (*id* at [25]).

57 For the condition in s 22(1)(c) of the current TMA to be satisfied, it suffices (notwithstanding the literal wording of the provision) if the trade mark in question has become a common name in the

trade; it *does not* have to be *the only* common name in the trade. This very issue arose in *Hormel* ([51] *supra*), where one important question was whether s 46(1)(c) of the English Trade Marks Act (which is *in pari materia* with s 22(1)(c) of the current TMA) required the impugned trade mark to have become *the only* common name in the trade or whether it was sufficient that the trade mark had become merely *a* common name in the trade. The English High Court held (at [167]):

The literal wording of s. 46(1)(c) [of the English Trade Marks Act], Art. 12(2)(a) [of the European Trade Marks Directive] and Art. 50(1)(b) [of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark] suggests that what must be shown is that the trade mark has become *the* common name and not merely *a* common name. It is well-established, however, that European legislation is to be interpreted teleologically rather than necessarily in accordance with its literal wording. In my judgment, the purpose of these provisions, which is to enable marks to be removed from the register if they cease to fulfil their essential function of enabling consumers to distinguish the goods or services of one undertaking from those of others, would be defeated if the provisions were interpreted in this way. ***If a trade mark has become a common name for goods or services for which it is registered, then it can no longer perform this essential function even if there are also other common names for those goods or services.*** [emphasis added in bold italics]

Hormel thus indicates, *vis-à-vis* s 22(1)(c) of the current TMA, that it is sufficient if the trade mark in question has become *a* common name in the trade. The court in *Hormel* added that it would not make any difference if the trade mark concerned “[was] not the word [which had been registered as a trade mark] ... *per se* but a stylised presentation of it” (at [168]).

(2) *Whether the Opposed Mark has become a common name in the cordyceps trade*

58 The Plaintiff has the onus of showing that the Opposed Mark has become a “common name in the trade” (*per* s 22(1)(c) of the current TMA). Specifically, the Plaintiff has to show that the word “Rooster” has become common in the cordyceps trade (*viz*, it has become common to, *inter alia*, consumers and end-users of cordyceps (see [56] above)) in the following manner: [\[note: 12\]](#)

It [has become] ... *a name commonly used to denote a particular type, kind or characteristic of goods (namely, cordyceps from [the PRC]) or is descriptive of the said type, kind or characteristic. It has also become the common name in the cordyceps trade [for denoting] cordyceps from [the PRC]. Further or alternatively, it has become a customary name in the current language or practices of cordyceps traders in Singapore [for denoting] ... cordyceps from [the PRC].* [emphasis added]

59 The burden of proof which the Plaintiff must satisfy in this regard can be described as a heavy burden. As Warren J stated in *Rousselon Freres ET CIE v Horwood Homewares Limited* [2008] RPC 30 at [85], “[i]nsofar as it is suggested that [the impugned trade mark] has become a common name in the trade, that must be established by *cogent* evidence” [emphasis added]. It has likewise been observed in *Kerly’s* ([52] *supra*) that “[a] tribunal would expect to see substantial independent evidence relating to the relevant product or service market” (at para 101103).

60 Indeed, in general, it would appear that, as far as possible, *objective* evidence should be adduced to establish that s 22(1)(c) of the current TMA has been satisfied. That this is the correct principle to apply can be perceived from the following cases which deal with the issue of whether the registration of a trade mark should be *invalidated* on the ground that the trade mark has become *customary* in the current language or in the *bona fide* and established practices of the trade (see s 23(1) read with s 7(1)(d) of the current TMA; see also the European equivalent of these provisions,

ie, Art 51(1)(a) read with Art 7(1)(d) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark ("EC Council Regulation 40/94"). Some general guidance can be drawn from these cases as there is some conceptual overlap between, on the one hand, *revoking* the registration of a trade mark on the ground that the trade mark has become a *common name in the trade* for the product or service for which it is registered and, on the other hand, *invalidating* the registration of a trade mark on the basis that the trade mark has become *customary* in the current language or in the *bona fide* and established practices of the trade. This is in some ways reflected by the fact that, as will be discussed later (at [71]–[76] below), a trade mark which has become "customary" within the meaning of s 7(1)(d) of the current TMA can, like a trade mark which has become a "common name in the trade" (*per* s 22(1)(c)), be described as a "generic" mark.

61 In *Sunonwealth Electric Machine Industry Co Ltd v Siemens Aktiengesellschaft* [2007] SGIPOS 3 ("*Sunonwealth*"), an application was made to register a mark comprising the word "Maglev" for, among other products, motors for electric machines and motors for cooling fans. The application was opposed on, *inter alia*, the ground that the mark had become customary in the manner delineated in s 7(1)(d) of the current TMA. The Assistant Registrar of Trade Marks upheld the opposition and refused the application for registration, holding that the word "Maglev" had become customary within the meaning of s 7(1)(d) for the following reasons (at [4]):

The term maglev is found in the dictionary as a noun referring to a type of technology, namely magnetic levitation technology. The literature filed by the [party opposing the application for registration] relating to the use of ... magnetic levitation technology in various products ... refers to maglev products as products employing maglev technology. Therefore, the word maglev has become customary in the current language and in the established practices of the trade as designating the type of products which use that technology.

For similar reasons, it was held in *Alcon Inc v Office for Harmonisation in the Internal Market* [2004] ETMR 6 ("*Alcon*") that the acronym "BSS", which had been registered as a trade mark for ophthalmic pharmaceutical preparations and sterile solutions for ophthalmic surgery, was not a valid trade mark as it had become customary within the meaning of Art 7(1)(d) of EC Council Regulation 40/94 (*ie*, the European equivalent of s 7(1)(d) of the current TMA). The European Court of First Instance explained (at [43]):

The evidence submitted by the intervener [*ie*, the party who sought to have the "BSS" mark invalidated] ... as to the customary character of the acronym BSS among ophthalmologic specialists indicates that BSS has become the current generic term for a balanced salt solution. The Court finds that the chemical, medical and pharmaceutical dictionaries and the scientific articles produced by the intervener demonstrate that the term BSS is regarded by the relevant scientific community as a generic term.

62 In our opinion, on the available evidence, the Plaintiff has not discharged its burden of showing that the Opposed Mark has become a common name in the cordyceps trade. The Plaintiff has not shown that the word "Rooster" has become commonly used for denoting cordyceps from the PRC, whether or not such cordyceps bear the Rooster Sign. Indeed, there was hardly any cogent evidence to support such a finding. Here, we would quote the testimony of Mr Tan Peng Seng, a managing director of a Chinese medicinal business and a witness for the Plaintiff, who, during cross-examination by counsel for the First Defendant ("Mr Ravindran"), indicated that it would not be possible to refer to other brands of cordyceps from the PRC as "Rooster" cordyceps: [\[note: 13\]](#)

Q. ... You say that you have heard of GILion cordyceps in Singapore?

A. Yes, yes.

Q. Do these GILion cordyceps come from [the PRC]?

A. Yes.

Q. Would you refer to G-Lion cordyceps as xiong ji pai [*ie*, "Rooster" cordyceps]?

A. No.

Q. Similarly you have heard of Xin Sheng cordyceps and Twin Chicken cordyceps, correct?

A. Yes.

Q. And you would not refer to these cordyceps as xiong ji pai as well, correct?

A. They are cordyceps but they do not bear the Rooster Brand.

63 Similar sentiments were expressed by another witness for the Plaintiff, Mr Ng Sui Teck, who is likewise a managing director of a Chinese medicinal business, when he was cross-examined by Mr Ravindran as follows:[\[note: 14\]](#)

[Q.] The Twin Chicken cordyceps, would you term them as xiong ji pai? The Rooster Brand – would you consider Twin Chicken Brand, Rooster Brand cordyceps?

...

A. Twin Chicken is Twin Chicken.

64 Indeed, there was no clear evidence to show that the word "Rooster" was even linked to cordyceps *in general* (as opposed to cordyceps from the PRC specifically), as can be seen from the following exchange between the Judge and Mr Tan Hee Nam ("Tan"), the managing director of the

Plaintiff:[\[note: 15\]](#)

COURT: Just let me ask you this in the converse, if I were to go to Chinatown after this case and I go into any of those many suppliers and I say, "I want Rooster" would they know what I want? ...

A. If you were to go into those medical halls selling Chinese medical herbs and you said that you wanted to buy Rooster mark cordyceps then they would know that you wanted to buy that.

COURT: But your answer does not tally with my question. If somebody goes to a medical hall and says, "I want Rooster", would the operators of the hall be able to identify what it is that I want? Do you understand my question? It is quite a simple question because it is easy to test the connection between the Rooster [*ie*, the word "Rooster"] and cordyceps, in fact [the test] is exactly this, so if I go into a shop and I say, "Give me \$50, or \$100 Rooster" do they know what I want?

A. They will connect it with Rooster Brand and if – the word "xiong ji chong cao" is mentioned, so it must be cordyceps –

...

COURT: But that is sidestepping the question, if I say "Rooster *Cordyceps*", of course they know I want cordyceps. If that was the case I wouldn't even ask my question. ... If we go to your shop – not your shop, any other shop in Chinatown, there must be what 20 shops that supply these things and somebody goes in and says, "\$100 worth of Rooster, please", would they know what it is that the customer wants?

A. No.

...

A. *If only the word "Rooster" is mentioned then I'm afraid they won't know.*

[emphasis added]

65 From the above, it can be seen that the word "Rooster" would at most refer to cordyceps bearing the Rooster Sign and not to cordyceps from the PRC generically. But, in order to show that the word "Rooster" has become a "common name in the trade" within the meaning of s 22(1)(c) of the current TMA, the Plaintiff must show that the word "Rooster" would also refer to cordyceps from the PRC which *do not bear the Rooster Sign* (*cf* the word "gramophone", which was considered to be generic in *In re Gramophone Company's Application* ([54] *supra*), and the word "linoleum", which was considered to be generic in *Linoleum Manufacturing Company v Nairn* (1877–78) 7 Ch D 834). As the First Defendant rightly argued in its submissions before this court, the practice of describing cordyceps from the PRC which are marked with the Rooster Sign as "Rooster cordyceps" does not make the word "Rooster" a common name of the product. Yet, this is precisely the requirement which the Plaintiff must satisfy for the purposes of s 22(1)(c) of the current TMA – *ie*, the Plaintiff must show that the word "Rooster" has become a common name for cordyceps from the PRC. That this is the requirement which must be satisfied appears to have been admitted by Tan, who stated in his affidavit filed on 1 November 2006: [\[note: 16\]](#)

"Rooster" is ... a name *commonly used* to denote a particular type, kind or characteristic of goods (namely, cordyceps from [the PRC]) or is descriptive of the said type, kind or characteristic. It has also become the common name in the cordyceps trade [for denoting] cordyceps from [the PRC]. [emphasis added]

This, the Plaintiff could not do (see [62]–[63] above). We would add that, unlike *Sunonwealth* ([61] *supra*) and *Alcon* ([61] *supra*), there is a *lack of objective evidence* in the present case to show that the word "Rooster" has indeed become a common name in the trade for cordyceps from the PRC. The only evidence before the court that indicates thus would be the bare assertions of Tan (see the passage reproduced in the preceding paragraph) and a number of other witnesses. This is hardly sufficient to discharge the Plaintiff's burden of proof. Indeed, there is undisputed evidence that cordyceps from the PRC are sold (and are also known) in Singapore under numerous marks or brands, *eg*, "Turkey", "Rabbit", "Golden Deer", "Long Ma", "Twin Chicken", "Royal King", "GLion", "Xin Sheng", *etc*. Thus, we hold that the Plaintiff has failed to establish that the Rooster Sign (*ie*, the word "Rooster") has become a common name in the trade for denoting cordyceps from the PRC and there is accordingly no basis to revoke the registration of the Opposed Mark on this ground.

66 For completeness, we would add that it would be *insufficient* for the Plaintiff to simply show that the Rooster Mark is a *popular* mark used to denote cordyceps from the PRC. The mere fact that a mark is popular or even the only brand used to market a particular product or service does not *ipso facto* render that mark a generic name and thus undeserving of protection. In *Hormel* ([51] *supra*), it was held that a mark which had become a household name was not necessarily a mark which had become generic. In response to the argument that the registration of the trade mark "Spam" should be revoked as that word had become the common name in the trade for the purposes of s 46(1)(c) of the English Trade Marks Act (*viz*, the English equivalent of s 22(1)(c) of the current TMA), the English High Court stated (at [176]):

[S]ince 1938 the [mark "Spam"] has become a household name. In such circumstances it is not surprising that occasionally it is used by way of synecdoche to stand for canned luncheon meat generally in the same way as, for example, PERRIER is sometimes used to stand for carbonated mineral water generally (the synecdoche being the use of the species to stand for the genus). This does not mean that [the mark] has necessarily become truly generic, still less that this is due to the acts or [the] inactivity of the [registered proprietor of the mark].

Other examples of trade marks which have become household names would include marks such as "Xerox", "Kleenex" and "Kiwi", all of which remain registered as trade marks despite the fact that they

are commonly used in the generic sense to refer to photocopiers, tissue paper and shoe polish respectively.

67 In view of our conclusion at [62]–[65] above on the issue of whether the word “Rooster” has become a “common name in the trade” within the meaning of s 22(1)(c) of the current TMA, it is wholly unnecessary for us to consider the second issue relating to this provision, namely, whether, if the word “Rooster” has indeed become a common name for cordyceps from the PRC, this development was brought about by the “acts or inactivity” (*per* s 22(1)(c)) of the First Defendant (see [51] above).

Our decision on revocation

68 For the foregoing reasons, we hold that the registration of the Opposed Mark should not be revoked. None of the grounds for revocation set out in ss 22(1)(a), 22(1)(b) and 22(1)(c) of the current TMA have been made out. As we earlier held, the available evidence indicates that the Opposed Mark was put to genuine use in the course of trade during the Relevant Period (see [45]–[49] above) and the word “Rooster” has not become a common name in the cordyceps trade for referring to cordyceps from the PRC (see [62]–[65] above).

Invalidation of the registration of the Opposed Mark

69 The Plaintiff’s case for invalidating the registration of the Opposed Mark was, as mentioned earlier (see [20]–[23] above), presented under four heads in the court below, namely:

- (a) it had become customary to use the Rooster Sign (which forms the essence of the Opposed Mark) to denote cordyceps from the PRC (see s 7(1)(d) of the current TMA);
- (b) at the time of Qinghai Meheco’s application to register the Rooster Sign as a trade mark in Singapore, that sign was not capable of distinguishing Qinghai Meheco’s cordyceps from the cordyceps of other suppliers and thus did not satisfy the definition of a trade mark (see s 7(1)(a) of the current TMA);
- (c) Qinghai Meheco’s application to register the Rooster Sign as a trade mark in Singapore had been made in bad faith (see s 7(6) of the current TMA); and
- (d) the First Defendant had obtained the registration of the Opposed Mark in its name in 2005 (jointly with Qinghai Yixin) and 2006 (in its sole name) through fraud and/or misrepresentation to the Registrar of Trade Marks (see s 23(4) of the current TMA).

Before the Judge, the Plaintiff succeeded in establishing the second head (*viz*, that the Rooster Sign had been registered as a trade mark in Singapore in breach of s 7(1)(a) of the current TMA (see sub-para (f) of [26] above)). Nevertheless, the Judge ultimately decided that the registration should not be invalidated despite the breach of s 7(1)(a) (see sub-paras (g)–(j) of [26] above).

Section 7(1)(d): The impugned trade mark is a sign which has become customary in the trade

70 With regard to s 7(1)(d) of the current TMA, the Plaintiff’s argument is that, at the date of the application by Qinghai Meheco (the First Defendant’s predecessor in title and the original registrant of the Opposed Mark) to register the Rooster Sign as a trade mark in Singapore, it was customary in the cordyceps trade to use the Rooster Sign to denote cordyceps from the PRC. Accordingly, the registration of the Opposed Mark should be invalidated under s 23(1), which provides

for invalidation of the registration of (*inter alia*) trade marks “which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade” (*per* s 7(1)(d)).

(1) *The requirement of customariness*

71 There is little authority on what the phrase “customary in the current language or in the bona fide and established practices of the trade” in s 7(1)(d) of the current TMA means. Indeed, as the Judge observed, there are no *binding* authorities, although there are good *persuasive* authorities (see [27] of the Judgment).

72 In *Hormel* ([51] *supra*), the English High Court, in construing s 3(1)(d) of the English Trade Marks Act (which is similar to s 7(1)(d) of the current TMA), held that the essence of the objection embodied in the provision was as follows (at [155]):

Section 3(1)(d) implements Art. 3(1)(d) of the [European Trade Marks] Directive and corresponds to Art. 7(1)(d) of [EC Council Regulation 40/94]. Article 3(1)(d) was considered by the [ECJ] in Case CIS 17/99 *Merz & Krell GmbH & Co v Deutsches Patent-und Markenamt* [2001] E.C.R. 116959. The Court held that [Art 3(1)(d)] was to be interpreted as only precluding registration of a mark where the signs or indications of which the mark was exclusively composed had become customary in the current language or in the bona fide and established practices of the trade [for designating] the goods or services in respect of which registration of the mark was sought. It also held that it was immaterial for this purpose whether or not the sign in question was descriptive. Thus *the essence of the objection is that the sign is generic either amongst the general public or amongst the trade.* [emphasis added]

73 Similarly, in *Alcon Inc v Office for Harmonisation in the Internal Market* [2005] ETMR 69, the ECJ stated (at [29]) that the principle underlying Art 7(1)(d) of EC Council Regulation 40/94 (which is *in pari materia* with s 7(1)(d) of the current TMA) was that:

[S]igns or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade [for designating] the goods or services covered by that mark *are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark* – unless the use which has been made of those signs or indications has enabled them to acquire a distinctive character ... [emphasis added]

74 Likewise, Lionel Bently & Brad Sherman, *Intellectual Property Law* (Oxford University Press, 2nd Ed, 2004) (“Bently & Sherman”) comments on s 3(1)(d) of the English Trade Marks Act as follows (at p 833):

While the scope of the section has yet to be fully explored, it seems that it will cover so-called ‘generic’ marks. A mark, particularly a name mark, is generic if though when it was first adopted it was distinctive, over time it has come to designate a genus or type of product rather than a particular product originating from a particular source. ... *One of the features of a generic mark is that it is no longer capable of distinguishing the goods or services of different traders.* Where a word comes to describe a class of products, it can no longer be relied upon to separate the products in the class from each other.

75 In *Merz & Krell GmbH & Co* [2002] ETMR 21 (“*Merz & Krell*”), the applicant’s application to register the word “Bravo” in respect of writing implements was rejected by the German Patent and

Trade Mark Office on the ground that “the word BRAVO [was], for the class of persons to whom it [was] addressed ... no more than a word of praise and an advertising slogan devoid of any distinctive character” (at [10]). The issue before the ECJ was whether Art 3(1)(d) of the European Trade Marks Directive (which is similar to s 7(1)(d) of the current TMA) was to be interpreted restrictively such that “only signs or indications which directly describe[d] the specific goods or services in respect of which registration [was] sought, or the essential characteristics or features thereof, [were] affected by the bar to registration” (see *Merz & Krell* at [16]). The court opined that Art 3(1)(d) was concerned with prohibiting registration on the sole condition that the mark had become customary and it was *immaterial* whether the mark was descriptive of the characteristics of the goods or services in question, stating (at [26] and [28]–[29]):

26 Under Article 3(1)(d) of the [European Trade Marks] Directive, trade marks which consist exclusively of signs or indications which have become customary in the current language or [in] trade practices are to be refused registration.

...

2 8 *The purpose of Article 3(1)(d) of the [European Trade Marks] Directive is to prevent the registration of signs or indications that are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and so do not satisfy the criterion laid down in Article 2 of the Directive [viz, the European equivalent of the definition of “trade mark” in s 2(1) of the current TMA].*

29 The question [of] whether particular signs or indications possess distinctive character cannot, however, be considered in the abstract and separately from the goods or services [which] those signs or indications are intended to distinguish.

