

**IN THE HEARINGS AND MEDIATION DEPARTMENT OF
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE
REPUBLIC OF SINGAPORE**

Trade Mark No. T1315141D
16 August 2018

IN THE MATTER OF A TRADE MARK REGISTRATION BY

TAN BUCK HAI

AND

APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY

UNITED U-LI PROJECTS PTE LTD

Hearing Officer: Cheng Pei Feng
IP Adjudicator

Mr Aaron Thng (Amica Law LLC) for the Applicants

Ms Devi Haridas (Belinda Ang Tang & Partners) for the Registered Proprietor

GROUND OF DECISION

1 Over a year ago, the same parties came before me for a trade mark invalidation application. The present application shares not only the same parties but the same background and circumstances that led to the earlier application. Like the earlier application, the present one relates to a trade mark involving the sign “U-LI”. The similarities will be relevant as some of the findings and observations made earlier will continue to apply here for reasons that will be explained. The key difference in the present application is that the parties have switched roles. The applicant in the earlier case is now the respondent and vice versa.

2 Tan Buck Hai (“the Respondent”), is the registered proprietor of the following trade mark:

U-LI

(“the Subject Mark”), in Singapore in Class 9 in respect of “Cable joints of metal, electric; cable ladders for electric cables; electrical cable distribution trunking; joint boxes for housing cable joints; cable trays for electric cables.” The Subject Mark was registered in Singapore on 19 September 2013 by “U-LI Impex Pte Ltd”. This turned out to be a typographical error as the correct company name should have been “United U-LI Impex Pte Ltd”, a company incorporated by the Respondent. The Respondent took steps to correct this error and further, subsequently registered a full transfer of the ownership of the Subject Mark from United U-LI Impex Pte Ltd to the Respondent himself on 16 December 2014.

3 United U-LI Projects Pte Ltd (“the Applicants”) applied for a declaration of invalidity on 17 December 2014. A Counter-Statement was filed by the Respondent on 17 February 2015 in defence of the registration of the Subject Mark. Due to the assignment of the Subject Mark from United U-LI Impex Pte Ltd to the Respondent, amended Grounds of Invalidation and an amended Counter-Statement were subsequently filed by the parties, respectively, on 25 June 2015 and 17 August 2015. These changes contributed to delays in the proceedings for the application.

4 The Applicants filed evidence in support of the invalidation on 16 December 2016. The Respondent filed evidence in support of the registration on 18 September 2017. The Applicants filed evidence in reply on 14 December 2017. Following the close of evidence, a Pre-Hearing Review was held on 10 January 2018. After the Pre-Hearing Review, the Applicants complied with directions to re-execute their statutory declarations made by their director, Ng Chay Hoe, as the statutory declarations were not properly made in accordance with the Oaths and Declarations Act. The parties then made their oral submissions before me on 16 August 2018.

Grounds of Invalidation

5 The Applicants pleaded four main grounds of invalidation in the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”). They are Section 8(2)(a) and (b) read with Section 23(3)(a)(i), Section 7(6) read with Section 23(1), Section 8(7)(a) read with Section 23(3)(b), and Section 23(4).

6 I will deal with the relative grounds of invalidation: first the “earlier trade mark ground” under Section 8(2)(a) and (b), followed by the “passing off ground” of invalidation under Section 8(7)(a), before dealing with the absolute grounds of bad faith under Section 7(6) and fraud and misrepresentation under Section 23(4).

Applicants’ Evidence

7 The Applicants’ evidence comprises the following:

- (i) a re-executed Statutory Declaration made by Ng Chay Hoe, director and shareholder of the Applicants, on 16 January 2018 in Singapore (“NCH-1”);

- (ii) a re-executed Statutory Declaration in Reply made by the same Ng Chay Hoe, on 16 January 2018 in Singapore; and
- (iii) a Statutory Declaration in Reply made by Tan Sri James Lee Yoon Wah, chief executive officer and managing group director of United U-LI (M) Sdn Bhd on 13 December 2017 in Singapore (“JLYW-1”).