[emphasis added]

76 Applying a similar approach to the interpretation of s 7(1)(d) of the current TMA in the present case, the Rooster Sign, although not descriptive of any characteristic of the subject goods (*ie*, cordyceps), would have become customary if it has become incapable of distinguishing the cordyceps of one undertaking from those of other undertakings. We should at this juncture emphasise that the concept of the capacity of a trade mark to distinguish the goods or services which it covers (referred to hereafter as a trade mark’s “capacity to distinguish”) as dealt with under this ground of invalidation (*viz*, s 7(1)(d)) should not be conflated with the concept of a trade mark’s capacity to distinguish as dealt with under s 7(1)(a), which is discussed later (see [84]–[99] below). As will be seen, the latter concept of a trade mark’s capacity to distinguish (*ie*, the concept embodied in s 7(1)(a)) does not take into consideration the use made of the trade mark in question when determining whether that trade mark possesses the requisite capacity to distinguish (see [97] below). In contrast, the former concept of a trade mark’s capacity to distinguish (*ie*, the concept embodied in s 7(1)(d)) allows the use made of the trade mark in question to be taken into account for the purposes of determining whether that trade mark has become customary (see, *eg*, the decision of the English High Court in *West v Fuller Smith & Turner Plc* [2002] FSR 55). As stated in *Morcom et al* ([52] *supra*), s 3(1)(d) of the English Trade Marks Act (which is *in pari materia* with s 7(1)(d) of the current TMA) “is intended to enable applications ... for signs *which have become generic or [which] have come into general use in the trade ... to be refused*” [emphasis added] (at para 5.81).

(2) *Whether the Rooster Sign has become customary in the cordyceps trade*

77 The Plaintiff bears the burden of showing that the Rooster Sign (which forms the essence of

the Opposed Mark) has become “customary in the current language or in the bona fide and established practices of the trade” (*per s 7(1)(d) of the current TMA*) as referring to cordyceps from the PRC. This burden, like the burden of proof *vis-à-vis s 22(1)(c) of the current TMA* (see [59] above), has been described as one which is *not easy to discharge*. For example, *Kerly’s* ([52] *supra*), in discussing s 3(1)(d) of the English Trade Marks Act, Art 3(1)(d) of the European Trade Marks Directive and Art 7(1)(d) of EC Council Regulation 40/94 (all of which correspond to s 7(1)(d) of the current TMA), states (at paras 81101–81102):

81101 ... These provisions are directed at preventing registration of those signs or indications which honest traders customarily use in trade – signs which are generic.

81102 ... The essence of the objection is that the sign is generic, with the primary focus usually being on the perception of the mark amongst consumers, although the perception in the trade may be important in certain circumstances. Each case will turn on its own facts and evidence. *The challenge with these grounds is to compile a sufficiently convincing body of evidence.*

[emphasis added]

Kerly’s further states (at para 81113), in relation to Art 3(1)(d) of the European Trade Marks Directive and Art 7(1)(d) of EC Council Regulation 40/94, that these provisions:

... are in the public interest, to ensure that generic terms may be used freely by all. ... Alternatively, the public interest lies in the fact that marks caught by these provisions are not capable of functioning as trade marks and therefore do not deserve to be protected. Expressing the underlying public interest in these terms serves to emphasise that ***these provisions set a high hurdle***. Not only must the mark consist *exclusively* of generic matter, but the fact of genericism must be established. Bearing in mind [that] the primary role of [Art] 3(1)(d) [of the European Trade Marks Directive]/ [Art] 7(1)(d) [of EC Council Regulation 40/94] are [*sic*] to prevent traders seeking to monopolise terms which are already generic, the fact of genericism can usually be demonstrated. [emphasis added in bold italics]

78 The Plaintiff asserts that the Rooster Sign has become customarily used in the cordyceps trade to denote cordyceps from the PRC. In support of this contention, the Plaintiff tendered in the court below various invoices describing cordyceps sold by other companies as “Rooster cordyceps” and various documents showing the China Mark (*ie*, the Rooster Sign as registered as a trade mark in the PRC) on cordyceps sold by those companies. Other evidence, however, indicates that such use of the China Mark was likely to have been pursuant to licence agreements entered into by Qinghai Meheco with other Chinese cordyceps-exporting companies (see [114] below). Indeed, there is evidence that the China Chamber of Commerce played a role in arranging for other Chinese cordyceps-exporting companies to enter into licence agreements with Qinghai Meheco for the use of the China Mark (see [114] below). Further, as Mr Zhang Jianzhong (“Zhang”), the managing director of the First Defendant, pointed out in his affidavit filed on 5 April 2007 in response to the Plaintiff’s evidence, if the Rooster Sign had truly become customary in the current language or in the *bona fide* and established practices of the cordyceps trade for denoting cordyceps from the PRC, there would surely have been opposition to the registration of the Rooster Sign in the PRC (as the China Mark), but no opposition has been raised since the registration of the China Mark in 1985.[\[note: 17\]](#) In fact, according to Zhang, many parties in the PRC have sought to register either “(i) variations of chicken-themed logos for their cordyceps and other herbs; or (ii) completely different marks for these goods altogether”.[\[note: 18\]](#) The First Defendant’s case would also appear to be supported by the evidence of Mr Zhao Jian (“Zhao”) and Mr Deng Zhong Xiang (“Deng”), who are former employees of Sichuan Meheco and Chongqing Meheco respectively, both of whom denied during cross-examination that their

former employers had used the Rooster Sign in the PRC.[\[note: 19\]](#)

79 That aside, there is further evidence in support of the First Defendant's case (*viz*, that the Rooster Sign has not become customary in the cordyceps trade as denoting cordyceps from the PRC). As mentioned earlier (see sub-para (b) of [7] above), Qinghai Meheco's application to register the Rooster Sign as a trade mark in Singapore was opposed by Wing Thye Loong after it was advertised. This caused the delay in the issuance of the certificate of registration to Qinghai Meheco (the certificate was not issued until 27 August 2001, almost six years after the date of Qinghai Meheco's application for registration). The opposition by Wing Thye Loong was successfully resisted (see *Wing Thye Loong* ([7] *supra*)). It is pertinent that Wing Thye Loong alleged – unsuccessfully – that there were other parties both within and outside Singapore dealing in similar goods bearing the Rooster Sign. This allegation was not substantiated and led the Assistant Registrar of Trade Marks to doubt its veracity. The Assistant Registrar of Trade Marks eventually held that “the evidence lodged [by Wing Thye Loong was] insufficient to show that other traders [were] using similar rooster marks [*ie*, the Rooster Sign] on similar goods” (*id* at [39]). What is even more significant is that at the time when Qinghai Meheco applied to register the Rooster Sign as a trade mark in Singapore, the Plaintiff supported the application in a letter to Qinghai Meheco in the following terms:[\[note: 20\]](#)

Our company [*ie*, the Plaintiff] ... has been importing the “Rooster” brand of Cordyceps Sinensis for around 40 years since the 1960s.

Around the early 1980s, when your company [*ie*, Qinghai Meheco] ... started to have the direct export rights [*ie*, direct rights to export cordyceps from the PRC], our company and your company directly developed the “Rooster” brand of Cordyceps Sinensis business and the related products of “Rooster” brand. ...

Our company declare[s] that, since the 1980s till now, we have been the ... Singapore agent for [Qinghai Meheco's] “Rooster” brand of Cordyceps Sinensis and other related products of “Rooster” brand.

This letter shows that the Rooster Sign, far from being used in Singapore to denote cordyceps from the PRC generically, was in fact used in respect of cordyceps supplied by Qinghai Meheco specifically.

8 0 In the light of the foregoing, there is certainly no “sufficiently convincing body of evidence” (see *Kerly's* ([52] *supra*) at para 81102 (reproduced at [77] above)) for us to find that the Rooster Sign has become customary in the current language or in the *bona fide* and established practices of the cordyceps trade for denoting cordyceps from the PRC. We thus hold that the Plaintiff has failed to establish its case under s 23(1) read with s 7(1)(d) of the current TMA.

8 1 The present case would appear to mirror that of *West v Fuller Smith & Turner Plc* ([76] *supra*), where there was likewise little evidence that the impugned mark had become customary. The plaintiff in that case marketed a pilsner beer known as “ESP”, which stood for “Eastenders Strong Pils”. He applied for the revocation of the registration of the defendant's “E.S.B.” trade mark, which stood for “Extra Special Bitter”. Christopher Floyd QC (sitting as a deputy judge of the English High Court) held that the evidence adduced by the plaintiff was insufficient to show that the initials “E.S.B.” had become customary, stating (at [39]–[43]):

39 I turn to the question of whether the [defendant's] mark had become customary in the current language or established practices of the trade. Only two brewers apart from [the defendant] had used the E.S.B. initials directly: Mitchell's and Jennings, although little is known about the latter. If this were the only use which were relevant it would be clearly inadequate to

support the suggestion that the mark consisted of signs or indications which were customary.

40 However, in the light of the evidence that Extra Special/Strong Bitter may sometimes be shortened to E.S.B. it is relevant to consider the use by traders of the terms Extra Special/Strong Bitter before 1988 [the year in which the defendant's mark was registered]. If these terms were customary, and were used in such a way that they were likely to be abbreviated to E.S.B., then E.S.B. itself would be a customary term. As [counsel for the plaintiff] pointed out, even if the brewer is using Extra Special Bitter, his customers may order E.S.B. If such a use had become customary, it would be wrong to maintain the registration of the [defendant's] mark.

41 Of the remaining brewers, Ann Street, Simpkins and Blue Anchor were all using Extra Special Bitter and Smiles was using Extra Strong Bitter. However the evidence about these beers either indicates positively that it is unlikely that the names were abbreviated to E.S.B., or is silent on the subject. In these latter cases, in the absence of more evidence about the way the marks were used, it would, in my judgment, be wrong to infer a likelihood that abbreviation would take place.

42 Such specialist dictionaries and writings as were produced post-dated 1988, and most had a North American origin or connection. They do not throw light on the position in the United Kingdom in 1988.

43 In my judgment the claimant has failed to establish that the initials E.S.B. were a sign or [an] indication customary in the current language or established practices of the trade. There is nothing else in the evidence to establish that the mark is otherwise devoid of distinctive character.

This decision was upheld by the English Court of Appeal on appeal (see *West v Fuller Smith & Turner Plc* [2003] FSR 44).

Section 7(1)(a): The impugned trade mark does not satisfy the definition of a trade mark

82 We now turn to the second head under which the Plaintiff claims the registration of the Opposed Mark should be invalidated. This relates to s 23(1) read with s 7(1)(a) of the current TMA, which (taken together) allow "signs which do not satisfy the definition of a trade mark in section 2(1)" (*per* s 7(1)(a)) to be invalidated. In this regard, the Plaintiff submits that as a result of the extensive use of the Rooster Sign (which forms the essence of the Opposed Mark) since the 1950s, that sign is not capable of *distinguishing the cordyceps of one supplier from the cordyceps of other suppliers* and thus cannot be registered as a trade mark, which is defined in s 2(1) of the current TMA as:

... any sign capable of being represented graphically and which is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person ...

83 It should be pointed out at this juncture that the current TMA was not in force when the Opposed Mark was registered. The application to register the Rooster Sign as a trade mark in Singapore was made on 6 September 1995. Under the transitional provisions in the Third Schedule of the current TMA ("the Third Schedule"), "an application for registration of a mark ... which is pending on 15th January 1999" (see para 10(1) of the Third Schedule) is to be dealt with under "the old law" (*ibid*), *ie*, under the Trade Marks Act (Cap 332, 1992 Ed) ("the 1992 TMA"). (The 1992 TMA has since been repealed by s 109 of the Trade Marks Act 1998 (Act 46 of 1998) ("the 1998 TMA").) Under the

1992 TMA, a trade mark was defined without reference to the capability of the sign constituting the trade mark to distinguish the goods or services of one supplier from those of other suppliers. Nevertheless, the Opposed Mark's capability (or lack thereof) to distinguish the cordyceps supplied by the First Defendant from other suppliers' cordyceps is relevant because para 17(2) of the Third Schedule provides that for the purposes of proceedings under s 23 of the current TMA, the provisions of the current TMA (save for s 8(3) thereof, which is immaterial in the Appeal) are deemed to have been in force at all material times. By virtue of this deeming provision, the current definition of a trade mark applies to the present application by the Plaintiff to invalidate the registration of the Opposed Mark under s 23 read with s 7(1)(a).

(1) *The requirement that a trade mark must have the requisite capacity to distinguish*

84 The cornerstone of a mark or sign which has been registered as a trade mark is its capacity to distinguish (as defined at [76] above), *ie*, its ability to distinguish the goods or services of a particular supplier so as to serve as a badge of trade origin to the average consumer who encounters the mark. As stated in *Executrices of the Estate of Diana, Princess of Wales' Application* [2001] ETMR 25, "it is clear that the ability to distinguish the goods or services of one undertaking from those of other undertakings remains the essential function of a trade mark" (at [11]). It is for this reason that a mark or sign has to have a certain level of distinctiveness before it can be registered as a trade mark. According to the learned author of NgLoy's *Intellectual Property* ([52] *supra*), there are three thresholds of distinctiveness *vis-à-vis* trade marks, as follows (at para 21.3.5):

The interplay between the three thresholds of distinctiveness is as follows. The **first threshold** is found in the statutory definition of 'trade mark' itself: a sign must be *capable* of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with by any other person. A sign which fails to cross this capacity-to-distinguish threshold is not a trade mark for the purposes of the Trade Marks Act [*ie*, the current TMA], and s 7(1)(a) prohibits its registration. The **second threshold** is found in ss 7(1)(b)-(d) which prohibit the registration of trade marks which are devoid of distinctive character, for example, trade marks which are descriptive of the goods or services for which registration is sought. Such trade marks are the ones which lack inherent distinctiveness, and as indicated above, they are *prima facie* not allowed registration. If the applicant of an inherently non-distinctive trade mark shows that it has crossed the **third threshold** of distinctiveness set out in s 7(2), that is, the mark has acquired sufficient *de facto* distinctiveness as a result of the applicant's use ... of the mark before the date of the application, the mark will be accepted for registration. [emphasis added in bold italics]

85 Similarly, the learned authors of Cornish & Llewelyn ([53] *supra*) also recognise that the capacity to distinguish is a base threshold requirement which must be satisfied before a mark or sign can be registered as a trade mark. The learned authors state (at paras 18117-18118):

18117 The inclusion of capacity to distinguish in the very definition of a trade mark ties the system for the most part to its historic basis: that the law's purpose is to protect marks as, in a broad sense, indicators of origin. ...

18118 ... *Lack of capacity to distinguish* – as an element in the initial definition of what is to count as a trade mark at all – *must pertain to objections even more fundamental (and therefore less likely to arise) than "devoid of distinctiveness"* [see s 3(1)(b) of the English Trade Marks Act, which is *in pari materia* with s 7(1)(b) of the current TMA; the latter provision is not, however, in issue in the present appeal] ... [emphasis added]

86 The approach taken by the courts towards this fundamental requirement that a mark or sign must have the requisite capacity to distinguish in order to be registered as a trade mark has not been exacting. The learned authors of *Morcom et al* ([52] *supra*), in discussing the phrase “capable of distinguishing” in Art 2 of the European Trade Marks Directive (which corresponds to the definition of “trade mark” in s 2(1) of the current TMA), opine that that phrase should be interpreted broadly (*id* at para 5.24):

The ECJ appears to have adopted a *fairly broad interpretation of 'capable of distinguishing'* in art 2, so that the category of signs excluded, as being 'incapable of distinguishing', is very narrow. [emphasis added]

87 An example of this relaxed approach on the part of the courts can be found in *AD2000 Trade Mark* [1997] RPC 168. In that case, the English High Court held that a mark is capable of distinguishing the goods or services of one undertaking from those of other undertakings even if it is capable of doing so only in so far as it is not incapable of fulfilling this distinguishing role. Geoffrey Hobbs QC (sitting as a deputy judge of the English High Court) stated (at 173):

Section 3(1)(a) [*ie*, the English equivalent of s 7(1)(a) of the current TMA] prohibits the registrations of “*signs*” which do not satisfy the requirements of section 1(1) [*ie*, the provision in the English Trade Marks Act which sets out the definition of a “trade mark”] (because they are incapable of being represented graphically and/or incapable of distinguishing [the] goods or services of one undertaking from those of other undertakings) whereas the prohibitions in sections 3(1)(b), 3(1)(c) and 3(1)(d) [*ie*, the English equivalent of, respectively, ss 7(1)(b), 7(1)(c) and 7(1)(d) of the current TMA] are applicable to “*trade marks*”, *i.e.* signs which satisfy the requirements of section 1(1). From the proviso to section 3(1) [which corresponds to s 7(2) of the current TMA] it is apparent that sections 3(1)(b), 3(1)(c) and 3(1)(d) prohibit the registration of signs which satisfy the requirements of section 1(1), but nonetheless lack a distinctive character in the absence of appropriate use. This implies that ***the requirements of section 1(1) are satisfied even in cases where a sign represented graphically is only “capable” to the limited extent of being “not incapable” of distinguishing goods or services of one undertaking from those of other undertakings. Such signs are not excluded from registration by section 3(1)(a).*** Section 3(1)(a) has the more limited effect envisaged by article 3(1)(a) of the [European Trade Marks] Directive of preventing the registrations of “*signs which cannot constitute a trade mark*” at the time when they are put forward for registration. It is clear that signs which are not objectionable under section 3(1)(a) may nevertheless be objectionable under other provisions of section 3 including sections 3(1)(b), 3(1)(c) and 3(1)(d). [emphasis added in bold italics]

88 Similarly, in *Premier Luggage and Bags Ltd v The Premier Company (UK) Ltd* [2001] FSR 29, the English High Court held, citing (*inter alia*) *AD2000 Trade Mark*, that although “Premier” was an ordinary laudatory word, it was capable of distinguishing the claimant’s luggage and travel goods as it was not incapable of distinguishing those products from the luggage and travel goods of other traders (at [19]). This particular finding was upheld by the English Court of Appeal in *Premier Luggage and Bags Ltd v Premier Company (UK) Ltd* [2003] FSR 5 (although the court ultimately allowed the appeal on other grounds), where Chadwick LJ stated (at [50]):

I reject the submission, made on behalf of [the first defendant] in this Court, that the word “Premier” is incapable of being or becoming distinctive of origin. In particular, I do not accept that the word “Premier”, although plainly capable of being used in a descriptive or adjectival sense (denoting primacy or superiority over other members of the class) and so (absent use) [being] devoid of any inherent distinctive character, cannot become distinctive of origin as a result of

use in relation to particular goods or services. "Premier" is not a word like "soap" which can only describe the article to which it is applied ...

89 In the present case, two decisions of the English Court of Appeal dealing with the question of the capacity to distinguish *vis-à-vis* s 3(1)(a) of the English Trade Marks Act (which is similar to s 7(1)(a) of the current TMA) appear to have played a significant part in the Judge's decision that the Opposed Mark did not constitute a "trade mark" as defined by s 2(1) of the current TMA since the Rooster Sign (which forms the essence of the Opposed Mark) "did not distinguish Qinghai Meheco's cordyceps from that of the other suppliers which use[d] the same mark [*ie*, the Rooster Sign]" (see [49] of the Judgment). In the opinion of the Judge, each of these English cases set out a different approach as to how a mark's capacity to distinguish is to be assessed, as follows (see [37]–[38] of the Judgment):

37 A mark's capability to distinguish the goods of one person from the goods of other persons can be understood and ascertained in two ways. *One way is to focus on the inherent nature of the mark.* A mark consisting of the word "cordyceps" or a mark of a picture of a cordyceps will not have the capability to distinguish one trader's cordyceps from those of other traders. The [Opposed Mark], looked at on its own in this way, is capable of distinguishing one trader's cordyceps from others.

3 8 *The second way of assessing the capability to distinguish [of a mark] is to look at the mark and the surrounding circumstances at the time of the application to register, and decide whether the mark can identify ... the goods of the applicant from the goods of other suppliers in the circumstances.* Employing this method, if the [Opposed Mark] is used by Qinghai Meheco as well as other provincial suppliers, it is not capable of distinguishing Qinghai Meheco's cordyceps from the other suppliers' cordyceps.

[emphasis added]

90 The case which applied the first approach (*ie*, the approach set out at [37] of the Judgment) was *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 ("*Philips (No 1)*"). In that case, the plaintiff ("Philips"), which produced three-headed rotary shavers, registered a trade mark consisting of a picture of the head of a three-headed rotary shaver. When the defendant ("Remington") introduced a three-headed rotary shaver under its own "Remington" mark, Philips sued Remington for trade mark infringement while Remington counterclaimed for invalidation of the registration of Philips' mark on (*inter alia*) the ground that the registration of that mark offended s 3(1)(a) of the English Trade Marks Act (*viz*, the English equivalent of s 7(1)(a) of the current TMA). On this particular point, as Morcom *et al* ([52] *supra*) have succinctly summarised (at para 5.22), the English Court of Appeal essentially held that "a picture or a shape of a three-dimensional article [was] not registrable as a trade mark in respect of [that] article if it [was] purely descriptive of that article, and no more". Thus, Philips' mark featuring the head of a three-headed rotary shaver was found to be incapable of distinguishing Philips' three-headed rotary shavers from three-headed rotary shavers that other companies might have produced. As Aldous LJ, who delivered the judgment of the court, stated (see *Philips (No 1)* at 818):

[Philips'] trade mark shows the head of a particular three headed rotary shaver and it would be recognised by the trade and [the] public as such, albeit as one made by Philips. Even though there are a number of other designs of three headed rotary shavers that could be produced, the shape shown in the trademark is a shape which, absent patent, registered design, copyright or unfair trading protection, another trader is entitled to make. It is not capable of distinguishing Philips' shavers of that shape from those of other traders who produce shavers with a similar

shaped head.

91 Of greater relevance for present purposes would be the fact that Aldous LJ stated in an earlier part of his judgment that “the capability of distinguishing *depend[ed] upon the features of the trade mark itself, not on the result of its use*” [emphasis added] (*id* at 817). Thus, *Philips (No 1)* would stand for the proposition that a trade mark’s capacity to distinguish must arise from the inherent features or characteristics of the mark itself, and not from its use.

92 The case which adopted the second approach (*ie*, the approach set out at [38] of the Judgment) was *Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513 (“*Bach*”). In that case, the trade marks in contention (“the ‘Bach’ trade marks”) were used in respect of herbal remedies. Those remedies were the creation of Dr Edward Bach (“Dr Bach”), who had formulated 38 new herbal remedies between 1928 and 1935. Over time, those remedies gained recognition and became known as “Bach Flower Remedies”. After Dr Bach’s death, eight trade marks in respect of Dr Bach’s remedies (*ie*, the “Bach” trade marks), which consisted of either the word “Bach” alone or the words “Bach Flower Remedies”, were registered between 1979 and 1991. Bach Flowers Remedies Ltd was the proprietor of the “Bach” trade marks. In 1997, another company, Healing Herbs Ltd, which had been producing the 38 remedies that had been created by Dr Bach, applied for, *inter alia*, a declaration that the “Bach” trade marks had been registered in breach of s 3(1)(a) of the English Trade Marks Act (which, as mentioned earlier, corresponds to s 7(1)(a) of the current TMA).

93 Bach Flowers Remedies Ltd argued that the word “Bach” was capable of distinguishing its products, and relied on the decision of Aldous LJ in *Philips (No 1)* ([90] *supra*) in support of its argument. It elaborated that the word “Bach” was not an ordinary English word, and that this therefore rendered the “Bach” trade marks capable of distinguishing the products in respect of which the marks had been registered (see *Bach* at [31]). Healing Herbs Ltd, on the other hand, submitted that a mark’s capacity to distinguish would depend on the meaning of the word constituting the mark and that the meaning of any word would depend in part on its normal use (*id* at [32]). Therefore, it would not be correct for the court to altogether ignore the use of the word “Bach” in the period prior to the registration of the “Bach” trade marks (*ibid*). Morritt LJ, who delivered the main judgment, found in favour of Healing Herbs Ltd. He was of the opinion that the use made of the “Bach” trade marks was relevant in assessing whether they had the requisite capacity to distinguish, stating (see *Bach* at [34]–[35]):

34. I accept the submission that the meaning of a word may depend on its usage. It is not uncommon for a proper name, by use, to acquire an adjectival meaning which is descriptive of the article to which it is applied. Examples given in the course of argument[s] [demonstrate] the point. Thus the terms “a Bunsen burner” and “a Wellington boot” are wholly descriptive and cannot, without more, distinguish such burners or boots of one undertaking from those of another. In accordance with that use the expression has become the common name in the trade for the product in question. ... The question is whether or not the word “BACH” had, by 1979, acquired such a meaning so as to be incapable, without more, of affording the requisite distinction. If it had then [the definition of a “trade mark” in] section 1(1) [of the English Trade Marks Act] is not satisfied ... Accordingly I accept the submission that it is both permissible and necessary in considering the application of paragraph (a) [of s 3(1) of the English Trade Marks Act] to determine the meaning of the word as used at the time of the application for registration. I do not understand Aldous [LJ] in [*Philips (No 1)*] ... to have been considering the relevance of use to the meaning of the word.

35. The usage in question must be by those engaged in the relevant trade or activity. Normally that will be the usage of the average consumer of the goods in question ... Obviously the

evidence on that question is not limited to those who are consumers or end-users but may extend to others concerned in the trade such [as] manufacturers, wholesalers and retailers. But I do not think that the court is assisted by repetitious evidence from individuals put forward by the parties, whether expressly or not, as archetypal average consumers or end-users for, by definition, no one individual is such a consumer or end-user and the issue cannot be resolved by counting heads. ...

94 In the present case, although the Judge referred to *Philips (No 1)* ([90] *supra*) and *Bach* ([92] *supra*), he did not refer to the ECJ case of *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2003] Ch 159 ("*Philips (No 2)*"). In *Philips (No 1)*, the English Court of Appeal, after expressing its provisional opinion (at 818) that Philips' mark was not a registrable mark for the purposes of s 3(1)(a) of the English Trade Marks Act, decided to refer the case to the ECJ for a preliminary ruling on the interpretation of certain provisions in the European Trade Marks Directive. One of the questions posed to the ECJ was the following (see *Philips (No 2)* at [23]):

[W]hether there is a category of marks which is not excluded from registration by article[s] 3(1)(b), (c) and (d) and article 3(3) of the [European Trade Marks] Directive [*ie*, the European equivalent of, respectively, ss 7(1)(b), 7(1)(c), 7(1)(d) and 7(2) of the current TMA] [but] which is nonetheless excluded from registration by article 3(1)(a) thereof [*ie*, the European equivalent of s 7(1)(a) of the current TMA] on the ground that such marks are incapable of distinguishing the goods of the proprietor from those of other undertakings.

On this question, the ECJ held (*id* at [36]–[40]):

36 It is true that article 3(1)(a) of the [European Trade Marks] Directive provides that signs which cannot constitute a trade mark are to be refused registration or if registered are liable to be declared invalid.

37 However, it is clear from the wording of article 3(1)(a) and the structure of the [European Trade Marks] Directive that that provision is intended essentially to exclude from registration signs which are not generally capable of being a trade mark and thus cannot be represented graphically and/or are not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

38 Accordingly, article 3(1)(a) of the [European Trade Marks] Directive, like the rule laid down by article[s] 3(1)(b), (c) and (d), precludes the registration of signs or indications which do not meet one of the two conditions imposed by article 2 of the [European Trade Marks] Directive [which effectively corresponds to the definition of "trade mark" in s 2(1) of the current TMA], that is to say, the condition requiring such signs to be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

39 It follows that there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing goods or services within the meaning of article 2 of the [European Trade Marks] Directive.

40 In the light of those considerations, the answer to the ... question must be that there is no category of marks which is not excluded from registration by article[s] 3(1)(b), (c) and (d) and article 3(3) of the [European Trade Marks] Directive [but] which is [nonetheless] excluded from registration by article 3(1)(a) thereof on the ground that such marks are incapable of distinguishing the goods of the proprietor of the mark from those of other undertakings.

95 What would be especially relevant for present purposes is that the ECJ stated that the objective of Art 3(1)(a) of the European Trade Marks Directive (which, as mentioned earlier, is the European equivalent of s 7(1)(a) of the current TMA) was to preclude the registration of “signs which [were] *not generally capable of being a trade mark*” [emphasis added] (see *Philips (No 2)* at [37]), *ie*, signs which “[could not] be represented graphically and/or [were] not capable of distinguishing the goods or services of one undertaking from those of other undertakings” (*ibid*). Furthermore, the ECJ stated expressly (see *Philips (No 2)* at [40]) that marks which were not excluded from registration by Arts 3(1)(b), 3(1)(c), 3(1)(d) and 3(3) of the European Trade Marks Directive (which correspond to, respectively, ss 7(1)(b), 7(1)(c), 7(1)(d) and 7(2) of the current TMA) could not be excluded from registration under Art 3(1)(a) (*ie*, the European equivalent of s 7(1)(a) of the current TMA).

96 The above pronouncements of the ECJ in *Philips (No 2)* indicate that the requirement encapsulated in the expression “capable of distinguishing” in the definition of a “trade mark” in s 2(1) of the current TMA is a *threshold* requirement, and appear to accord with the view of Andrew Phang Boon Leong J in *Nation Fittings (M) Sdn Bhd v Oystertec Plc* [2006] 1 SLR 712 (“*Nation Fittings*”), where he stated that the “capable of distinguishing” requirement stipulated in s 2(1) was a “relatively low *threshold criterion*” [emphasis added] (at [136]). Such an analysis is also consistent with the thesis of the learned author of NgLoy’s *Intellectual Property* ([52] *supra*), who states (at para 21.3.5) that there are three thresholds of distinctiveness *vis-à-vis* trade marks, with the *first threshold* being found in the statutory definition of “trade mark” itself (specifically, in the requirement that a mark or sign must have the requisite capacity to distinguish before it can constitute a “trade mark” as defined in s 2(1) of the current TMA (see the passage reproduced at [84] above)). In the light of the above it would not be incorrect to adopt the approach which the English Court of Appeal took in *Philips (No 1)* ([90] *supra*) – *ie*, that in assessing whether a sign or mark possesses the requisite capacity to distinguish so as to constitute a trade mark, one should look only at the inherent features or characteristics of that sign or mark, and not at its use. It may also be pertinent to point out that pursuant to s 7(2) of the current TMA, in assessing whether a sign or mark should be refused registration by virtue of s 7(1), regard may be had to “the use made of [the sign or mark]” (*per* s 7(2)) where ss 7(1)(b)–7(1)(d) are concerned, but *not* where s 7(1)(a) is concerned. Thus, conceptually, it would appear that there is cogent support for the approach in *Philips (No 1)* as opposed to the approach in *Bach* ([92] *supra*).

97 Accordingly, and with respect, we are of the view that the Judge erred in adopting the approach of the English Court of Appeal in *Bach*. Instead, the approach set out by the English Court of Appeal in *Philips (No 1)* should be adopted, *ie*, for the purposes of assessing whether a sign or mark satisfies the definition of a “trade mark” as required by s 7(1)(a) of the current TMA, the capacity to distinguish of that sign or mark must arise from the inherent features or characteristics of the sign or mark itself, and must not be the result of the use of it. The issue of whether the use of a sign or mark shows that the sign or mark has the requisite capacity to distinguish so as to fall within the statutory definition of a “trade mark” would be more appropriately canvassed under a different limb of s 7(1); for example, it can be considered in relation to s 7(1)(d) (see [76] above), which would fall under the second threshold of distinctiveness in NgLoy’s analysis (see [84] above). Indeed, the issue raised in *Bach* on the relevance of the use of a mark *vis-à-vis* the mark’s capacity to distinguish might, perhaps, have been better dealt with under s 3(1)(d) of the English Trade Marks Act (*ie*, the English equivalent of s 7(1)(d) of the current TMA).

98 Interestingly, Mr Tan, lead counsel for the Plaintiff, in his book, *Tan’s Law of Trade Marks* ([54] *supra*), which was published after the release of the ECJ’s decision in *Philips (No 2)* ([94] *supra*), appears to share the above-mentioned view. He states expressly that a sign’s capacity to distinguish must arise from “the inherent features or characteristics of the sign itself, [and] not as a result of its use” (see *Tan’s Law of Trade Marks* at para 5.9). He then adds that the “use of the sign

is *not relevant at all* when considering whether [the sign] is capable of being distinguishable under this ground" [emphasis added] (*ibid*).

99 In passing, we would acknowledge that there are some writers who have suggested that the correct interpretation of *Philips (No 2)* is that it stands for the proposition that Art 3(1)(a) of the European Trade Marks Directive (*ie*, the European equivalent of s 7(1)(a) of the current TMA) is not a separate ground for invalidating the registration of a trade mark and has to be read together with Arts 3(1)(b), 3(1)(c) and 3(1)(d) (which correspond to, respectively, ss 7(1)(b), 7(1)(c) and 7(1)(d) of the current TMA) (see, *eg*, Bently & Sherman ([74] *supra*) at p 799). On this view, the grounds for invalidation set out in Arts 3(1)(b), 3(1)(c) and 3(1)(d) of the European Trade Marks Directive are in essence "elaborations of the basic requirement of capacity to distinguish" (*ibid*). Thus, "[i]f a mark is devoid of distinctive character, it lacks capacity to distinguish; if a sign is descriptive it lacks capacity to distinguish, and so forth" (*ibid*). In the present case, there is no need for us to give a conclusive opinion on this interpretation of *Philips (No 2)*, except to observe that this way of reading the four grounds enumerated in the sub-paragraphs of s 7(1) of the current TMA would run counter to the express wording of the Act itself, which clearly indicates that each of the grounds set out in s 7(1) is a separate ground for refusing to register a sign or mark as a trade mark. We would also note that it may well be that a specific fact situation could fall under more than one limb of s 7(1).

(2) *Whether the Rooster Sign has the requisite capacity to distinguish*

100 In our view, the Rooster Sign is clearly capable of distinguishing one trader's cordyceps from those of other traders. A sign consisting of the word "cordyceps" or a sign taking the form of a picture of cordyceps is not likely to have the capacity to distinguish. In contrast, the Rooster Sign, looked at on its own, is conspicuously capable of distinguishing one trader's cordyceps from other traders' cordyceps because of the distinctive "rooster flower" which it bears. Bearing in mind the earlier discussion on the need to focus on the inherent features or characteristics of the sign itself in assessing whether it has the requisite capacity to distinguish (see [90]–[98] above), it is clear that the Rooster Sign, at the time of Qinghai Meheco's application to register it as a trade mark in Singapore, was capable of distinguishing Qinghai Meheco's cordyceps from the cordyceps of other suppliers, and this sign, since its registration in Singapore as the Opposed Mark, has continued to serve the same function *vis-à-vis* the First Defendant's cordyceps. In this respect, we have also noted that, presently, cordyceps from the PRC are being sold in the market under various marks or brands (see [65] above) and the Opposed Mark is just one of these marks or brands.

101 For these reasons, we are of the view that the Judge's ruling that the registration of the Opposed Mark could be invalidated pursuant to s 23(1) read with s 7(1)(a) of the current TMA is, with respect, wrong. Furthermore, we would add that even if the Judge's approach (*viz*, the approach in *Bach* ([92] *supra*)) were adopted, the same result would be reached, *ie*, the Rooster Sign would still be found to have the requisite capacity to distinguish so as to constitute a "trade mark" as defined in s 2(1) of the current TMA. In the court below, the Judge held otherwise, stating (at [44] of the Judgment):

The issues in *Bach* ... are the same [as the] issues in the present case. "Bach", looked at by itself, was capable of distinguishing a [producer's] goods, as the [Rooster Sign] was. With time, however, "Bach" became associated with the remedies created by Dr Bach. The [Rooster Sign] by itself had the capability to distinguish, but it had become associated with cordyceps from all Chinese sources.

However, as we have already shown (see [62]–[65] and [78]–[80] above), the evidence is at best equivocal as to whether the Rooster Sign has become "associated with cordyceps from all Chinese

sources" (see [44] of the Judgment) as the Judge thought. Furthermore, the fact that more than one party is entitled to use a particular sign or mark for the same product, which might have been the position in the present case (see [78] above and [114] below), does not in itself entail that the sign or mark in question is therefore incapable of distinguishing the various sources of that product. In such a situation, the sign or mark still serves its function as a badge of origin (although it does so *vis-à-vis* multiple suppliers – *ie*, all the suppliers who are entitled to use the sign or mark to market the product concerned – and not *vis-à-vis* one particular supplier) as there are other third parties who are certainly not at liberty to use the sign or mark for the same product. In this respect, it is also pertinent to note that under s 38 of the current TMA, a registered trade mark is assignable and transmissible by the proprietor to another party in the same way as any other personal or movable property. This is a point which appears not to have been fully appreciated by the Judge when he highlighted (at [46] of the Judgment) that cordyceps bearing the Rooster Sign from Chinese cordyceps-exporting companies other than Qinghai Meheco were being sold in Singapore by 1994.

Section 7(6): The application to register the impugned trade mark was made in bad faith

102 We now turn to the third ground advanced by the Plaintiff to invalidate the registration of the Opposed Mark, namely, the presence of bad faith in Qinghai Meheco's application to register the Rooster Sign as a trade mark in Singapore. Section 7(6) of the current TMA provides that "[a] trade mark shall not be registered if or to the extent that the application is made in bad faith". In arguing that the registration of the Opposed Mark should be invalidated on this ground, the Plaintiff submits that the fact that Qinghai Meheco did not have the exclusive right to use the Rooster Sign at the time the latter applied to register that sign as a trade mark meant that the application for registration was made in bad faith.

(1) *What constitutes "bad faith" for the purposes of section 7(6)*

103 In a number of cases under the English Trade Marks Act, it has been suggested that conduct can be described as being in bad faith if it involves dishonesty or at least falls short of acceptable commercial behaviour in the particular trade concerned. This was the view of Lindsay J in the leading case of *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 ("*Gromax Plasticulture*"), where he stated (at 379):

Plainly [bad faith] includes dishonesty and, as I would hold, [it] includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area [of trade] being examined.

104 The *concept* of bad faith under s 7(6) of the current TMA was first reviewed by the Singapore courts in *Rothmans of Pall Mall Limited v Maycolson International Ltd* [2006] 2 SLR 551 ("*Rothmans*") (that case actually concerned s 7(6) of the Trade Marks Act (Cap 332, 1999 Rev Ed) ("the 1999 TMA"), which is identical to s 7(6) of the current TMA). In *Rothmans*, Lai Siu Chiu J endorsed (at [32]) Lindsay J's formulation of the concept of bad faith in *Gromax Plasticulture*. This approach was also accepted by Rajah JA in *Warman* ([37] *supra*), where he stated (at [48]):

It would be fair to say that the term "bad faith" embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve "no breach of any duty, obligation, prohibition or requirement that is legally binding" upon the registrant of the trade mark: see *Demon Ale Trade Mark* [2000] RPC 345 at 356; and [Tan's *Law of Trade Marks* ([54] *supra*)] at p 129.

105 The *test* for determining the presence of bad faith, in the context of the English Trade Marks Act, was settled by the English Court of Appeal in *Harrison v Teton Valley Trading Co Ltd* [2004] 1 WLR 2577, where Sir William Aldous, with whom Arden and Pill LJ agreed, expressed the test as follows (at [26]):

The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as [being] in bad faith by persons adopting proper standards.

This test, which was referred to by Sir Aldous (*id* at [25]) as the “combined” test of bad faith, contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think).