Respondent’s Evidence

8 The Respondent’s evidence comprises the following:

- (i) a Statutory Declaration made by Tan Buck Hai, the Respondent, on 14 September 2017 in Singapore (“TBH-1”); and
- (ii) a Statutory Declaration made by Lim Bee Lan, shareholder and director of United U-LI Marketing Pte Ltd, on 15 September 2017 in Singapore (“LBL-1”).

9 None of the deponents were called to the stand as witnesses for cross-examination. The case therefore proceeded on the documentary evidence tendered by both sides. In these grounds of decision, references made to the evidence and relevant paragraphs should be taken to also include the exhibits referenced at those paragraphs.

Applicable Law and Burden of Proof

10 As the applicable law is the Act, there is no overall onus on the Respondent either before the Registrar during examination or in invalidation proceedings. The undisputed burden of proof in the present case falls on the Applicants.

Background

11 As mentioned earlier, the same parties had been involved in a cross-invalidation application which was decided earlier. The related proceedings were brought by Tan Buck Hai, the Respondent here, who had applied to invalidate United U-LI Projects Pte Ltd’s (the Applicants here) series of trade marks involving the sign “U-LI”. That cross-invalidation application was in fact filed later than the present one, on 18 May 2018, but had proceeded more expeditiously than the present. The cross-invalidation application by the Respondent was dismissed and the appeal against the decision was subsequently withdrawn. The Applicants’ trade mark (in series) therefore remains registered: *see* cross-invalidation proceedings relating to Trade Mark No. T1104620F and the grounds of decision at *Tan Buck Hai v United U-Li Projects Pte Ltd* [2017] SGIPOS 14 (“*Tan Buck Hai – IPOS*”).

12 The background between the parties and the circumstances leading to their use of the respective “U-LI” marks have been set out in the earlier decision. In the evidence filed for the present application, both parties have essentially relied on largely the same facts, the salient parts of which are set out again here.

13 The “U-LI” mark originates from Malaysia. The mark is used for a brand of cable management and support systems designed, manufactured and sold by a Malaysian company, United U-LI (M) Sdn Bhd (“the Malaysian Manufacturer”). United U-LI (M) Sdn Bhd is in turn a wholly owned subsidiary of United U-LI Corporation Bhd, a public-listed company in Malaysia and the holding company of the U-LI group of

companies (“U-LI Group”). The U-LI Group started in around 1978 as a father-son partnership under the name of U-Lee Trading Company which was subsequently incorporated as the Malaysian Manufacturer in 1983 (see JLYW-1, paragraphs 3-5, NCH-1, paragraphs 10-11, and TBH-1, paragraph 9). United U-LI (M) Sdn Bhd, the Malaysian Manufacturer, is the registered proprietor of the “U-LI” trade mark (Class 06) in Malaysia since 21 February 2001. To market and distribute its goods in Singapore, the Malaysian Manufacturer relies on two authorised distributors, the Applicants (United U-LI Projects Pte Ltd) and United U-LI Marketing Pte Ltd (“U-LI Marketing”), a company which the Respondent claims to be in control of. These facts are not disputed.

14 Based on the Respondent’s evidence, he had first approached the Malaysian Manufacturer sometime in 1993 to introduce, promote and distribute the U-LI products in Singapore. At that time, the Respondent was an employee of a company called Choo Chiang Marketing Pte Ltd, which was later replaced by Chastan Pte Ltd in 1994. The Respondent later set up U-LI Marketing in October 2003 which then took over the sale and distribution of the U-LI products in Singapore (see TBH-1, paragraphs 10-12).