106 Recently, this combined test of bad faith was succinctly explained in *Ajit Weekly Trade Mark* [2006] RPC 25 as follows (at [35] and [41]):

35 ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plasticulture* ([103] *supra*) ... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.

...

41 ... [T]he upshot of the Privy [Council’s] decision in [*Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476] is: (a) to confirm the House of Lords’ test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the objective element ...

107 Hence, to succeed in invalidating the registration of the Opposed Mark on the basis that the application for registration was made in bad faith, the Plaintiff must show not only that the conduct of Qinghai Meheco (the First Defendant’s predecessor in title) in applying for the registration of the Rooster Sign in Singapore fell short of the normally accepted standards of commercial behaviour, but also that Qinghai Meheco knew of facts which, to an ordinary honest person, would have made the latter realise that what Qinghai Meheco was doing would be regarded as breaching those standards (see also *Kerly’s* ([52] *supra*) at para 81275).

(2) *Whether there was bad faith in Qinghai Meheco’s application for registration*

108 The Plaintiff’s case, in summary, is that Qinghai Meheco’s application to register the Rooster Sign as a trade mark in Singapore was made in bad faith because Qinghai Meheco did not have the exclusive right to use the Rooster Sign at the time of its application for registration. According to the Plaintiff, since the 1980s, besides Qinghai Meheco, other Chinese cordyceps-exporting companies had also been supplying cordyceps under the Rooster Sign to Singapore. The Plaintiff asserts that when Qinghai Meheco applied to register the Rooster Sign as a trade mark in Singapore, the latter knew or

must have known that it was not the first or the only user of the sign in Singapore. In particular, it knew or must have known that there were other Chinese state-owned foreign trade companies as well as other Chinese provincial branch companies which had been using the Rooster Sign (through their distributors) in Singapore for several decades prior to September 1995. The Plaintiff contends that Qinghai Meheco also knew or must also have known that the surreptitious registration of the Rooster Sign in the PRC by its predecessor in title (*ie*, Qinghai Cofco) in 1984 had caused consternation and concerns amongst the other Chinese cordyceps-exporting companies, which felt that the Rooster Sign was common property and could not be appropriated by any one person or company. The Plaintiff further highlights that there is no evidence that Qinghai Meheco or Qinghai Cofco created the Rooster Sign and was the first party to use it in the PRC and/or Singapore. In the light of Qinghai Meheco's knowledge of these matters, Qinghai Meheco's conduct, the Plaintiff argues, ought to be construed as dishonest as judged by reasonable and experienced persons in the particular commercial area being examined (*ie*, the cordyceps trade in Singapore). Alternatively, the Plaintiff submits that it ought to be inferred that Qinghai Meheco's conduct "would be considered as commercially unacceptable by reasonable and experienced persons" (*per* Rajah JA in *Warman* ([37] *supra*) at [48]) in the cordyceps trade in Singapore. Specifically, the Plaintiff contends that where a sign or mark has been used openly and without objection in Singapore for over 40 years by several producers and distributors in relation to a product, that sign or mark being the only one which has been used for the product, it would be dishonest for any one of the producers or distributors to then come forward and claim that the sign or mark belongs to him exclusively and is distinctive of his product only.

109 In our view, the Plaintiff's case is similar to that of the plaintiff in *Warman*. In that case, the key issue in respect of the plaintiff's application to (*inter alia*) invalidate the registration of the defendant's "Warman" mark centred on the proprietorship of that mark. Rajah JA observed that it would be acceptable commercial behaviour for a person to apply to register a sign or mark as a trade mark if that person had, at the very least, a *right to register* that sign or mark. In this regard, he stated the following (at [49]):

In the present case, it is common ground that the key issue in the determination of bad faith pivots around the fulcrum of proprietorship of the "Warman" mark in Singapore. It appears to me to be an incontrovertible proposition that if a registrant of a trade mark has proprietorship of that trade mark, or at the very least, the *right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade. Conversely, where it can be shown that the applicant [knows] of an *exclusive* proprietary right of *another* in relation to the trade mark [which] it seeks to furtively register, then any such registration would, almost invariably, quite clearly fall short of the relevant standards. As such, it is important to first examine and determine the issue of proprietorship. [emphasis in original]

110 In response to the Plaintiff's allegation that Qinghai Meheco did not have the exclusive right to use the Rooster Sign as at 6 September 1995 (the date of Qinghai Meheco's application for registration), Zhang, the managing director of the First Defendant, recounted the history of the China Mark and emphasised the legitimacy of Qinghai Cofco's *registration* of the Rooster Sign in the PRC (as the China Mark).[\[note: 21\]](#) According to Zhang, the Rooster Sign was first registered as a trade mark in the PRC by Qinghai Cofco on 15 June 1985. Under Chinese trade mark law, a "first-to-register"[\[note: 22\]](#) rule applied. So long as a sign or mark had yet to be registered as a trade mark, any party could apply to register that sign or mark regardless of whether it had previously been used by any other party. Objections to the application for registration could be raised within the statutory time frame, but, in the case of Qinghai Cofco's application to register the Rooster Sign, no objections were raised.

111 Zhang also gave an account of the legitimacy of Qinghai Cofco's *decision to register* the Rooster Sign as a trade mark in the PRC. Qinghai, he stated during cross-examination, was the place of origin of cordyceps. He elaborated:[\[note: 23\]](#)

In [the PRC], before the 1970s, what existed was a planned economy. Qinghai Meheco can be regarded as the place of origin [*ie*, the original source] of cordyceps; Qinghai Meheco and its predecessor, Qinghai Native Products [*ie*, the Qinghai branch of China Tuhsu (see [14] above)].

Qinghai, Zhang added, was also the largest producer and exporter of cordyceps under the Rooster Sign at the time that sign was registered as a trade mark in the PRC. In this regard, he stated during cross-examination:[\[note: 24\]](#)

[E]ven though the witnesses for the [P]laintiff have been saying that ... Qinghai was the exporter and producer of cordyceps since the '50s and '60s ... in fact Qinghai has all along been the main producer of cordyceps, the largest [exporter] and [producer] of cordyceps in [the PRC], accounting for about 80 per cent of the total export output.

112 The First Defendant argued in its submissions in the court below that:[\[note: 25\]](#)

Since the [First] Defendant's predecessors were the originators of the [product] and the largest producers and exporters, it is clear that they [were] the proprietors of the mark in [the PRC]. Hence, China Cereals Qinghai Branch [*ie*, Qinghai Cofco] rightly took steps to register the Rooster [Sign] as a trade mark in [the PRC] when the PRC Trade Mark Laws first came into force in 1983.

Indeed, the evidence of one of the Plaintiff's witnesses, Deng, an ex-employee of Chongqing Meheco, supports this contention. In his affidavit filed on 1 November 2006, Deng exhibited a letter written by Chongqing Meheco in November 1995 (after the Xining Meeting of June 1995 (see [17] above)) to the China Chamber of Commerce protesting against, *inter alia*, Qinghai Meheco's registration of the China Mark in its (*ie*, Qinghai Meheco's) name (after that trade mark was assigned by Qinghai Cofco to Qinghai Meheco). The letter stated that:[\[note: 26\]](#)

It was brought to our attention recently that [Qinghai Meheco] has successfully registered the [Rooster Sign] as a local trademark under the company, and has appointed legal counsel to apply for registration in the Singapore market. All [this was] done without informing the members of the commission [*ie*, the commission set up by the China Chamber of Commerce to stabilise the cordyceps trade] ... If [this is] true, the [China] Chamber of Commerce and members of the commission must experience the same feelings of regret. At the Xining [M]eeting, all [the] companies were very concerned about the trademark issue and ... specifically studied the problem under the leadership of the chamber [*ie*, the China Chamber of Commerce]. The consensus then was for [Qinghai Meheco] to take the lead in registering the "Rooster" brand as a local trademark and for all member companies to fully support its move, and for the [China] Chamber of Commerce to subsequently arrange for [registration] in foreign markets on a collective basis ...

113 During cross-examination, Deng confirmed that Qinghai Meheco was to take the lead in registering the Rooster Sign as a trade mark as it was the largest producer and exporter of cordyceps in the PRC at that time. He stated during cross-examination:[\[note: 27\]](#)

Q. Was it the case that Qinghai Meheco was to take the lead in registering the Rooster [Sign] as a trade mark locally because it was the largest exporter of cordyceps amongst various producers in [the PRC]?

...

A. Yes, by comparison it was the largest exporter.

Q. Certainly, as far as Singapore was concerned, Qinghai [Meheco] was the largest exporter of cordyceps, do you agree?

A. I am not sure, although I think it probably was because it ha[d] the largest export volume.

114 The First Defendant further submits that although there might have been complaints to the China Chamber of Commerce about the registration by Qinghai Meheco of the China Mark in its name (after Qinghai Cofco assigned the rights in the mark to Qinghai Meheco), the evidence adduced by the Plaintiff's witnesses shows that the China Chamber of Commerce was of the view that Qinghai Meheco was the legitimate proprietor of the China Mark. For example, during cross-examination, Deng admitted that the China Chamber of Commerce, after receiving Chongqing Meheco's letter of complaint of November 1995 (*ie*, the letter mentioned at [112] above) as well as further complaints in 1999 from other Chinese provincial companies, had proposed that Chongqing Meheco pay Qinghai Meheco a sum of money for the right to use the China Mark. This would be a clear indication that the China Chamber of Commerce was of the view that Qinghai Meheco was the legitimate owner of the China Mark and was trying to negotiate for Qinghai Meheco to grant a licence to Chongqing Meheco to use that trade mark. As Chongqing Meheco agreed to the China Chamber of Commerce's proposal, it appears to have acknowledged the trade mark rights of Qinghai Meheco *vis-à-vis* the China Mark. On this, Deng stated the following in his evidence: [\[note: 28\]](#)

Q. Can you look at paragraph 7(6) of your affidavit now. Here you were referring to a further [China] Chamber of Commerce meeting in June 1999 and you said there was no resolution [of] this dispute. ...

A. Yes.

Q. So is it the case that when there was no resolution of this dispute, Chongqing Meheco and the various provincial companies then decided not to respect [Qinghai Meheco's] trade mark rights?

A, I shall put it this way, we were waiting for the [China] Chamber of Commerce to resolve this matter.

Q. Between June 1999 and November 2005 did the [China] Chamber of Commerce take any steps to resolve [this] dispute?

A. The [China] Chamber of Commerce co-ordinated and proposed that we pay a fee to use the trade mark [*ie*, the China Mark].

Q. Was this proposal accepted?

A. Yes, we did accept.

A similar licensing agreement was also entered into between Qinghai Meheco and Sichuan Meheco *vis-à-vis* the latter's use of the China Mark.

115 The First Defendant also submits that it should be noted that the Chinese cordyceps-exporting companies which the Plaintiff alleged were co-owners of the Rooster Sign had not claimed to be so. The alleged co-owners were restricted to the following key provincial companies as identified by Deng in his affidavit and in his oral evidence in court: [\[note: 29\]](#)

Q. ... "The 'Rooster' trade mark [*ie*, the Rooster Sign] is maintained jointly by a few key companies through a long history, and thus should not be owned by a single company." That is your complaint, right? It should not be owned by a single company.

A. Yes, that is exactly what I mean.

Q. Now these few key companies that you talk about, when you say that it [*ie*, the Rooster Sign] should be maintained by these few key companies this would be Qinghai Meheco ... Sichuan Meheco, Chongqing Meheco and Chengdu Meheco?

A. Yes.

Q. These are the four companies?

A. Mainly these four companies.

The four companies, viz, Qinghai Meheco, Sichuan Meheco, Chongqing Meheco and Chengdu Meheco, were aware of the present proceedings, as can be seen from the evidence of Tan, who stated that he had asked them to file affidavits on the behalf of the Plaintiff. [\[note: 30\]](#) If these companies had indeed regarded themselves as co-owners of the Rooster Sign, one would have expected them to participate in the present proceedings as the outcome of the proceedings could affect their ownership rights. These companies, however, chose not to participate in the proceedings, which suggests that they did not regard themselves as having any ownership rights *vis-à-vis* the Rooster Sign.

116 All that the Plaintiff managed to obtain were affidavits from Zhao and Deng (ex-employees of Sichuan Meheco and Chongqing Meheco respectively). However, these witnesses are no longer representatives of their previous employers and, as such, their evidence cannot be taken as the views of these two Chinese provincial companies. This was correctly highlighted by the Judge during the cross-examination of Tan by the First Defendant's counsel, Mr Ravindran, and, significantly, the Plaintiff's lead counsel, Mr Tan, appeared to concede the point, as can be seen from the following exchange between the Judge, Mr Ravindran and Mr Tan: [\[note: 31\]](#)

[MR RAVINDRAN]: There is no affidavit in court from Sichuan Meheco, or Chengdu Meheco, or Chongqing Meheco to support [the Plaintiff's] case, correct?

MR TAN: Your Honour, we have affidavits from Sichuan, Zhao ... is from Sichuan Meheco, [Deng] is from Chongqing Meheco.

MR RAVINDRAN: Your Honour, I don't think that is the case. They [*ie*, Zhao and Deng] are ex-employees and they have new companies, but the companies that were producing it [*ie*, cordyceps] have not filed any affidavits.

COURT: Are those current representatives of the company?

MR TAN: They are not current representatives but formerly employees of these companies –

COURT: So Mr Ravindran does make a point, if those companies have an interest, the interest exists, they could have filed an affidavit and they did not. Ex-employees file, but *you know those ex-employees do not represent the companies now. They do not say that they are doing it on behalf of the companies, do they?* They are merely saying, "I was involved", they were doing it in their own personal capacities.

MR TAN: *Very well.*

[emphasis added]

117 From the above, it is plain that the Plaintiff has failed to establish that the original registrant of the Rooster Sign in the PRC, Qinghai Cofco, should not have registered the sign in the PRC or did not have the right to register it in that country. *Ex hypothesi*, the Plaintiff has also failed to establish that the First Defendant's predecessor in title to the Opposed Mark, Qinghai Meheco, should not have registered the Rooster Sign in Singapore (as the Opposed Mark) or did not have the right to register that sign as a trade mark in Singapore. Indeed, as was observed earlier (see [79] above), the Plaintiff had in fact given unqualified support to Qinghai Meheco's application to register the Rooster Sign in Singapore. It does not reflect well on the Plaintiff to be blowing both hot and cold *vis-à-vis* Qinghai Meheco's entitlement to register the Rooster Sign as a trade mark in Singapore. In this regard, we would reiterate that "[a]n allegation of bad faith is a serious matter and should not be lightly inferred" (see *McDonald's Corp v Future Enterprises Pte Ltd* [2005] 1 SLR 177 at [78]). Clearly, on the available evidence, the Plaintiff has not discharged its burden of proving that there was a lack of good faith on the part of Qinghai Meheco when the latter applied to register the Rooster Sign in Singapore. As Rajah JA stated in *Warman* ([37] *supra*) at [49]:

[I]f a registrant of a trade mark has proprietorship of that trade mark, or at the very least, the *right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade. [emphasis in original]

Section 23(4): The registration of the impugned trade mark was procured by fraud and/or misrepresentation

118 We now come to the last head upon which the Plaintiff seeks to invalidate the registration of the Opposed Mark. Pursuant to s 23(4) of the current TMA, the registration of a trade mark may be declared invalid "on the ground of fraud in the registration or [on the ground] that the registration was obtained by misrepresentation". The Plaintiff's case for alleging fraud and/or misrepresentation against the First Defendant is based on the latter's acts and omissions in its application to have its proprietorship of the Opposed Mark registered.

(1) *The requirement of fraud or misrepresentation*

119 In *Warman*, Rajah JA held that in order for a party to succeed in invalidating the registration of a trade mark on the ground of fraud or misrepresentation, it must be shown that the registration "[succeeded] only on the strength of an untrue statement made by the registrant" (at [92]). For this proposition, he referred to two local cases.

120 The first case was *National Diaries Ltd v Xie Chun Trading Pte Ltd* [1998] 1 SLR 620, where the High Court held that the proprietor of a trade mark had obtained the registration of that mark by fraud. The fraud consisted of the claim by the proprietor that it was the sole proprietor of the trade mark when, in fact, it was simply the sole agent for products manufactured in Australia and sold under the mark.

121 The second case was *Yomeishu Seizo Co Ltd v Sinma Medical Products (S) Pte Ltd* [1991] SLR 499, where Chan Sek Keong J found that there was a serious issue of fraud in relation to the registration of the "Yomeishu" mark, together with the Chinese characters "养命酒", in respect of a Japanese medicated wine. Prior to the registration of the "Yomeishu" mark in Singapore, there had been an endorsement by way of an advertisement that the characters "养命酒" (the transliterated form of "Yomeishu") had no meaning. Registration was granted in Singapore mainly on the basis that

the word "Yomeishu" in its transliterated form (*ie*, "养命酒") had already earlier been registered in the UK as a trade mark with a similar endorsement that "[t]he transliteration of the ... characters of which the mark consists ... has no meaning" (at 503, [12]). However, an expert in the Chinese language subsequently gave evidence that the Chinese characters depicting the word "Yomeishu" in its transliterated form meant "the kind of wine that is tonic, nourishing and good for health" (at 507, [26]), which evidence was not contradicted by the evidence adduced by the registered proprietor of the "Yomeishu" mark in Singapore. Chan J concluded (at 508–509, [30]):

... I have no doubt that if the UK registrar had been told that '养命酒' were Chinese characters in origin although used by the Japanese as part of their written language and that they conveyed the meaning [stated by the above-mentioned Chinese language expert], he would never have accepted the expression for registration as a mark ... It may also be said that in accepting the endorsement [that the characters comprising the word "Yomeishu" in its transliterated form had no meaning] as one of the conditions for registration in Singapore, the [registered proprietor had] similarly allowed the [Registrar of Trade Marks in Singapore] to think that '养命酒' were Japanese characters with no meaning.

122 In so far as the *concept* of fraud *vis-à-vis* trade mark legislation was concerned, Chan J cited with approval (*id* at 509, [32]) the English case of *Bentley Motors (1931), Ld v Lagonda, Ld and Walker Owen Bentley (1947)* 64 RPC 33, which indicated that there must be some form of *deception* involved. In that case, Roxburgh J stated (at 35):

I am most anxious to avoid defining "fraud" in the context in which it appears here, because apparently it has not yet been done, and I am not anxious to be the first to do it if it is not necessary for me to do it; but when I see in conjunction the words "obtained by fraud", I feel bound to hold that it involves some element of *actual deception* by the applicant for registration. *I want to make it plain that in using the phrase "actual deception" I do not necessarily exclude all omissions, because it is quite possible, and I think it is a trite saying, that a statement may be in such a form that having regard to what is omitted it is deceptive, though on the face of it and taken quite alone it is not deceptive.*

But in my judgment a claimant who sets out to say that registration was obtained by fraud must allege some actual deception by word or deed, or some omission by word or deed, of the character which I have just indicated ...

[emphasis added]

(2) *Whether section 23(4) of the current TMA is applicable in the present case*

123 There is a preliminary issue which should be addressed at this juncture. In the court below, the Judge observed (at [26] of the Judgment) that the thrust and focus of the complaint of fraud was that the registration of the two *assignments* mentioned at sub-para (c) of [7] above was tainted with fraud and/or misrepresentation. However, the Plaintiff's application in Prayer 1 and Prayer 2 of the Originating Summons was for the registration of *the Opposed Mark* (*ie*, the registration of the Rooster Sign as the Opposed Mark on 27 August 2001 pursuant to Qinghai Meheco's application) – and *not* the registration of *the assignments* – to be revoked and/or invalidated. In the Judge's opinion, s 23(4) of the current TMA would only apply to the registration of a sign or mark as a trade mark (such registration will be referred to in this part of our judgment as the "original registration"), as opposed to the registration of subsequent transactions involving a trade mark after its original registration (such as assignments of a registered trade mark), and, therefore, the complaint of fraud was outside the scope of the proceedings.