15 The Respondent was initially one of the directors and a shareholder of U-LI Marketing when it was first incorporated but very soon gave up both positions in about three months due to certain personal circumstances. However, he continued to work as an employee in U-LI Marketing. The Respondent provided evidence that throughout the entire time, he was the key employee and person, whether in Choo Chiang, Chastan or U-LI Marketing, who was responsible for dealing with the Malaysian Manufacturer and for the distribution and sale of the U-LI products in Singapore. This was supported by evidence from Madam Lim Bee Lan, shareholder and director of U-LI Marketing, who described the U-LI Marketing’s business in the U-LI products as being synonymous with the Respondent (see LBL-1, paragraph 11). The Respondent referred to the various corporate entities, Choo Chiang, Chastan and U-LI Marketing, as his “licensees” and “vehicles” through which he promoted the U-LI products. However, there was no evidence of such licensing arrangements and the evidence also did not show the Respondent to be anything more than an employee in these respective companies.

16 When U-LI Marketing was first incorporated, one of the directors and shareholders was Clement Ng Chay Hoe (“Ng”). Ng is now the director and shareholder of the Applicants. In March 2009, Ng had resigned from U-LI Marketing after incorporating the Applicants, United U-LI Projects Pte Ltd, in February 2009. According to the evidence given on behalf of the Applicants by Tan Sri Lee Yoon Wah (“Tan Sri Lee”), who is and has been the Chief Executive Officer and Managing Group Director of the Malaysian Manufacturer since 1983, as part of the U-LI Group’s organisational restructuring in around 2009, it was decided that the distribution networks would be demarcated such that the Applicants would focus on developer’s projects while U-LI Marketing would focus on the dealer market in Singapore. Tan Sri Lee also gave evidence that the Respondent himself was never appointed in his personal capacity, as an agent or authorised distributor of the U-LI products in Singapore (see JLYW-1, paragraphs 10-11). The Respondent denied knowledge of such restructuring by the U-LI Group, asserting that he and his “licensee” were never informed of this by the Malaysian Manufacturer (see TBH-1, paragraph 64).

MAIN DECISION

Ground of Invalidation under Section 8(2)(a) and (b)

17 Section 23(3)(a)(i) of the Act reads:

(3) 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 —

(i) the conditions set out in section 8(1) or (2) apply;

...

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

18 Section 8(2)(a)-(b) of the Act reads:

(2) A trade mark shall not be registered if because —

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected; or

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public.

Decision on Section 8(2)(a) and (b)

19 The basis of this ground of invalidation is the likelihood of confusion with an earlier registered trade mark that is identical or similar, covering goods or services that are identical or similar.

20 The earlier trade mark in question is registered as a series of two marks under the

U-LI

Applicants' Trade Mark No. T1104620F , **U-LI** . The registration date was 8 April 2011, preceding the Subject Mark which was only registered later on 19 September 2013. This was the trade mark (in series) which was the subject of the earlier unsuccessful cross-invalidation proceedings brought by the Respondent here against the Applicants. The specification registered under T1104620F is "Cable trays of metal (other than electric); cable trunking of metal (other than electric); cable ducts made of metal (other than electricity); conduit fittings of metal (non-electric); pre-formed floor ducts of metal (non-electric); trunking (channels) of metal for electric cables."

Consent of Proprietor of Earlier Trade Mark

21 As can be seen from the wording of Section 23(3)(a)(i) of the Act as set out earlier, the registration of a trade mark to which the conditions in Section 8(2)(a)-(b) apply may be declared invalid unless it can be shown that the proprietor of that earlier trade mark or other earlier right has consented to the registration.

22 The Applicants, the proprietor of the earlier trade mark, tendered evidence to show that neither they nor the Malaysian Manufacturer, the owner of the original U-LI mark registered in Malaysia, had been aware of or consented to the Respondent's registration of the Subject Mark. On the contrary, the Applicants assert that they were the ones who had been exclusively authorised by the Malaysian Manufacturer to register and own the U-LI trade mark in Singapore.

23 The Applicants supported their position with various documentary evidence. First, there was the open letter dated 25 September 2014 issued by the Malaysian Manufacturer to its associates and customers where it was stated categorically that "the right to file a trade mark and register the "U-LI" (*sic*) in the appropriate classes has granted (*sic*) solely to United U-LI Projects Pte Ltd", i.e. the Applicants (see NCH-1, paragraphs 19 and 21). Then in a letter dated 20 November 2014, the Applicants' solicitors wrote to United U-LI Impex Pte Ltd seeking the cancellation or assignment of the Subject Mark to the Applicants (see TBH-1, paragraph 7). The Malaysian Manufacturer also issued a letter dated 28 April 2015 to the Intellectual Property Office of Singapore (IPOS) stating, *inter alia*, that "the U-LI trade mark has been lawfully registered in Class 06, in the name of U-LI Projects Pte Ltd, our authorized distributor for cable support and cable management systems in Singapore since 2011" and that "we did not consent nor authorize the Class 09 registration (Trade Mark No. T1315141D) by Messrs United U-LI Marketing Pte Ltd or Mr Tan Buck Hai." Finally, there was a notice published by the Malaysian Manufacturer and the Applicants on 4 May 2015 in the main English language newspaper in Singapore, The Straits Times, stating unequivocally that the Subject Mark was registered without the knowledge, consent or authorisation of the Malaysian Manufacturer (see NCH-1, paragraphs 20, 23 and 25).

24 The Respondent sought to argue that the Malaysian Manufacturer had never informed him nor his "licensee" about the Applicants being the sole authorised entity in Singapore to register the trade mark on its behalf. It was also argued that the Malaysian Manufacturer had never behaved as an aggrieved trade mark owner would, and had never confronted the Respondent directly and even continued to do business with him, through U-LI Marketing. In my view, these bare assertions fly in the face of the evidence put forward by the Applicants, which the Respondent has completely failed to refute, in particular the letter issued by the Applicants' solicitors to United U-LI Impex Pte Ltd to cancel or assign the Subject Mark. The Respondent's feeble response that the Subject Mark had already been assigned then and no longer belonged to United U-LI Impex Pte Ltd, which he himself had claimed to be his own company and licensee, showed the Respondent's blatant disregard of inconvenient truths he would rather not address. It was clear that the Respondent did not have the Applicants' nor the Malaysian Manufacturer's consent to register the Subject Mark. The Malaysian Manufacturer may well have other commercial or economic reasons for continuing to trade with U-LI Marketing but that did not mean it had consented or acquiesced to the registration of the Subject Mark, as suggested by the Respondent.

Test for Similarity and Likelihood of Confusion

25 The test for the ground of invalidation under Section 8(2)(a) and (b) of the Act has been clearly set out in the Court of Appeal decision in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal* [2014] 1 SLR 911 (“*Staywell*”) and subsequently endorsed by the same court in *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 (“*Caesarstone*”). The step-by-step approach assess systematically the three requirements of (a) similarity (or identity) of marks; (b) similarity (or identity) of goods or services; and (c) likelihood of confusion arising from the two similarities. The first two elements are assessed individually before the final element, which is assessed in the round.

26 On the first element, the assessment involves the well-established criteria of looking at the visual, aural, and conceptual similarities, based on the viewpoint of the average consumer who would exercise some care and a measure of good sense in making his or her purchases, not that of an unthinking person in a hurry. The two contesting marks should not be compared or assessed side by side and examined in detail for the sake of isolating particular points of difference but should be considered on the general impression that will likely be left by the essential or dominant features of the marks on the average consumer. At the end, the conclusion is based on whether the marks, when observed in their totality, are similar rather than dissimilar (see *Caesarstone* at [27]).

27 Applying the test to the present facts, the analysis is a fairly straightforward one. The Subject Mark appears to be identical to one of the Applicants’ earlier series mark. Both comprise the combination of letters “U-LI” using the same, or almost the same, font type and arranged in the same order. Although the Subject Mark is a single mark while the Applicants’ mark is protected as a unitary series of two marks, there is no significant differentiation as visually, the Subject Mark appears to be virtually identical to the black and white portion of the earlier series marks. The additional colour in one of the earlier series mark, being a non-distinctive feature of the mark, also does not substantially affect the identity of the marks.