124 The Plaintiff argues, in its submissions to this court, that under the current TMA, a person may obtain the registration of a trade mark in his name by two methods, namely:

- (a) by filing an application to register a trade mark as set out in s 5 of the current TMA ("the first method of registration"); or
- (b) by registering a subsequent transaction (such as an assignment) involving a registered trade mark as provided for in s 39 of the current TMA ("the second method of registration").

On this view, s 23(4) of the current TMA would apply to the present case even though the Plaintiff's complaint is that the registration of the *assignments* of the Opposed Mark (as opposed to the original registration of that mark) was tainted with fraud and/or misrepresentation.

125 In our opinion, the Plaintiff's interpretation of s 23(4) of the current TMA is erroneous. To begin with, s 23(4) states that the "*registration of a trade mark*" [emphasis added] may be declared invalid on the ground that there was fraud in the registration or that the registration was obtained by misrepresentation. The plain interpretation of the words "registration of a trade mark" would give the impression that this provision applies only to the original registration of a trade mark. Nevertheless, the Plaintiff, in support of its argument that s 23(4) also applies to the registration of subsequent transactions concerning a registered trade mark, points to s 101 of the current TMA, which states:

Registration to be prima facie evidence

101. In all legal proceedings relating to a registered trade mark or any right thereunder (including proceedings for rectification of the register) —

- (a) the register shall be prima facie evidence of anything contained therein;
- (b) the registration of the prescribed particulars of any registrable transaction under section 39 shall be prima facie evidence of the transaction; and
- (c) the registration of a person as [the] proprietor of a registered trade mark shall be prima facie evidence of —
 - (i) the validity of the *original registration*; and
 - (ii) *any subsequent assignment or other transmission of the registration.*

[emphasis added]

According to the Plaintiff, if the Legislature had seen fit to differentiate between the first method of registration and the second method of registration for the purposes of s 23(4) (*ie*, if the Legislature had intended to limit the application of s 23(4) to only the original registration of trade marks), the Legislature would have used the phrase "original registration" in s 23(4) just as it had done *vis-à-vis* s 101(c)(i).

126 However, we do not think that too much should be read into the expression "original registration" in s 101(c)(i) as the Legislature proceeded to use the phrase "subsequent assignment or other transmission of the registration" in s 101(c)(ii). This would indicate that there can only be *one registration* of a mark or sign as a trade mark, *viz*, the "*original registration*" [emphasis added] mentioned in s 101(c)(i); a subsequent assignment or transmission of a registered trade mark would

merely be an assignment or a transmission of the rights arising from the original registration and not another registration of the (already registered) mark.

127 Further support for the view that the Legislature did not intend the registration of assignments and transmissions of registered trade marks to be treated as part and parcel of the registration of trade marks can be found in the wording of s 39 of the current TMA, which (as we noted at [124] above) was cited by the Plaintiff as the basis for the second method of registration. Section 39 states:

Registration of transactions affecting registered trade mark

39.—(1) On application being made to the Registrar by —

- (a) a person claiming to be entitled to an interest in or under a registered trade mark by virtue of a registrable transaction; or
- (b) any other person claiming to be affected by such a transaction,

the prescribed particulars of the transaction shall be entered in the register.

(2) The following are registrable transactions under subsection (1):

- (a) an assignment of a registered trade mark or any right in it;
- (b) the grant of a licence under a registered trade mark;
- (c) the granting of any security interest (whether fixed or floating) over a registered trade mark or any right in or under it;
- (d) the making by personal representatives of an assent in relation to a registered trade mark or any right in or under it;
- (e) an order of the Court or other competent authority transferring a registered trade mark or any right in or under it.

(3) Until an application has been made for the registration of the prescribed particulars of a registrable transaction referred to in subsection (2)(a), (c), (d) or (e), the transaction is ineffective as against a person acquiring a conflicting interest in or under the registered trade mark in ignorance of the transaction.

(4) A person who becomes the proprietor of a registered trade mark by virtue of any registrable transaction referred to in subsection (2)(a), (c), (d) or (e) is not entitled to damages, an account of profits or statutory damages under section 31(5)(c) in respect of any infringement of the registered trade mark occurring after the date of the transaction and before the date of the application for the registration of the prescribed particulars of the transaction.

These provisions, in our view, show quite clearly that the registration of subsequent transactions involving a registered trade mark is distinct from the original registration of the trade mark itself.

128 Next, the Plaintiff argues that if the Judge's interpretation of s 23(4) of the current TMA were correct, it would mean that the registration of a trade mark in a person's name via the second method of registration (*ie*, by registering in that person's name a subsequent transaction involving a

registered trade mark) would be unimpeachable for fraud or misrepresentation. We do not see how that follows. The Judge's interpretation of s 23(4) would merely preclude the *deregistration* of an *already registered* trade mark where there is fraud or misrepresentation in the registration of a subsequent transaction involving that mark. In this regard, as a matter of logic, we see no reason why the fact that a registered trade mark has been transacted under fraud or misrepresentation should result in the original registration of that mark being removed. If there is fraud or misrepresentation in relation to the registration of a subsequent transaction involving a registered trade mark, the complainant would normally be the person disposing of or granting rights in the registered trade mark (*eg*, the assignor, the licensor, *etc*) and there is nothing to preclude that party from applying to the court to have the registration of that transaction removed under general law (*ie*, under the general principles of law relating to fraud or misrepresentation (as the case may be)). The proper remedy would be by way of civil proceedings and there is nothing to prevent such proceedings from being commenced even though the current TMA does not set out a regime for deregistering subsequent transactions which are tainted with fraud or misrepresentation.

129 Indeed, the practical consequences of the Plaintiff's interpretation of s 23(4) of the current TMA may have an adverse and far-reaching impact which the Plaintiff has not (or may not have) fully appreciated. Bearing in mind the rule of statutory construction that requires a particular word or phrase to be given the same meaning whenever it is used in a statute, if the words "registration of a *trade mark*" [emphasis added] in s 23(4) are read to include the registration of *an assignment of a trade mark*, it would mean that a subsequent transaction involving a registered trade mark would be equally subject to all the provisions of the current TMA which apply to the original registration of trade marks. Consequently, *inter alia*, the Registrar of Trade Marks would have to undertake the procedure set out in ss 12 and 13 of the current TMA whenever there is an application to register a subsequent transaction involving a registered trade mark, which would include searching for earlier trade marks (see s 12(2)) and publishing for opposition purposes the application for registration (see s 13(1)). This certainly could not have been the intention of the Legislature as it would mean that the Registrar of Trade Marks would have to repeat the work done previously *vis-à-vis* the original registration of a trade mark each time someone seeks to register a subsequent assignment or transaction involving that trade mark.

130 Thus, it is our opinion that the Plaintiff's case on fraud and/or misrepresentation is not within the scope of the proceedings. In the premises, the issue of whether there was fraud and/or misrepresentation in the registration of the two assignments concerned is rendered moot. For the sake of completeness, however, we will nevertheless express our views on this issue.

(3) *The Plaintiff's case on fraud and/or misrepresentation*

131 The Plaintiff's case for alleging fraud and/or misrepresentation against the First Defendant is as follows (see [56] of the Judgment):

The Plaintiff's complaints were:

- (a) The [F]irst [D]efendant ... had informed the Registrar of Trade Marks of an assignment of the [China Mark] from Qinghai Meheco on 10 February 1999, before the [F]irst [D]efendant was incorporated.
- (b) The [F]irst [D]efendant ... did not inform the Registrar of Trade Marks that the 10 February 1999 assignment was superseded by another assignment of 14 August 2000, after the [F]irst [D]efendant was incorporated.

(c) The [F]irst [D]efendant ... misrepresented to the Registrar of Trade Marks that under a joint acquisition agreement dated 30 March 2001 ... between Qinghai Meheco and the [F]irst [D]efendant and Qinghai Yixin, the [Opposed Mark] was transferred from Qinghai Meheco to the [F]irst [D]efendant and Qinghai Yixin, when the trade mark was not amongst the assets identified to be transferred.

132 Turning to the first two complaints enumerated above (both of which relate to the China Mark), while it is true that the First Defendant was officially incorporated and lawfully received its company seal and business licence only after the assignment agreement of 10 February 1999 ("the February 1999 Assignment Agreement") was entered into and that the February 1999 Assignment Agreement was superseded by the assignment agreement dated 14 August 2000 ("the August 2000 Assignment Agreement"), we are not able to discern any intent on the part of the First Defendant to deceive the Registrar of Trade Marks *vis-à-vis* the registration in the PRC of Qinghai Meheco's assignment of the China Mark to the First Defendant. The August 2000 Assignment Agreement, which superseded the February 1999 Assignment Agreement, essentially reiterated the terms set out in the earlier agreement (*ie*, the February 1999 Assignment Agreement) and could therefore have been used in the same manner to support the application by the First Defendant to register the assignment of the China Mark to it. More likely than not, the First Defendant's failure to inform the Registrar of Trade Marks of the August 2000 Assignment Agreement was due to an oversight by the First Defendant or its legal advisers, rather than fraud, as, upon its incorporation, the First Defendant proceeded to affix its company stamp to the February 1999 Assignment Agreement and ratified the terms stated therein.

133 As for the third complaint enumerated at [131] above (which relates to the Opposed Mark), again, we are not able to find in favour of the Plaintiff. In support of its case that it was entitled to apply for the Rooster Sign to be registered as a trade mark in Singapore, the First Defendant adduced the civil judgment of the Higher People's Court of Qinghai Province dated 15 May 2001,[\[note: 32\]](#) which purportedly ordered the *entire property* of Qinghai Meheco to be transferred to the First Defendant and Qinghai Yixin in accordance with the Joint Acquisition Agreement. The Joint Acquisition Agreement was said to concern the joint acquisition by the First Defendant and Qinghai Yixin of Qinghai Meheco, which had been declared insolvent on 18 September 2000. The First Defendant also adduced an order from the Qinghai Supreme People's Court dated 15 September 2003[\[note: 33\]](#) confirming that the liquidation of Qinghai Meheco had been completed, which implied that all the property of the company had been disposed of. The First Defendant further referred to an explanatory statement issued by the Qinghai Economic Committee and the State-owned Assets Supervision and Administration Commission of Qinghai Provincial Government dated 10 January 2006[\[note: 34\]](#) ("the Explanatory Statement"), which confirmed that the *entire property* of Qinghai Meheco, *including the Opposed Mark*, had been transferred to the First Defendant and Qinghai Yixin.

134 During the hearing in the court below, lawyers from the PRC were called to give evidence on the state, the effect and the operation of the PRC's corporate and insolvency laws *vis-à-vis* whether the rights in the Opposed Mark had in fact been assigned to the First Defendant and Qinghai Yixin along with the other assets of Qinghai Meheco, as well as evidence on the effect of the Explanatory Statement. However, neither the lawyers called by the Plaintiff nor the lawyers called by the First Defendant were particularly convincing. The most cogent piece of evidence remained, in our view, the Explanatory Statement. The Plaintiff's lead counsel, Mr Tan, submitted that the significance of the Explanatory Statement should not be great as the statement had been issued by a governmental authority as opposed to a judicial authority and, thus, no one would know what the legal basis of the statement was. However, *prima facie*, the Explanatory Statement is the most cogent piece of evidence available. Besides, the First Defendant having produced such evidence, the evidential burden reverted to the Plaintiff. It was for the Plaintiff to go to the PRC and seek evidence to show that the Explanatory Statement should be given little credence as it had not been issued by a court.

135 For the above reasons, in our view, even if the Plaintiff's complaint of fraud and/or misrepresentation is within the scope of s 23(4) of the current TMA, the Plaintiff has not discharged its burden of establishing the presence of fraud and/or misrepresentation.

Our decision on invalidation

136 In the light of the foregoing, it is our opinion that the Plaintiff has not established its case for invalidating the registration of the Opposed Mark for the following reasons. First, the ground for invalidation founded on s 23(1) read with s 7(1)(d) of the current TMA (*viz*, the impugned mark has become "customary in the current language or in the bona fide and established practices of the trade" (*per* s 7(1)(d)) has not been made out as the available evidence shows that the Opposed Mark cannot be regarded as having become customary within the meaning of s 7(1)(d). Second, the ground for invalidation founded on s 23(1) read with s 7(1)(a) of the current TMA (*viz*, the impugned mark "[does] not satisfy the definition of a trade mark in section 2(1)" (*per* s 7(1)(a)) has not been made out as the Opposed Mark is clearly capable of distinguishing the First Defendant's cordyceps from other traders' cordyceps and thus satisfies the statutory definition of a "trade mark". Third, the ground for invalidation founded on s 23(1) read with s 7(6) of the current TMA (*viz*, the application for registration of the impugned mark was made in bad faith) has not been made out as, on the evidence available, the Plaintiff has not discharged its burden of establishing that the application to register the Opposed Mark was made in bad faith. Fourth, the ground for invalidation founded on s 23(4) of the current TMA (*viz*, the presence of fraud and/or misrepresentation in the registration of the trade mark concerned) is not relevant as the Plaintiff's complaint relates to the registration of subsequent assignments of the Opposed Mark and not the original registration of that mark. Moreover, even if s 23(4) does apply, the evidence adduced in the court below is not sufficient for the Plaintiff to discharge its burden of establishing fraud and/or misrepresentation.

Whether the court has a residual discretion not to grant relief where the grounds for revocation and/or invalidation have been made out

137 Following from our decision above, it is quite unnecessary for us to consider whether the court has a residual discretion to refuse relief if the grounds for revocation and/or the grounds for invalidation under ss 22 and 23 respectively of the current TMA have been established. The Judge seemed to think that the court had such a discretion because of the use of the word "may" in both ss 22(1) and 23(1). For completeness, we will discuss this point in a general way and proffer our preliminary views on the matter, bearing in mind that no final appellate court has, as yet, considered this issue. The House of Lords had the chance to do so in *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 with regard to the English equivalent of our s 22 (*viz*, s 46 of the English Trade Marks Act), but chose to refer the issue to the ECJ. The case was eventually settled before the ECJ delivered its opinion.

The position under the 1992 TMA

138 Under the previous trade mark legislation regime (*ie*, the 1992 TMA), it was clear that the power to revoke or invalidate the registration of a trade mark was discretionary. The power to make rectifications to the trade mark register was governed by s 39(1) of the 1992 TMA, which provided that:

39.—(1) Subject to the provisions of this Act —

(a) the court *may* on the application in the prescribed manner of any person aggrieved

by the non-insertion in or [the] omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongfully remaining on the register, or by any error or defect in any entry in the register, make such order for making, expunging or varying the entry *as it thinks fit*;

(b) the court may in any proceeding under this section decide any question that ... may be necessary or expedient to decide in connection with the rectification of the register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark the Registrar may himself apply to the court under this section ...

[emphasis added]

139 It was held in three local cases that the power to rectify the trade marks register pursuant to s 39 of the 1992 TMA (or the then applicable statutory equivalent) was discretionary. In *Davidoff Extension SA v Davidoff Commercio E Industria Ltda* [1987] SLR 462, F A Chua J held *vis-à-vis* s 39 of the Trade Marks Act (Cap 206, 1970 Rev Ed) (the then equivalent of s 39 of the 1992 TMA) that “[i]t [was] clear from the authorities that the court always ha[d] a discretion under s 39 [whether] to rectify or not in the light of all the circumstances of the case” (at 466, [36]). In a similar vein, in *Re Jaguar Trademark* [1993] 2 SLR 466, Lai Siu Chiu JC affirmed that “under s 39 of the [1992 TMA], the court ha[d] the discretion whether or not to rectify the register” (at 477, [15]). Finally, in *Super Coffeemix Manufacturing Ltd v Unico Trading Pte Ltd* [2000] 3 SLR 145, this court stated that “[i]t [seem]ed ... that by the use of the terms such as ‘may’ and ‘as it thinks fit’ in s 39(1)(a) [of the 1992 TMA], the court ha[d] a discretion in the matter” (at [82]).

The position under the current TMA

140 The 1992 TMA was repealed in 1998 by the 1998 TMA (see s 109 of the latter Act). The new legislation did away with s 39 of the 1992 TMA and enacted what would later substantially become ss 22 and 23 of the current TMA (see ss 22 and 23 of the 1998 TMA). The first subsections of the current version of these two provisions, *ie*, ss 22(1) and 23(1) of the current TMA, state that the court “may” (respectively) revoke and invalidate the registration of a trade mark, but do not contain the phrase “as it thinks fit”, which previously appeared in s 39(1)(a) of the 1992 TMA (see [138] above); hence, the uncertainty as to whether the court still has at present a residual discretion not to grant relief even though the grounds for either revocation or invalidation have been made out. *Prima facie*, of course, the inclusion of the word “may” suggests that the court still has this discretion. Be that as it may, the question of whether or not there is indeed such a residual discretion on the part of the Registrar of Trade Marks and the court is a matter of statutory interpretation as the word “may”, in some instances, can also be regarded as creating an *obligation*. In analysing this issue, we will begin by considering *Parliament’s intention*, which is “generally ... decisive in any matter concerning statutory interpretation” [emphasis added] (*per* Andrew Phang Boon Leong JA in *Seiko Epson Corporation v Sepoms Technology Pte Ltd* [2008] 1 SLR 269 at [43]).

(1) *Parliament’s intention*

141 The long title of the current TMA describes the Act as:

[a]n Act to establish a new law for trade marks, to enable Singapore to give effect to *certain international conventions on intellectual property* and for matters connected therewith. [emphasis added]

This aim was reflected in the speech by the Minister of State for Law, Assoc Prof Ho Peng Kee, at the second reading of the Trade Marks Bill (Bill 42 of 1998), which was later enacted as the 1998 TMA, where he stated (see *Singapore Parliamentary Debates, Official Report* (26 November 1998) vol 69 at col 1698):

This Bill ... will replace the existing Trade Marks Act [*ie*, the 1992 TMA]. Besides amending the law to comply with the [Agreement on Trade-Related Aspects of Intellectual Property Rights], *the Bill also modernises and simplifies our trade marks law in line with international trends.* [emphasis added]

From what Assoc Prof Ho stated, it is clear that the 1998 TMA was meant to give effect to trends in modern trade mark legislation. This is likewise the objective of the current TMA, as evidenced by its many references to other trade mark legislative regimes, namely, the English Trade Marks Act, the Agreement on Trade-Related Aspects of Intellectual Property Rights (commonly known as "TRIPS"), and the (Australian) Trade Marks Act 1995 (Cth).

142 Sections 22 and 23 of the current TMA are based on ss 46 and 47 of the English Trade Marks Act, which read as follows:

Revocation of registration.

46.—(1) The registration of a trade mark *may* be revoked on any of the following grounds —

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of [the] acts or [the] inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar [*i.e.*, the Comptroller-General of Patents, Designs and Trade Marks (*per* s 62 of the English Trade Marks Act)] or to the court, except that —

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from —

(a) the date of the application for revocation, or

(b) if the registrar or [the] court is satisfied that the grounds for revocation existed at an earlier date, that date.

Grounds for invalidity of registration.

47.—(1) The registration of a trade mark *may* be declared invalid on the ground that the trade mark was registered in breach of section 3 [*viz.*, the English equivalent of s 7 of the current TMA] or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark *may* be declared invalid on the ground —

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) [*viz.*, the English equivalent of ss 8(1), 8(2) and 8(4) respectively of the current TMA] obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) [*viz.*, the English equivalent of s 8(7) of the current TMA] is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that —

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of

the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.