Subject Mark	Applicants’ earlier trade mark (in series)
U-LI	

28 In the submissions, counsel for Respondent somewhat flipped-flopped on this issue, sometimes arguing that the two marks are similar but not identical, while at other occasions, accusing the Applicants of effectively using an “identical” U-LI mark as the Respondent’s to market U-LI products. Ultimately, however, the position is clear that the two marks are undeniably identical: whether visually, aurally, or conceptually.

29 On the goods covered by the two marks, the Respondent then sought to argue that there was no similarity as evidenced by the different classes that the marks were registered in. The Applicants contended that this fact alone did not mean that the goods

served by the respective marks cannot then be similar. In *Staywell*, the court also had to consider the use of the marks on services covered by two distinct classes. It was held there, at [43], "...the real question is whether Staywell's services that were sought to be registered under Class 35 are similar to the Opponents' services under Class 43, **having regard to all relevant factors relating to the services themselves**. Some of the factors set out in *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 ("British Sugar") at 296 would be relevant at the goods-similarity stage of the inquiry, **in particular the consideration of the uses and the end-users of the services. The question is how the services are regarded, as a practical matter, for the purposes of trade.**" (*emphasis added*).

30 For ease of reference, the respective goods under the competing marks are set out below:

Subject Mark (Class 09)	Applicants' earlier trade mark (in series) (Class 06)
Cable joints of metal, electric; cable ladders for electric cables; electrical cable distribution trunking; joint boxes for housing cable joints; cable trays for electric cables.	Cable trays of metal (other than electric); cable trunking of metal (other than electric); cable ducts made of metal (other than electricity); conduit fittings of metal (non-electric); pre-formed floor ducts of metal (non-electric); trunking (channels) of metal for electric cables.

31 Both the goods specifications in Class 06 and Class 09 are highly similar in description, save that Class 06 appears to be more for "non-electric" cable management systems while Class 09 covers "electrical" cable management systems. As helpfully explained in the Applicants' submissions and not disputed by the Respondent, cable management systems are made up of various components used to support insulated cables and such components are covered under the specification of goods of the two marks in question. For example, a "cable tray" would generally refer to a solid-bottom tray upon which cables are laid; while a "ladder tray" or "cable ladder" supports the cables by traverse bars similar to the rungs of a ladder; and a "cable duct" or "cable trunking" is a general term referring to an enclosure or channel through which cables are run. A cable management system can typically support various types of cables, whether electric (e.g. power cables), or non-electric (e.g. fibre-optic telecommunication cables).

32 Other than the product specifications to which the U-LI products apply, these products in question were also described consistently in various documents, such as the invoices by the Malaysian Manufacturer, the invoices issued by the parties to their end customers, as well as each party's respective product certifications, in the same manner as "cable tray systems", "cable ladder systems for cable management", or "metal cable trunking and accessories".

33 Thus, the nature of the goods and the notional fair use to which both marks can be applied are essentially the same. The registration in only Class 06 may even have been an oversight on the Applicants' part, given that there is now currently a pending

application of their U-LI mark in Class 09. The Respondent himself also gave evidence that the Subject Mark was registered in Class 09 after it was discovered that Class 06 was already taken by the Applicants' earlier trade mark (see TBH-1, paragraph 26). This suggests that if the Applicants had not registered in Class 06 earlier, the Respondent might well have done so.

34 Finally, on the issue of likelihood of confusion, as highlighted in *Caesarstone*, at [60], this inquiry requires the consideration of four factors, "(a) the nature of the goods; (b) the mode of purchase; (c) the similarity of marks; and (d) the similarity of goods." Following from the earlier analysis on the nature of the goods, similarity of marks and the similarity of goods, all these factors lend to a strong likelihood of confusion by the public given that, not only are the nature of the products and the notional use of the marks more or less the same, the two parties are fundamentally distributors of the same or similar products originating from the same single source, the Malaysian Manufacturer.