[emphasis added]

143 These provisions (*ie*, ss 46 and 47), which are found in Pt I of the English Trade Marks Act, are themselves based on the European Trade Marks Directive. As Viscount Goschen, in introducing the Bill which was later enacted as the English Trade Marks Act ("the English Trade Marks Bill"), stated in the House of Lords, that Bill was meant to (*inter alia*) "[implement] Council Directive No. 89/104/EEC of 21st December 1988 to approximate the laws of the member states relating to trademarks [*ie*, the European Trade Marks Directive]" (see United Kingdom, House of Lords, *Parliamentary Debates* (24 November 1993) vol 550 at col 262). Similarly, Lord Strathclyde, the Parliamentary Under-Secretary of State (Department of Trade and Industry), in his speech at the second reading of the English Trade Marks Bill, stated (see United Kingdom, House of Lords, *Parliamentary Debates* (6 December 1993) vol 550 at cols 749–750):

The cornerstone of the Bill is an EC directive, No. 89/104, to approximate the laws of the member states relating to trade marks [*ie*, the European Trade Marks Directive]. It forms the basis of the substantive provisions in Part I of the Bill.

144 Section 46 and s 47 (read with s 3) of the English Trade Marks Act are, in particular, based on Art 12 and Art 3 respectively of the European Trade Marks Directive. Article 12 (which, as just mentioned, corresponds to s 46 of the English Trade Marks Act) reads as follows:

Article 12

Grounds for revocation

1. A trade mark *shall* be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or ... services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.

2. A trade mark *shall* also be liable to revocation if, after the date on which it was registered,

- (a) in consequence of [the] acts or [the] inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered;
- (b) in consequence of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services [for] which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

[emphasis added]

As for Article 3 (which corresponds to s 47 read with s 3 of the English Trade Marks Act), it states:

Article 3

Grounds for refusal or invalidity

1. The following *shall not* be registered or if registered *shall* be liable to be declared invalid:
 - (a) signs which cannot constitute a trade mark;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
 - (e) signs which consist exclusively of:
 - the shape which results from the nature of the goods themselves, or
 - the shape of goods which is necessary to obtain a technical result, or
 - the shape which gives substantial value to the goods;
 - (f) trade marks which are contrary to public policy or to accepted principles of morality;
 - (g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
 - (h) trade marks which have not been authorized by the competent authorities and are to be refused or invalidated pursuant to Article 6^{ter} of the Paris Convention for the Protection of Industrial Property, hereinafter referred to as the 'Paris Convention'.
2. Any Member State may provide that a trade mark *shall not* be registered or, if registered, *shall* be liable to be declared invalid where and to the extent that:
 - (a) the use of that trade mark may be prohibited pursuant to provisions of law other than [the] trade mark law of the Member State concerned or of the [European] Community;

- (b) the trade mark covers a sign of high symbolic value, in particular a religious symbol;
- (c) the trade mark includes badges, emblems and escutcheons other than those covered by Article 6ter of the Paris Convention and which are of [p]ublic interest, unless the consent of the appropriate authorities to its registration has been given in conformity with the legislation of the Member State;
- (d) the application for registration of the trade mark was made in bad faith by the applicant.

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

4. Any Member State may provide that, by derogation from the preceding paragraphs, the grounds of refusal of registration or invalidity in force in that State prior to the date on which the provisions necessary to comply with this Directive enter into force, shall apply to trade marks for which application [for registration] has been made prior to that date.

[emphasis added]

145 The use of the word "shall" in Arts 12 and 3 of the European Trade Marks Directive *prima facie* indicates a regime of *compulsory* revocation or invalidation with *no residual discretion* when the grounds for revocation or the grounds for invalidation are made out. This is likely to be the correct interpretation for, as stated in *Morcom et al* ([52] *supra*) at para 7.3:

[T]he idea of some kind of residual discretion ... not to do what the law appears to be saying should be done ... is more a creature of common law jurisdictions and is not a concept that is readily understood [on] the other side of the English Channel.

Since Art 12 and Art 3 of the European Trade Marks Directive form the basis of, respectively, s 46 and s 47 (read with s 3) of the English Trade Marks Act, and since ss 46 and 47 of the English Trade Marks Act in turn form the basis of ss 22 and 23 respectively of the current TMA, *ex hypothesi*, it follows that the operation of Art 12 and Art 3 of the European Trade Marks Directive would be *prima facie* indicative of Parliament's intention *vis-à-vis*, respectively, s 22 and s 23 (read with s 7) of the current TMA. Given the absence of any contradictory material in the records of our local parliamentary debates, it may be inferred that Parliament's intention is that there is to be *no* residual discretion for the Registrar of Trade Marks and the court not to grant relief where the grounds for revocation or the grounds for invalidation have been established.

(2) Case law

146 Turning to the case law, as mentioned earlier (at [137] above), there has to date been no authoritative ruling on the question of whether there is a residual discretion not to revoke or invalidate the registration of a trade mark under either ss 46 and 47 of the English Trade Marks Act or Arts 12 and 3 of the European Trade Marks Directive where the requisite conditions are met. There have, however, been several decisions on these provisions in the lower courts which support a finding that there is no such residual discretion (see, *inter alia*, *ZIPPO Trade Mark* [1999] RPC 173 at 184 and *Cabañas Habana (Device) Trade Mark* [2000] RPC 26 at 34).

147 The most frequently cited case for the proposition that there is no residual discretion would be *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 ("*Premier Brands*"). In that case, Neuberger J held (at 811):

[I]t does seem to me somewhat odd if the legislature has specifically provided [via ss 46(1)(a) and 46(1)(b) of the English Trade Marks Act] for no revocation in the event of there being good reason for the non-use, but nonetheless has left the Court with a residual discretion, particularly without giving any indication as to what factors should be taken into account when exercising that discretion. Further, consideration of the combined effect of section 46(1)(c) and (d) [which correspond to ss 22(1)(c) and 22(1)(d) respectively of the current TMA] suggest[s] to me that it is more likely that the legislature intended that those two paragraphs were to represent mandatory, rather than discretionary, grounds for revocation. Section 46(5) [of the English Trade Marks Act] and Article 13 [of the European Trade Marks Directive] tend to point in favour of the conclusion I have reached [both s 46(5) of the English Trade Marks Act and Art 13 of the European Trade Marks Directive are *in pari materia* with s 22(6) of the current TMA]. The words "may" in section 46(1) and "liable" in Article 12 [both of which correspond to s 22(1) of the current TMA] are perfectly consistent with the concept of revocation being mandatory but only occurring in the event of an application being made.

1 4 8 Locally, *Premier Brands* has been applied by the High Court in *Reemtsma Cigarettenfabriken GmbH v Hugo Boss AG (No 2)* [2003] 4 SLR 155 ("*Hugo Boss*"). The registered trade marks in that case were "BOSS" in respect of cigarettes and "HUGO BOSS" in respect of cigarettes, cigars, tobacco for cigarettes, pipe tobacco, lighters and matches. Those marks were registered by the defendant ("Hugo Boss"), which was in the business of the design, manufacture and sale of high fashion menswear and other luxury goods. The application for revocation was made by the plaintiff, Reemtsma Cigarettenfabriken GmbH, which was in the business of the manufacture and sale of cigarettes. The High Court was satisfied that there had been no genuine use of the "BOSS" and the "HUGO BOSS" marks during the relevant period. Hugo Boss argued that the use of the word "may" in s 22(1) of the 1999 TMA, which is *in pari materia* with s 22(1) of the current TMA, conferred on the court a residual discretion to allow the disputed marks to remain on the register. Belinda Ang Saw Ean J ("*Belinda Ang J*") referred to *Premier Brands* and held (at [30] of *Hugo Boss*):

[T]he court (or [the] Registrar) *does not* have a discretion under s 22 to maintain a mark on the register when grounds for revocation have been established, whether in relation to all, or some, of the goods for which [the mark] is registered. Once the requirements are satisfied, the court (or [the] Registrar) is *obliged* to exercise the power one way. [emphasis added]

149 Belinda Ang J explained her reasons for the above conclusion as follows (*id* at [31]):

There are significant pointers in favour of "may" meaning that, if any of the grounds specified in ... sub~~s~~s (1) [of s 22] are satisfied, the power must be exercised one way. They are:

(a) In this case, the statutory power conferred on the court (or [the] Registrar) is exhaustive in that registration may be revoked [under] no other than [the] four specific grounds for revocation.

(b) Subsection (3) [of s 22] expressly covers the situation where there is no power to revoke even if sub~~s~~s (1)(a) or (b) [of s 22] is satisfied. It amounts to an exhaustive statement of the position so far as relevant. *There is thus no room for discretion to operate.*

(c) There is no “sweeping up” clause to accommodate other grounds.

(d) Subsection (7) [which corresponds to s 22(6) of the current TMA] is consistent with the absence of discretion. Once the grounds are established in respect of some goods and not the rest, partial revocation is to be ordered.

[emphasis added]

150 We note that the Judge did not think that the above points were persuasive. He made the following responses in answer to these four points (see [67] of the Judgment). First, the fact that there were four specific and exhaustive grounds for revocation in s 22(1) of the current TMA was not inconsistent with there being a discretion as to whether or not to revoke the registration of a trade mark where any of those grounds was established; it merely meant that in the absence of any of those four grounds, there was no power of revocation. Second, with regard to the exception to liability to revocation specified in s 22(3) of the current TMA, that provision did not necessarily imply that where liability to revocation existed, there was no discretion in the exercise of the power to revoke. Third, the fact that there was no “sweeping up” clause *vis-à-vis* revocation could not thereby mean that there was no discretion not to revoke the registration of a trade mark where any of the four specified grounds was made out. Fourth, s 22(7) of the current TMA related to the consequences of revocation and not to whether there was a discretion not to revoke. (Parenthetically, we would observe that while the Judge referred to s 22(7) of the *current* TMA at [67] of the Judgment, what Belinda Ang J referred to at sub-para (d) of [31] of *Hugo Boss* was actually s 22(7) of the 1999 TMA. Section 22(7) of the current TMA is *not* the present equivalent of s 22(7) of the 1999 TMA; instead, it is s 22(6) of the current TMA which corresponds to s 22(7) of the 1999 TMA.)

151 In contrast, in *Nation Fittings* ([96] *supra*) and *Warman* ([37] *supra*), Phang J and Rajah JA respectively referred to both *Premier Brands* ([147] *supra*) and *Hugo Boss* ([148] *supra*) in coming to the conclusion that the court and the Registrar of Trade Marks did not have any discretion under s 22(1) of the current TMA to maintain a mark on the register of trade marks when one or more of the specified grounds for revocation had been established.

152 While the above cases (*ie*, the cases discussed at [147]–[151] above) relate to *revocation* of the registration of a trade mark, there is no reason why the views set out therein on the lack of any discretion not to revoke where the requisite grounds for revocation have been established cannot be applied to *invalidation* of the registration of a trade mark. Sections 22 and 23 of the current TMA are somewhat similar in their effect – both operate to cause the registration of a trade mark to be removed. The only significant difference between the two provisions is that the latter (*ie*, s 23) voids a trade mark *ab initio* while the former (*ie*, s 22) does not. As Bainbridge’s *Intellectual Property* ([53] *supra*) states (at p 648):

Revocation must be distinguished from invalidity. Revocation is a means of removing a trade mark from the register because of the presence of one or more of the above grounds [*ie*, the grounds set out in Art 12 of the European Trade Marks Directive and s 46 of the English Trade Marks Act]. The impact of revocation is that it brings to an end the rights of the proprietor from the date of the application for revocation (or earlier, if the grounds existed at an earlier date). A trade mark may be declared invalid if any of the absolute or relative grounds for refusal of registration are found to exist, in which case the trade mark will be removed from the register on the basis that it should never have been registered. The outcome is different [as compared] to revocation because, with invalidity, it is as if the trade mark never existed.

153 In *Hormel* ([51] *supra*), an invalidly-registered trade mark was described as one which “should never have been registered for whatever reason, and [which] has wrongly remained on the Register ever since” [emphasis added] (at [97]). Logically, all the more, no discretion should subsist with respect to the removal of the registration of such a mark (*ie*, a mark which meets the criteria for its registration as a trade mark to be invalidated).

(3) *Academic works*

154 Standard academic works on intellectual property law likewise support the view that there is no residual discretion in the court and the Registrar of Trade Marks not to revoke or invalidate the registration of a trade mark where grounds for the same have been established. In *Morcom et al* ([52] *supra*), it is observed (at para 7.5) that “the better view seems to be that of Neuberger J in [*Premier Brands*], that there is no residual discretion given to the registrar or the court”. The learned authors of *Kerly’s* ([52] *supra*) similarly state that there is no residual discretion available (at paras 101021–101022):

101021 Both subss. (1) and (2) of s. 47 of the [English Trade Marks Act] provide that: “The registration of a trade mark may be declared invalid ...”. Equally s. 46(1) [of the English Trade Marks Act] provides [that] “The registration of a trade mark may be revoked on any of the following grounds ...”. Prior to the last edition [of *Kerly’s*], the use of the word “may” in s. 46(1) gave rise to debate over whether that word provided a residual discretion not to revoke even though one of the grounds of invalidity or revocation ha[d] been made out. The debate arose particularly in cases of non-use, probably because the equivalent non-use provisions in the [Trade Marks Act 1938 (c 22) (UK)] did contain a residual discretion.

101022 There is no residual discretion in proceedings for invalidity or revocation. With the benefit of hindsight, it is perhaps surprising that this was considered a serious issue. The fact that it was demonstrates how difficult it can be to break free of years of conditioning [in] the old law.

155 Support for the same view (*viz*, that there is no discretion not to revoke or invalidate the registration of a trade mark where the requisite grounds for granting relief have been satisfied) can be found in *Halsbury’s Laws of England* vol 48 ([86] *supra*), where it is stated (at para 111):

Absence of discretion. By contrast with the position under the Trade Marks Act 1938 [(c 22) (UK)], if an applicant for revocation of a trade mark (or, it would seem, for a declaration of invalidity or for rectification) establishes that there are grounds for revocation (or invalidity or rectification) of the mark in whole or in part, the registrar or the court has no discretion to refuse the order sought even though the relevant statutory provisions use the word ‘may’.

156 The learned author of *Tan’s Law of Trade Marks* ([54] *supra*) likewise states (at para 7.22):

In the first edition of this book, it was submitted that this reasoning [*ie*, the reasoning of Neuberger J in *Premier Brands* ([147] *supra*)] should also be adopted for sections 22(1) and 23(1) of the 1998 [TMA]. It pointed to the oddity of the fact that the Act specifically provides for no revocation if good reasons are shown for non-use but nonetheless leaves the Registrar or the court with residual discretion if there are no such reasons. If indeed there is a discretion, there should have been some indications in the 1998 [TMA] as to how the discretion is to be exercised. Further, the word ‘shall’ in section 22(7) indicates that the Registrar or the court has no discretion but must revoke a mark in respect of the goods or services in relation to which the mark was not used. It is curious that there should be a discretion (by virtue of section 22(1)) as regards a mark which has not been used for any of the goods or services in the specification but

no discretion at all where the mark has not been used on only some of the goods or services.
[emphasis in original]

(4) *Our preliminary opinion on whether there is a residual discretion not to revoke or invalidate the registration of a trade mark*

157 In our opinion, the correct interpretation of the word “may” in ss 22(1) and 23(1) of the current TMA is that it *does not* confer any residual discretion on the part of the court and the Registrar of Trade Marks not to revoke or invalidate the registration of a trade mark where the specified grounds for revocation in s 22 or the specified grounds for invalidation in s 23 have been made out. This conclusion is further reinforced if one takes into consideration the function of a trade mark. As Belinda Ang J stated in *Hugo Boss* ([148] *supra*) at [34] with reference to “*Philosophy di Alberta Ferretti*” Trade Mark [2003] RPC 15, *Imperial Group Ltd v Philip Morris & Co Ltd* [1982] FSR 72 and *Premier Brands* ([147] *supra*):

[S]ince the function of a trade mark is to give a proprietor a monopoly when his trade mark is used, there should be no discretion to retain the mark if the grounds [for revocation or invalidation, as the case may be] are established.

158 We would add that if our opinion is incorrect (*ie*, if there is indeed a residual discretion not to grant relief where the grounds set out in s 22 or s 23 have been made out), the Judge took the correct approach in deciding how his discretion should be exercised, although (as we stated earlier at [101] above) he erred in finding that the ground for invalidation set out in s 7(1)(a) of the current TMA had been satisfied. In coming to his conclusion that the registration of the Opposed Mark should not be invalidated, the Judge took all the relevant facts and circumstances into account. He stated (at [85]–[86] of the Judgment):

85 At the present, the “Rooster” mark [*ie*, the Rooster Sign] is being used only by the [First Defendant and the Second Defendant] as the other users had ceased using the mark after it was registered in Singapore [as the Opposed Mark], so there is no confusion or deception arising from the [First Defendant’s and the Second Defendant’s] use of the mark. There is the allegation that the [Opposed Mark] is being used by unauthorised parties. The remedy to such improper use is enforcement proceedings such as [those which] the [First Defendant and the Second Defendant] have commenced, and not the removal of the mark itself. In this respect, the [First Defendant and the Second Defendant] in taking action to promote the [Opposed Mark] and protect it from infringement are exercising their existing legal rights. The [P]laintiff, on the other hand, has no interest in the mark. It does not claim ownership of the mark. Its case was that because the mark should not have been registered, the registration should be set aside now, and conditions [should] be allowed to revert to the pre-registration state when the same mark [*ie*, the Rooster Sign] was used for all Chinese cordyceps.

86 I find, on reviewing the facts and balancing the different interests, that the status quo should be maintained, and the registration of the [Opposed Mark] should be continued.

Incidentally, the above approach (*ie*, considering all the relevant facts and circumstances of the case concerned) appears to be the approach adopted by Neuberger J in *Premier Brands*, who set out his views (at 812–813) on how he would have exercised his discretion under s 46 of the English Trade Marks Act if that provision did indeed give the court a discretion not to revoke the registration of a trade mark even though the specified grounds for revocation had been made out.

Our decision on revocation and invalidation of the registration of the Opposed Mark

159 To recapitulate, we hold that the registration of the Opposed Mark should not be revoked or invalidated because the Plaintiff has failed to establish any of the specified grounds for either revocation or invalidation.

The declaratory order sought by the Plaintiff

160 As mentioned at [4] above, other than applying to revoke and/or invalidate the registration of the Opposed Mark, the Plaintiff also sought a declaratory order (*ie*, the Declaration) via Prayer 3 of the Originating Summons (see [11] above).

161 The Judge granted the Declaration, but restricted it to the First Defendant. The First Defendant has appealed (via the Cross-Appeal) against this aspect of the Judge's decision on the grounds that the Judge should not have granted the Declaration and that the Plaintiff has not discharged the requisite legal and evidential burden to justify the grant of the Declaration.

The Plaintiff's preliminary point: *Res judicata*

162 The Plaintiff, in its submissions to this court, contends as a preliminary point that the First Defendant should not be allowed to appeal against the Judge's decision to grant the Declaration. This is because the issue of whether the court should grant the Declaration had already been determined when the Judge refused the application of the First Defendant in the Summons to have (*inter alia*) Prayer 3 of the Originating Summons struck out (see [13] above). Since this issue was decided by the Judge in the Summons and since there was no appeal against that decision, the issue is, according to the Plaintiff, *res judicata*.

163 In this regard, it may be useful to recall the pertinent facts. On 27 June 2007, a few days before the hearing of the Originating Summons (which was scheduled to start on 2 July 2007), the First Defendant filed the Summons to, *inter alia*, strike out Prayer 3 of the Originating Summons (*ie*, the prayer for the Declaration). The basis of the First Defendant's striking-out application was that the issues relating to Prayer 3 should not be adjudicated by the Judge because:

- (a) those issues were substantive issues which had to be proved during the hearing of the Private Summonses;
- (b) those issues involved disputes of fact which were best dealt with at a trial; and
- (c) it would be an abuse of process if those issues were heard twice at first instance (*viz*, first at the hearing of the Originating Summons, and again at the hearing of the Private Summonses).