35 There was no evidence of any significant difference in the mode of purchase and the Applicants' Ng having previously worked in U-LI Marketing, could be expected to take the same approach in dealing with the customers. Indeed, the likelihood of confusion is already clearly demonstrated in the evidence tendered by the Applicants where customers had wrongly indicated in their purchase orders the name "United U-LI Marketing Pte Ltd", when it should have been "United U-LI Projects Pte Ltd" (see NCH-1, paragraph 40, pages 284-285).

Conclusion on Section 8(2)(a)-(b)

36 Having considered the arguments and positions for this ground of invalidation, it is found that the Subject Mark is identical to the earlier trade mark registered by the Applicants covering highly similar goods, resulting in a strong likelihood of confusion. The ground of invalidation under Section 8(2)(a) therefore succeeds.

Ground of Invalidation under Section 8(7)(a)

37 Section 23(3)(b) of the Act reads:

(3) The registration of a trade mark may be declared invalid on the ground

...

(b) that there is an earlier right in relation to which the condition set out in section 8(7) is satisfied,

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

38 Section 8(7)(a) of the Act reads:

(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade ...

39 This next relative ground of invalidation is based on the tort of passing off. This was also a ground of invalidation pursued in the cross-invalidation proceedings for Trade Mark No. T1104620F and I had summarised the law in my grounds of decision in *Tan Buck Hai - IPOS*, at [51] to [59]. The well-established law has been set out authoritatively by the Court of Appeal in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86; [2016] SGCA 33 (“*Singsung*”) and requires an examination of the three key elements of goodwill, misrepresentation and damage. Each element will be considered in turn.

Goodwill

40 In *Singsung*, the Court of Appeal reaffirmed the description of “goodwill” in *The Commissioners of Inland Revenue v Muller & Co’s Margarine Limited* [1901] AC 217 and explained, at [34]:

In our judgment, goodwill, in the context of passing off, is concerned with goodwill in the business *as a whole*, and not specifically in its constituent elements, such as the mark, logo or get-up that it uses... Goodwill does not exist on its own, but attaches to a business in the jurisdiction and is manifested in the custom that the business enjoys. Goodwill may be proved by evidence of sales or of expenses incurred in promoting the goods and services in association with the mark, brand or get-up which they bear.

Misrepresentation

41 In *Singsung*, the Court of Appeal clarified the law in this area and considered the issue of distinctiveness of a mark in relation to a plaintiff’s products or services as being a threshold inquiry to assessing whether the defendant has committed an actionable misrepresentation. Thus, it had to be first shown that a mark is distinctive of the plaintiff’s products or services, otherwise the use of a similar/identical mark by a defendant on its products or services would not amount to a misrepresentation that the defendant’s products or services are the plaintiff’s or are economically linked to the plaintiff.

42 If, on the other hand, the plaintiff’s goodwill is shown to be sufficiently distinctive of its goods or services, then the next step of the inquiry would be to establish two further requirements: (i) a misrepresentation by the defendant in using products which are strikingly similar or identical (amounting to a misrepresentation as to trade source or the trade origin of the goods); and (ii) that actual confusion or likelihood of confusion arose as a result of the misrepresentation: see *Singsung* at [70].

Damages

43 On the final element, the claimant must show a real tangible risk of substantial damage and a mere assertion is not enough, although it is not necessary to prove actual damage: see *Singsung* at [41].

Decision on Section 8(7)(a)

44 Turning to the present facts, the Applicants' pleaded case is that the registration of the Respondent's Subject Mark has damaged or will damage the Applicants' goodwill as the public will likely to be confused between the Subject Mark and the Applicants' U-LI mark.

45 On the first element of the Applicants' goodwill, this requires an examination of the "U-LI" mark with the Applicants' business as a whole, which can be shown, as approved by the court in *Singsung*, through evidence of sales, profits, or expenses incurred in promoting the goods and services in association with the mark.

46 The Applicants have been trading in the U-LI products since they were incorporated in 2009. Evidence was tendered to show a sample of the major projects which the Applicants have been involved in and supplied products bearing the U-LI mark. The Applicants' financial reports and publicity materials were also exhibited to show the revenue obtained from the sale and the promotion of the U-LI products (see NCH-1, paragraphs 6-9). The element of the Applicants' goodwill was clearly established on the facts.