164 The Summons was dealt with on 2 July 2007, the first day of the hearing of the Originating Summons. The First Defendant's arguments in support of the Summons were, in essence, as follows:

- (a) By seeking the Declaration via Prayer 3 of the Originating Summons, the Plaintiff was effectively seeking to usurp the jurisdiction of the court which was to hear the criminal proceedings arising from the Private Summonses. The institution of the Originating Summons for an adjudication on a question which was substantially the same as that already pending before another court in another set of proceedings between the same parties (*viz*, the Private Summonses) was grossly vexatious.
- (b) A declaration ought not to be granted by the court in a civil action (referred to in this

part of our judgment as a “civil court”) concerning a matter which formed the subject of a criminal charge brought against a party to that civil action as the making of any declaration would usurp the function of the court hearing the criminal action (referred to in this part of our judgment as the “criminal court”) without binding it and would prejudice the criminal trial.

165 The doctrine of *res judicata* encompasses cause of action estoppel, issue estoppel and (where the extended form of the doctrine is concerned) abuse of process. Issue estoppel, in particular, is the doctrine which prevents re-litigation of an issue which the court has already determined on the merits in previous proceedings between the same parties (see *Blair v Curran* (1939) 62 CLR 464 at 531–532). In *Lee Tat Development Pte Ltd v Management Corporation of Grange Heights Strata Title No 301 (No 2)* [2005] 3 SLR 157 (“*Lee Tat (2005)*”), this court held that the following requirements had to be met in order to establish issue estoppel (at [14]–[15]):

- (a) there must be a final and conclusive judgment on the merits of the issue which is said to be the subject of an estoppel;
- (b) that judgment must be by a court of competent jurisdiction;
- (c) the parties in the two actions that are being compared must be identical; and
- (d) there must be identity of subject matter in those two actions.

We should add that some aspects of the merits of the decision in *Lee Tat (2005)* were reviewed in the recent judgment of this court in *Lee Tat Development Pte Ltd v Management Corporation Strata Title Plan No 301* [2008] SGCA 47 (“*Lee Tat (2008)*”). However, nothing decided in *Lee Tat (2008)* affects the principles on issue estoppel enunciated in *Lee Tat (2005)* at [14]–[15], which we have just set out in this paragraph.

166 In the present case, it is clear that there has been a judgment on the merits which is final and conclusive as far as the question of striking out Prayer 3 of the Originating Summons is concerned. It is also clear that that decision was given by a court of competent jurisdiction and that the parties in the two actions being compared (*viz*, the Summons and the Cross-Appeal) are identical. The only requirement in issue for the purposes of the doctrine of *res judicata* would be whether there is identity of subject matter in those two proceedings.

167 Sundaresh Menon JC in *Goh Nellie v Goh Lian Teck* [2007] 1 SLR 453 (“*Goh Nellie*”) identified several “discrete conceptual strands” (at [34]) which encapsulate the requirement that the subject matter of the two actions being compared must be identical. First, the issues in the two proceedings must be identical in the sense that (*ibid*):

[T]he prior decision must traverse the same ground as [that in] the subsequent proceeding and the facts and circumstances giving rise to the earlier decision must not have changed or should be incapable of change. Where this is not the case, issue estoppel may not arise.

Second (see *Goh Nellie* at [35]):

[T]he previous determination in question must have been fundamental and not merely collateral to the previous decision so that the decision could not stand without that determination ...

Third, the issue which is said to be the subject of an estoppel “should be shown in fact to have been raised and argued” (*id* at [38]).

168 Turning to the first conceptual strand (*viz*, the requirement that the issues in the two actions being compared must be identical in the sense of traversing the same ground), it would appear, *ex facie*, that the issue in the Summons and the issue in the Cross-Appeal are different. The Plaintiff argues in its submissions to this court that the issue of whether the Judge should consider Prayer 3 of the Originating Summons has already been fully litigated and, thus, the First Defendant is estopped from raising the same issue in the Cross-Appeal. This is clearly, with respect, a misconceived argument. The First Defendant is *not* arguing in the Cross-Appeal that the Judge should not have considered Prayer 3 of the Originating Summons; rather, the First Defendant is arguing that the Judge, after considering Prayer 3, should not have granted the Declaration.

169 The correct approach to identify the issue which was decided in the Summons is to ask, first, what was litigated and, second, what was decided (see *Lee Tat (2005)* ([165] *supra*) at [15]). What was litigated in the Summons was a striking-out application, specifically, the First Defendant's application for (*inter alia*) Prayer 3 of the Originating Summons to be struck out. What was decided was that Prayer 3 should not be struck out. In this respect, the Judge stated the following to the First Defendant's counsel, Mr Ravindran, when dismissing the Summons: [\[note: 35\]](#)

COURT: Mr Ravindran I'm not going to hear you. We have spent exactly 90 minutes of a seven day trial with more witnesses than I think we can comfortably handle and I do not think there are any new matters you can raise. I will dismiss the application.

As no detailed reasons were provided by the Judge *vis-à-vis* his decision to dismiss the Summons, it can and should only be presumed that the Judge merely ruled on the application to strike out Prayer 3 of the Originating Summons and no more. There is no reason to assume, without more, that the Judge also made a determination as to whether the court should grant the Declaration in view of the pending criminal proceedings. Furthermore, on the face of the transcript of the proceedings relating to the Summons, the Plaintiff does not appear at any time to have asked the Judge to make a determination on the grant of the Declaration in its favour. In this regard, Geoffrey Lane LJ's comments in *Turner v London Transport Executive* [1977] ICR 952 are pertinent. He stated (at 966):

A degree of caution should be exercised, perhaps, in the use of the concept of issue estoppel ...

... [A] case of issue estoppel cannot begin to be established unless it can be ascertained with some degree of precision what it was that the dominant judgment [*ie*, the previous judgment which is relied on as the basis of the estoppel] decided.

170 In the light of the foregoing, it is our opinion that there is no identity of issue between the Summons and the Cross-Appeal (*ie*, the requirement of identity of subject matter has not been made out). Accordingly, the doctrine of *res judicata* does not apply and the First Defendant is entitled to raise before us the question of whether the court should grant the Declaration.

171 We would add that, in any case, any determination by the Judge as to whether he should grant the Declaration in view of the pending criminal proceedings would not have been fundamental (in the manner outlined at [35] of *Goh Nellie* ([167] *supra*)) to his decision to dismiss the Summons. The Judge, in our view, must have been able to decide not to grant the First Defendant's striking-out application without making such a determination. This is because the Judge could only have exercised his power to strike out Prayer 3 of the Originating Summons if the case for striking out had been "*plain and obvious*" (*per* L P Thean JA in *The Osprey* [2000] 1 SLR 281 at [6]). This principle was stated in a

host of earlier cases. For example, in *Tan Eng Khiam v Ultra Realty Pte Ltd* [1991] SLR 798, G P Selvam JC said (at 803, [31]):

Courts are reluctant to strike out a claim summarily either under O 18 r 19 of the [Rules of the Supreme Court 1970] or [under] the inherent jurisdiction. This is anchored on the judicial policy to afford a litigant the right to institute a bona fide claim before the courts and to prosecute it in the usual way. Whenever possible, the courts will let the plaintiff proceed with the action unless his case is wholly and clearly unarguable: see *Blue Town Investments Ltd v Higgs & Hill plc* [1990] 1 WLR 696; [1990] 2 All ER 897 and *Oxy Electric Ltd v Zainuddin* [1991] 1 WLR 115; [1990] 2 All ER 902.

172 Similarly, in *Ko Teck Siang v Low Fong Mei* [1992] 1 SLR 454, this court endorsed (at 459–460, [15]) the English Court of Appeal case of *Wenlock v Moloney* [1965] 1 WLR 1238, where Danckwerts LJ said (at 1243–1244):

The position [in relation to striking out] is very clearly expressed by Lord Herschell in *Lawrance v. Lord Norreys* [(1890) 15 App Cas 210 at 219]. He said: "It cannot be doubted that the court has an inherent jurisdiction to dismiss an action which is an abuse of the process of the court. *It is a jurisdiction which ought to be very sparingly exercised, and only in very exceptional cases. I do not think its exercise would be justified merely because the story told in the pleadings was highly improbable, and one which it was difficult to believe could be proved.*" ...

The position ... has been incorporated in the present [Rules of the Supreme Court (UK)], Ord. 18, r. 19. There is no doubt that the inherent power of the court remains. But *this summary jurisdiction of the court was never intended to be exercised by a minute and protracted examination of the documents and facts of the case, in order to see whether the plaintiff really has a cause of action. To do that is to usurp the position of the trial judge, and to produce a trial of the case in chambers, on affidavits only, without discovery and without oral evidence tested by cross-examination in the ordinary way.* This seems to me to be an abuse of the inherent power of the court [to strike out a claim] and not a proper exercise of that power.

[emphasis added]

173 This general rule relating to striking out was reiterated in the later case of *Gabriel Peter & Partners v Wee Chong Jin* [1998] 1 SLR 374, where this court held (at [18]):

In general, it is only in plain and obvious cases that the power of striking out should be invoked. This was the view taken by Lindley MR in *Hubbuck & Sons v Wilkinson, Heywood and Clark* [1899] 1 QB 86 at p 91. It should not be exercised by a minute and protracted examination of the documents and facts of the case in order to see if the plaintiff really has a cause of action. The practice of the courts has been that, where an application for striking out involves a lengthy and serious argument, the court should decline to proceed with the argument unless, not only does it have doubts as to the soundness of the pleading but, in addition, it is satisfied that striking out will obviate the necessity for a trial or reduce the burden of preparing for a trial.

174 In the court below, the case for striking out Prayer 3 of the Originating Summons would not have been plain and obvious if the Judge had had to delve into the question of whether the court should grant the Declaration in view of the pending criminal proceedings. Indeed, the Judge, in his comments in dismissing the Summons (see [169] above), appears to have refrained from going into further analysis of this particular point. Therefore, it seems to us unlikely that the issue which the Plaintiff claims the Judge had ruled upon was actually determined on its merits.

Whether the Judge was right to grant the Declaration

The court's power to grant declaratory orders

175 The basis for the Declaration sought is that the copyright in the Labels does not subsist in favour of the First Defendant and that the Plaintiff has not infringed the said copyright. The *effect* of the Declaration, if it is granted, is that the Plaintiff would *not* be guilty of the charges under the Copyright Act which were brought against it via the Private Summonses (see [10] above). Indeed, on the first day of the hearing in the High Court, the Plaintiff's lead counsel, Mr Tan, stated:[\[note: 36\]](#)

During the application for [the] search warrant[s] the complainant [*ie*, Yu Ceng] failed to give full and frank disclosure of certain material facts and documents concerning the [F]irst [D]efendant's trade mark [*ie*, the Opposed Mark] and copyright ownership of the mark. This is one of the issues that will be litigated in the [P]laintiff's applications in the [Originating Summons] and the [Criminal Revision]. *If the applications are granted it will have the effect of dismissing the charges.* [emphasis added]

(1) *The discretionary nature of the power*

176 The court has the power to grant declarations upon any matter as long as, in doing so, it does not exceed its general jurisdiction or contravene any express statutory provision (see Lord Woolf & Jeremy Woolf, *The Declaratory Judgment* (Sweet & Maxwell, 3rd Ed, 2002) at para 3.005). The power to make a binding declaration is a discretionary power (see, *inter alia*, *Russian Commercial and Industrial Bank v British Bank for Foreign Trade, Limited* [1921] 2 AC 438 ("*Russian Commercial and Industrial Bank*"). The court's jurisdiction to grant declarations is founded upon O 15 r 16 of the Rules of Court (Cap 322, R 5, 2006 Rev Ed), which states:

No action or other proceeding shall be open to objection on the ground that a merely declaratory judgment or order is sought thereby, and the Court may make binding declarations of right whether or not any consequential relief is or could be claimed.

177 The declaratory order has its roots in s 14 of the Court of Chancery Act 1850 (c 35) (UK) (now repealed), which was the first statute in England that provided for declaratory relief. Discretion has always been a dominant feature of the declaratory order. As explained in *The Declaratory Judgment*(at para 4.002):

[Section 14 of the Court of Chancery Act 1850] empowered the court to grant a declaration upon a special case, but it added that "if upon the hearing of such special case as aforesaid the court shall be of [the] opinion that the questions raised thereby or any of them cannot properly be decided upon such case, the said court may refuse to decide the same." Subsequent statutes and rules of court expressly or impliedly followed suit.

The learned authors of *The Declaratory Judgment* quote (at para 4.003) Lord Sterndale MR's decision in *Hanson v Radcliffe Urban District Council* [1922] 2 Ch 490, where his Lordship stated (at 507):

In my opinion ... the power of the Court to make a declaration, where it is a question of defining the rights of two parties, is almost unlimited; I might say only limited by its own discretion. The discretion should of course be exercised judicially, but it seems to me that the discretion is very wide.

178 The corollary of the court having such a wide discretionary power to grant declaratory orders

is, as the First Defendant has rightly submitted, that this power should be exercised with great caution as it could otherwise easily be abused. As *The Declaratory Judgment* states (at para 4.015):

If employed incautiously it [ie, the court's power to grant declaratory orders] might encourage people unnecessarily to claim declarations of their rights, involving unjustifiable, costly litigation and causing excessive embarrassment to defendants. As Lord Sterndale M.R., another strong supporter of a broad scope for declaratory relief, admitted [in *Gray v Spyer* [1922] 2 Ch 22 at 27]: "I agree that claims for declaration[s] should be carefully watched. Properly used, they are very useful; improperly used, they almost amount to a nuisance."

179 Likewise, in *Russian Commercial and Industrial Bank* ([176] *supra*), where a declaration was sought in relation to the construction of a contract between the parties, the court observed that the discretionary power should be exercised "sparingly" (at 448), "with great care and jealousy" (*ibid*) and "with extreme caution" (*ibid*).

(2) *The exercise of the power*

180 It appears to be well-established law that a civil court (as defined at sub-para (b) of [164] above) has the jurisdiction to grant a declaration even if it pertains to criminal proceedings. As Gibbs ACJ stated in *Sankey v Whitlam* (1978) 142 CLR 1 ("*Sankey*"), "[i]t is clear enough that the power of the court is not excluded [merely] because the matter as to which a declaration is sought may fall for decision in criminal proceedings" (at 20).

181 It appears to be equally well-established law that a civil court will, in normal circumstances, be slow to grant a declaration relating to the criminal consequences of conduct (see, eg, the arguments of Mr Anthony Lester QC and Mr Pushpinder Saini, acting as *amici curiae*, in *Airedale NHS Trust v Bland* [1993] AC 789 at 854, citing the House of Lords' decision in *Imperial Tobacco Ltd v Attorney-General* [1981] AC 718 ("*Imperial Tobacco*") at 718, 741–742, 746 and 750–752). The rule is not inflexible, however, and the court may grant declaratory relief relating to the criminal consequences of conduct in appropriate cases. The circumstances in which it will be appropriate for a civil court to do so, however, are likely to be very rare and exceptional (see P W Young, *Declaratory Orders* (Butterworths, 2nd Ed, 1984) at p 152); for instance, it must be shown that the criminal proceedings have not been properly brought or are vexatious or constitute an abuse of process in that the facts alleged do not in law prove the offence charged (see the arguments of Mr Christopher Brougham QC in *Smith v Braintree District Council* [1990] 2 AC 215 at 218, citing *Imperial Tobacco* at, *inter alia*, 750–752).

182 There are many policy reasons for this approach. One of the reasons, as succinctly elucidated by Gibbs ACJ in *Sankey*, is as follows (at 25–26):

[T]he procedure [involved in the grant of declaratory orders] is open to abuse, particularly in criminal cases, and if wrongly used can cause the very evils it is designed to avoid. Applications for declarations as to the admissibility of evidence may in some cases be made by an accused person for purposes of delay, or by a prosecutor to impose an additional burden on the accused, but even when such an application is made without any improper motive it is likely to be dilatory in effect, to fragment the proceedings and to detract from the efficiency of the criminal process.

183 The seminal case on the question of whether a civil court may make a declaratory order relating to the criminal consequences of conduct is the decision of the House of Lords in *Imperial Tobacco* ([181] *supra*). In that case, the plaintiff ("*Imperial Tobacco*") had launched a sales promotion campaign involving a "Spot Cash" scheme in which prizes ranging from a packet of

cigarettes to £5,000 could be won. The Director of Public Prosecutions charged Imperial Tobacco and its senior officers under the Lotteries and Amusements Act 1976 (c 32) (UK) in respect of the said sales promotion campaign. Before those charges were tried in the Crown Court, Imperial Tobacco issued an originating summons in the Commercial Court seeking a declaration that its sales promotion campaign was lawful. At first instance, Donaldson J declined to grant the declaration as he was of the view that the "Spot Cash" scheme was unlawful. Upon appeal to the English Court of Appeal, the scheme was held to be lawful and the declaration was granted. The Crown then appealed to the House of Lords. The question of whether a declaration should be granted given that criminal proceedings were already pending was considered by Viscount Dilhorne, who described that question as "the most important question in [the] appeal" (at 740). His Lordship stated (at 741):

That decision [of the English Court of Appeal], if it stands, will form a precedent for the Commercial Court and other civil courts [to usurp] the functions of the criminal courts. Publishers may be tempted to seek declarations that what they propose to publish is not a criminal libel or blasphemous or obscene. If in this case where the declaration sought was not in respect of future conduct but in respect of what had already taken place, it could properly be granted, I see no reason why in such cases a declaration as to future conduct could not be granted.

1 8 4 The main reason given by Viscount Dilhorne as to why a civil court generally should not exercise its discretion to grant a declaration concerning the criminal consequences of conduct that is the subject of criminal proceedings which have already begun is the prejudicial effect which such a declaratory order would have on the criminal proceedings without binding the court in those proceedings (*viz*, the criminal court, as defined at sub-para (b) of [164] above). His Lordship held (see *Imperial Tobacco* at 741):

Such a declaration [*ie*, a declaration made by a civil court as to the criminal consequences of conduct] is no bar to a criminal prosecution, no matter the authority of the court which grants it. Such a declaration in a case such as the present one, made after the commencement of the prosecution, and in effect a finding of guilt or innocence of the offence charged, cannot found a plea of *autrefois* acquit or *autrefois* convict, though it may well prejudice the criminal proceedings, the result of which will depend on the facts proved and may not depend solely on admissions made by the accused. If a civil court of great authority declares on admissions made by the accused that no crime has been committed, one can foresee the use that might be made of that at the criminal trial.

1 8 5 Viscount Dilhorne then went on to reject the justification proffered by the English Court of Appeal for granting the declaration (*id* at 741):

The justification for the Court of Appeal taking this unusual and unprecedented course – no case was cited to us where a civil court had after the commencement of a prosecution, granted a declaration that no offence had been committed – was said to be the length of time it would have taken for the matter to be determined in the criminal courts. I can well see the advantages of persons being able to obtain rulings on whether or not certain conduct on which they propose to embark will be criminal and it may be a defect in our present system that it does not provide for that. Here, I wish to emphasise, it was not a question [of] whether future conduct would be permissible but whether acts done were criminal. It was said that the administration of justice would belie its name if civil courts refused to answer reasonable questions on whether certain conduct was or was not lawful. I do not agree. I think that the administration of justice would become chaotic if, after the start of a prosecution, declarations of innocence could be obtained from a civil court.

186 His Lordship concluded (*id* at 742):

[I]t is not necessary in this case to decide whether a declaration as to the criminality or otherwise of future conduct can ever properly be made by a civil court. In my opinion it would be a very exceptional case in which it would be right to do so. In my opinion it cannot be right to grant a declaration that an accused is innocent after a prosecution has started.

187 Lord Lane based his decision on the same grounds, holding (*id* at 752):

Counsel appearing before your Lordships' House were unable to find any case in which a defendant in criminal proceedings already properly and not vexatiously instituted had applied for a declaration that the criminal proceedings were unfounded or [were] based on a misapprehension as to the true meaning of the criminal statute. I do not find that dearth of authority surprising. It would be strange if a defendant to proper criminal proceedings were able to pre-empt those proceedings by application to a judge of the High Court whether sitting in the Commercial Court or elsewhere. What effect in law upon the criminal proceedings would any pronouncement from the High Court in these circumstances have? The criminal court would not be bound by the decision. In practical terms it would simply have the inevitable effect of prejudicing the criminal trial one way or the other.

Where there are concurrent proceedings in different courts between parties who for practical purposes are the same in each, and the same issue will have to be determined in each, the court has [the] jurisdiction to stay one set of proceedings if it is just and convenient to do so or if the circumstances are such that one set of proceedings is vexatious and an abuse of the process of the court. Where, however, criminal proceedings have been properly instituted and are not vexatious or an abuse of the process of the court it is not a proper exercise of the court's discretion to grant to the defendant in those proceedings a declaration that the facts to be alleged by the prosecution do not in law prove the offence charged.

188 Lord Fraser of Tullybelton similarly held (*id* at 746):

I am in entire agreement with my noble and learned friends that this is not a case in which the discretion of the court should have been exercised to make the declaration. By doing so the civil court, in my opinion, improperly intruded into the domain of the criminal court, notwithstanding that criminal proceedings had already been begun. We were not referred to any reported cases where such intrusion had occurred and in my opinion it ought not to be permitted except possibly in some very special circumstances which are not found here.

189 The principles enunciated in *Imperial Tobacco* ([181] *supra*) regarding the grant by a civil court of a declaration relating to the criminal consequences of conduct which is the subject of criminal proceedings that have *already been properly begun* were either applied or referred to in, *inter alia*, *Attorney-General v Able* [1984] 1 QB 795, *T v T* [1988] Fam 52 and *Regina v Attorney General* [2004] 1 AC 357. The English Court of Appeal went further in *Amstrad Consumer Electronics Plc v The British Phonographic Industry Limited* [1986] FSR 159 ("*Amstrad*") and held that once there was a *possibility* of criminal proceedings, a declaration of innocence *vis-à-vis* conduct which was the subject matter of the potential criminal proceedings should not be made. In *Amstrad*, the British Phonographic Industry Limited ("BPI") sent a letter to Amstrad Consumer Electronics Plc ("Amstrad") alleging that the latter had acted unlawfully in the way in which it advertised and marketed its tape recorders. In particular, BPI was of the view that Amstrad had encouraged or had at least enabled purchasers to infringe copyright in pre-recorded cassette tapes by using Amstrad's two-deck tape recorders to duplicate such tapes. Amstrad then sought a declaration that it had not acted

unlawfully. At first instance, Whitford J refrained from granting the declaration as he was of the view that a criminal offence could have been committed by Amstrad in that the latter “could be said to [have been] inciting or procuring or aiding or abetting acts of copyright infringement by those who used their audio systems for that purpose” (at 160). On appeal, the English Court of Appeal unanimously agreed with Whitford J’s decision. Lawton LJ held (*id* at 209):

I do not find it either necessary or proper to adjudge whether, on the evidence before the court, Amstrad [has] incited anyone to commit an offence contrary to section 21(3) of the [Copyright Act 1956 (c 74) (UK)]. In the event of anyone instituting criminal proceedings in respect of Amstrad’s advertising activities, a finding by this court would prejudice the trial. In these circumstances, in my judgment, it would not be right, in the exercise of the court’s discretion, to grant the declaration requested.

The other two members of the coram, Slade LJ and Glidewell LJ, concurred with Lawton LJ on this point (see *Amstrad* at 217 and 219 respectively).

190 As can be seen, *Amstrad* went further than *Imperial Tobacco* in delineating the circumstances in which a civil court should not make a declaration *vis-à-vis* what might potentially be criminal conduct. *Amstrad* would stand for the proposition that as long as there is a real possibility that criminal proceedings may be initiated, a civil court should be slow to make any declaration which could have the effect of prejudicing the subsequent criminal proceedings. In the present case, there is no need for us to speculate on whether or not criminal proceedings may be brought against the Plaintiff (*cf* the situation which the English Court of Appeal was faced with in *Amstrad*) as criminal proceedings against the Plaintiff have already been commenced via the Private Summonses. In the circumstances, the present appeal by the First Defendant (*ie*, the Cross-Appeal) would not turn on the extension made by *Amstrad* to the principles enunciated in *Imperial Tobacco*.

191 The principles laid down in *Imperial Tobacco* regarding judicial restraint in granting declaratory orders relating to the criminal consequences of conduct have been applied in a number of Malaysian and Singapore cases (see, *eg*, *Attorney General of Hong Kong v Zaayah Wan Chik* [1995] 2 MLJ 620, *Dato’ Wan Mustapha bin Haji Ali v Pengurus Pejabat Tempatan, Pertubuhan Keselamatan Sosial Pekerja, Kota Bharu* [2000] 1 MLJ 95, *Lee Yee Seng v Golden Star Video Bhd* [1981] 2 MLJ 43, *Jeyaretnam JB v Attorney General* [1990] SLR 610 and *Chee Siok Chin v Minister for Home Affairs* [2006] 1 SLR 582).

192 From the analysis above, it appears to be well-established law that while a civil court has the jurisdiction to grant a declaration as to the criminal consequences of conduct, it will normally be slow to do so unless the circumstances are exceptional. Such exceptional circumstances would arise, *inter alia*, where the criminal proceedings have not been properly brought or are vexatious or amount to an abuse of process in that the facts alleged by the Prosecution do not in law prove the offence charged. As *Singapore Civil Procedure 2007* (G P Selvam chief ed) (Sweet & Maxwell Asia, 2007) states (at para 15/16/4):

A declaration ought not to be granted by the judge in a civil court to a defendant in criminal proceedings, which are properly instituted against him and are not vexatious or an abuse of the process of the court, on the ground that the facts alleged by the prosecution do not in law prove the offence charged, because to make such a declaration would be to usurp the function of the criminal court without binding it and would thus inevitably prejudice the criminal trial ...

193 Exceptional circumstances may also arise in cases where *none* of the factors mentioned in the preceding paragraph are present. An example of such a case would be *Airedale NHS Trust v Bland*

([181] *supra*), where a declaration was made that the Airedale National Health Service Trust (“the NHS Trust”) could lawfully discontinue life-sustaining treatment to a patient who was in a persistent vegetative state. If the court had not ruled on the legality or otherwise of withdrawing treatment from the patient concerned, the NHS Trust would not have been able to stop treatment without facing potential criminal prosecution for murder. Another example would be *Royal College of Nursing of the United Kingdom v Department of Health and Social Security* [1981] AC 800. In that case, the Royal College of Nursing (“the Royal College”) sought a declaration as to the role which nurses could lawfully play in the termination of a pregnancy. There had been a dispute between the Royal College and the Department of Health and Social Security (“the DHSS”) as to what conduct nurses could lawfully engage in *vis-à-vis* the termination of a pregnancy in the light of s 1(1) of the Abortion Act 1967 (c 87) (UK), which made it lawful in specified circumstances for there to be a termination of a pregnancy by a “registered medical practitioner”. At first instance, the case was distinguished from *Imperial Tobacco* ([181] *supra*) and a declaration was granted by Woolf J that the nurses’ role as delineated in a circular dated 21 February 1980 issued by the DHSS would not involve the nurses engaging in any unlawful acts. It was held that the Royal College had appropriately brought the proceedings in view of the close relationship which it had with nurses and their work. The English Court of Appeal reversed Woolf J’s decision, but, on further appeal, the House of Lords restored (by a majority of 3:2) the declaration granted by Woolf J.

194 In Australia, the courts appear to be guided by a more generic description (as compared to the more specific description outlined at [192] above) of the exceptional circumstances in which a civil court may grant a declaration as to the criminal consequences of conduct. In *Bourke v Hamilton* [1977] 1 NSWLR 470, for instance, Needham J stated (at 493):

[T]he power to interfere with committal proceedings is a drastic one, to be exercised only in those cases where the Supreme Court takes the view that a *failure to exercise it will necessarily result in an injustice being perpetrated*. [emphasis added]

Expressions of similar views can be found in, *inter alia*, *Moss v Brown* [1979] 1 NSWLR 114, *Green v Jones* (1979) 39 FLR 428, *Perry v Nash* (1980) 47 FLR 210, *Conwell v Tapfield* [1981] 1 NSWLR 595, *Coles v Wood* [1981] 1 NSWLR 723 and *Nichols v State of Queensland* [1983] 1 Qd R 580.

The grant of the Declaration in the present case

195 The substantive issue which we have to consider in the Cross-Appeal is whether the Judge was right to grant the Declaration. Whether he was correct or not would, of course, depend on the facts of the case. It should be added that the discretion as to whether or not to grant declaratory relief is to be exercised by the trial judge, and an appellate court will ordinarily interfere with the way in which the trial judge has exercised his discretion only if it can *clearly* be shown that such discretion has been exercised wrongly.

196 The legal burden of showing that the Declaration should be granted would fall squarely on the Plaintiff. It is trite law that the burden of proof should *prima facie* be borne by the party who asserts a claim (see, *inter alia*, *Amstrad* ([189] *supra*) at 182 and s 104 of the Evidence Act (Cap 97, 1997 Rev Ed)). As stated in C R Williams, “Burdens and Standards in Civil Litigation” (2003) 25 Syd LR 165 (at 172):

[T]he basic starting point is that the burden of proof should normally be on the plaintiff as to all issues. In the absence of reasons to the contrary, the party who invoked the judicial process and compelled the defendant’s involvement in that process, should run the risk of having decided against her or him any issue as to which the tribunal of fact is, at the end of the day, undecided.

1 9 7 Accordingly, the Plaintiff has the burden of establishing that the present case is an *exceptional* one warranting the grant of the Declaration. However, there is really nothing to suggest that the criminal proceedings against the Plaintiff have not been properly brought or are vexatious or constitute an abuse of process in that the facts alleged would not in law prove the offences charged (see [192] above). There is also nothing in the present case which indicates that the failure to grant the Declaration will “necessarily result in an injustice being perpetrated” (*per* Needham J in *Bourke v Hamilton* ([194] *supra*) at 493).

Our conclusion on the grant of the Declaration

198 To summarise, the doctrine of *res judicata* does not apply to the Cross-Appeal as there is no identity of subject matter between the issue decided in the Summons and the issue which the First Defendant seeks to raise in the Cross-Appeal. As such, the First Defendant is entitled to appeal against the Judge’s grant of the Declaration. As for whether the Declaration should have been granted in the court below, our view is that the answer is “no”. As stated above (at, *inter alia*, [181] and [192]), it is well-established that a civil court will in normal circumstances be slow to grant a declaration as to the criminal consequences of conduct unless the circumstances are exceptional. In the present case, there were no exceptional circumstances warranting the grant of the Declaration. The Judge, with respect, erred in granting the Declaration.

The costs order made by the Judge

199 The Judge said (at [100] of the Judgment) that he “dismiss[ed] [Prayer] 1 and [Prayer] 2 [of the Originating Summons] with costs”, but did not make it clear whether he was referring to only one set of costs for the First Defendant and the Second Defendant combined. On the assumption that the Judge ordered the Plaintiff to pay a separate set of costs to the Second Defendant in respect of Prayer 1 and Prayer 2, the Plaintiff has appealed against the Judge’s costs order.

200 In general, the principles governing the award of costs are that costs are in the discretion of the court, and costs should follow the event except when it appears to the court that some other order should be made in the circumstances of the case (see O 59 r 3(2) of the Rules of Court).

201 One trite principle that guides the exercise of the court’s discretion as to costs is that where there are two (or more) co-defendants, *only one set of costs will normally be payable* to them if both (or all) of them succeed, even if they were separately represented (see, *inter alia*, *Singapore Civil Procedure 2007* ([192] *supra*) at para 15/4/17). The court, however, may allow separate costs where reasonable grounds have been shown for the severance of defences (see *Singapore Court Practice 2006* (Jeffery Pinsler gen ed) (LexisNexis, 2006) at para 59/2/6).

202 In the present case, there were no reasonable grounds for the severance of defences. There was no need for the First Defendant and the Second Defendant to file separate defences to the Plaintiff’s prayers for revocation and/or invalidation of the registration of the Opposed Mark and for the grant of the Declaration. In our view, the First Defendant and the Second Defendant could well have instructed one set of lawyers for the entire proceedings as their positions on the issues in dispute were common. We would add that the Second Defendant, as the sole and exclusive licensee of the Opposed Mark in Singapore, was clearly correctly joined as a co-defendant to the proceedings as, *inter alia*, its rights would have been directly affected by the orders sought in the Originating Summons.

203 That said, it seems to us that the proper avenue for the Plaintiff to have this point on costs clarified would have been by writing to the Judge for clarification instead of by appealing against the

Judge's costs order. Be that as it may, we now order that only one set of costs be paid to the First Defendant and the Second Defendant in respect of the hearing in the court below *vis-à-vis* Prayer 1 and Prayer 2 of the Originating Summons.

Summary of the decision of this court

204 In the result, the Plaintiff's appeal against the Judge's refusal to revoke or invalidate the registration of the Opposed Mark (*ie*, the Appeal) is dismissed. On the other hand, the First Defendant's cross-appeal against the grant of the Declaration (*ie*, the Cross-Appeal) is allowed. Except for the Judge's order on costs (which the Plaintiff could easily have clarified with the Judge), the Plaintiff has failed in the Appeal and the First Defendant has succeeded in the Cross-Appeal. Accordingly, the First Defendant and the Second Defendant shall have the costs of the Appeal, *viz*, one set of costs, with the usual consequential orders to apply. The First Defendant shall also have the costs of the Cross-Appeal, likewise with the usual consequential orders to apply.

Coda

205 This appears to be one of those cases in which a party who has been charged with (*inter alia*) trade mark infringement in the Subordinate Courts mounts a root-and-branch attack on the *criminal* proceedings by subsequently bringing a separate *civil* action for revocation and/or invalidation of the disputed trade mark as a "defence" to the *criminal* prosecution. Applications for revocation and/or invalidation of the registration of trade marks cannot, however, be made to the Subordinate Courts, but must instead be made to either the Registrar of Trade Marks or the High Court (see ss 22(5) and 23(5) of the current TMA; see also the definition of "Court" in s 2(1) of the same Act). Counsel for the Plaintiff (the party charged in the criminal proceedings) therefore had to commence civil proceedings in the High Court (by way of the Originating Summons) for (*inter alia*) revocation and/or invalidation of the registration of the Opposed Mark. Both counsel for the First Defendant and counsel for the Second Defendant have acknowledged that the procedure adopted by the Plaintiff was correct. Accordingly, proceedings have been instituted before two different *fora*. Indeed, a third set of proceedings (*viz*, the Criminal Revision (see [12] above)) is currently pending.

206 This state of affairs is unsatisfactory as it results in duplication of proceedings, considerably delays matters and wastes resources. For future similar cases (and, indeed, counsel for the Plaintiff has informed us that there are several waiting in the wings), parties ought to agree to consolidate all concurrent related proceedings in the High Court so that those proceedings may be heard expeditiously by the same judge. The prosecuting party in such cases ought to request that the criminal proceedings be moved to the High Court for the simple reason that the Subordinate Courts are not empowered to hear applications for revocation and/or invalidation of the registration of trade marks.

[\[note: 1\]](#) See the First Defendant's written case for the Cross-Appeal (*ie*, the Appellant's Case in Civil Appeal No 65 of 2008) at para 9.

[\[note: 2\]](#) See the Joint Record of Appeal for the Appeal and the Cross-Appeal filed on 1 July 2008 ("the Joint Record of Appeal") at vol 3(D), p 1742.

[\[note: 3\]](#) See the Originating Summons (at vol 1, pp 7-8 of the Supplemental Core Bundle filed on 4 August 2008 for the Appeal ("SCB")).

[\[note: 4\]](#) See para 11 of the Plaintiff's written case for the Appeal ("the Appellant's Case in

CA 58/2008”).

[\[note: 5\]](#) See para 19 of the Plaintiff’s opening statement filed on 28 June 2007 for the Originating Summons.

[\[note: 6\]](#) *Id* at para 20.

[\[note: 7\]](#) *Id* at Annexure B, paras 26–27.

[\[note: 8\]](#) See the Appellant’s Core Bundle filed on 2 July 2008 for the Cross-Appeal (“ACB (CA 65/2008)”) at vol 2, p 108.

[\[note: 9\]](#) See SCB, vol 1 at pp 159–224.

[\[note: 10\]](#) See para 104 of the Appellant’s Case in CA 58/2008.

[\[note: 11\]](#) *Ibid*.

[\[note: 12\]](#) See para 24 of Tan Hee Nam’s affidavit filed on 1 November 2006 (“Tan’s affidavit”) at SCB vol 1, pp 115–116.

[\[note: 13\]](#) See p 5 of the certified transcript of the notes of evidence of the hearing before the Judge (“the Notes of Evidence”) on 5 July 2007 (at SCB vol 2, p 413).

[\[note: 14\]](#) See p 58 of the Notes of Evidence for 5 July 2007 (at SCB vol 2, p 416).

[\[note: 15\]](#) See pp 85–87 of the Notes of Evidence for 2 July 2007 (at SCB vol 2, p 400).

[\[note: 16\]](#) See para 24 of Tan’s affidavit (at SCB vol 1, pp 115–116).

[\[note: 17\]](#) See paras 32–33 of Zhang’s affidavit filed on 5 April 2007 (“Zhang’s affidavit”) (at ACB (CA 65/2008) vol 2, p 147).

[\[note: 18\]](#) See para 92 of Zhang’s affidavit (at ACB (CA 65/2008) vol 2, p 180).

[\[note: 19\]](#) See pp 96–97 of the Notes of Evidence for 3 July 2007 *vis-à-vis* Zhao’s evidence (at SCB vol 2, pp 404–405), and p 79 of the Notes of Evidence for 4 July 2007 *vis-à-vis* Deng’s evidence (at SCB vol 2, p 409).

[\[note: 20\]](#) See SCB vol 1, p 114.

[\[note: 21\]](#) See paras 32–33 of Zhang’s affidavit (at SCB vol 1, p 30).

[\[note: 22\]](#) See para 32 of Zhang’s affidavit (at SCB vol 1, p 30).

[\[note: 23\]](#) See p 10 of the Notes of Evidence for 10 July 2007 (at SCB vol 2, p 435).

[\[note: 24\]](#) See p 74 of the Notes of Evidence for 9 July 2007 (at SCB vol 2, p 433).

[\[note: 25\]](#) See para 127 of the First Defendant’s and the Second Defendant’s joint written submissions filed on 29 October 2007 (at SCB vol 2, p 468).

[\[note: 26\]](#) See Exhibit "DZXI3" of Deng's affidavit filed on 1 November 2006 (at SCB vol 1, pp 248–250).

[\[note: 27\]](#) See p 85 of the Notes of Evidence for 4 July 2007 (at SCB vol 2, p 410).

[\[note: 28\]](#) See pp 85–86 of the Notes of Evidence for 4 July 2007 (at SCB vol 2, p 410).

[\[note: 29\]](#) See pp 62–63 of the Notes of Evidence for 4 July 2007 (at SCB vol 2, p 408).

[\[note: 30\]](#) See pp 15–16 of the Notes of Evidence for 3 July 2007 (at SCB vol 2, p 401).

[\[note: 31\]](#) See p 17 of the Notes of Evidence for 3 July 2007 (at SCB vol 2, p 402).

[\[note: 32\]](#) See the Appellant's Core Bundle filed on 1 July 2008 for the Appeal ("ACB (CA 58/2008") at vol 2, pp 373–375.

[\[note: 33\]](#) See ACB (CA 58/2008) at vol 2, p 435.

[\[note: 34\]](#) See the Joint Record of Appeal at vol 3(D), p 1927.

[\[note: 35\]](#) See p 54 of the Notes of Evidence for 2 July 2007 (at vol 3(I), p 3313 of the Joint Record of Appeal).

[\[note: 36\]](#) See p 48 of the Notes of Evidence for 2 July 2007 (at vol 3(I), p 3311 of the Joint Record of Appeal).