47 Counsel for the Applicants had also sought to argue that the Applicants could rely on the "goodwill" residing in the Malaysian Manufacturer, which was the principal owner and originator of the U-LI mark. That, however, is not part of the Applicants' pleaded case at all, since its position on this ground of invalidation was entirely in relation to the Applicants' own goodwill only.

48 Moving on to the next element of misrepresentation, the threshold question of distinctiveness needs to be first considered, specifically, whether the U-LI mark is distinctive of the Applicants' products. Whilst some earlier cases may have discussed the issue of distinctiveness in the context of goodwill, it was clear from the decision in *Singsung* that the approach should be recalibrated in accordance with the guidance provided by the Court of Appeal in that case. Cases decided prior to *Singsung* should therefore be read in that context.

49 This was also an issue which had been considered in the cross-invalidation proceedings. As highlighted in the earlier decision (at [64]), I took the same guidance from the Court of Appeal decision in *Kickapoo (Malaysia) Sdn Bhd and another v The Monarch Beverage Co (Europe) Ltd* [2010] 1 SLR 121 ("*Kickapoo*"), which the Applicants again relied on in the present proceedings. However, while the case was of assistance to the Applicants in the cross-invalidation proceedings, applying the law to their situation now meant that they suffered the same problems which the Respondent did in the cross-invalidation application.

50 The *Kickapoo* case involved a claim by registered proprietors against a former exclusive licensee for passing off. On the issue of misrepresentation as to trade source, the court had considered the English House of Lords decision in *Scandecor Developments AB v Scandecor Marketing AB* [2002] FSR 7 ("*Scandecor*") and the proposition by Lord Nicholls of the concept of an evolving notion of trade source and that under the UK Trade Marks Act 1994, the trade source could reside in a proprietor

or exclusive licensee. This meant that there could be room for an exclusive licensee to claim rights over the use of a mark and defend against a passing off claim. The Singapore Court of Appeal however expressed reservations over the broad application of the *Scandecor* decision and whether it should apply at all to non-exclusive licences. It bears highlighting that the court in *Kickapoo* had held, at [49] and [52]:

[49] ... For example, in the case of a *non-exclusive* licence, because of the presence of multiple licensees, it would be very difficult for the view of Lord Nicholls to apply and for the public to associate the goods sold under the trade mark with only one single licensee. It has therefore been observed that the traditional view (of viewing trade source as residing in the trade mark proprietor) would work better for this particular type of licence.

...

[52] However, even if the modern approach advocated by Lord Nicholls in *Scandecor* is adopted, it must be borne in mind that the inquiry concerned is, at its heart, heavily dependent upon the particular factual matrix concerned, the onus lying on the defendant to demonstrate that the public no longer associates the source of the goods concerned with the trade mark proprietor. We do not think, however, that such an onus would, in the nature of things, be easily discharged. Convincing facts must be adduced to demonstrate that a shift of association (from the trade mark proprietor to the licensee) has occurred. Factors such as the duration of the licence, as well as efforts spent in advertising and marketing, will invariably have a significant role to play in moulding public perception....

51 The consistent and undisputed position of parties has been that the “U-LI” mark and products originate from the Malaysian Manufacturer. So although the Applicants may be the owner of the registered U-LI trade mark in Class 06 in Singapore, pursuant to the authorisation from the Malaysian Manufacturer, they remain a non-exclusive distributor of the U-LI products in Singapore; and U-LI Marketing is still a valid and authorised distributor of U-LI products in Singapore. Could customers purchasing U-LI products differentiate between those supplied by the Applicants and the ones supplied by U-LI Marketing? The evidence put forward by the Applicants appeared to point entirely to the opposite as they fully acknowledged and even argued that the “goodwill” resided in the Malaysian Manufacturer. The Applicants accepted that the customers would not be able to distinguish the goods sourced from either distributor and that the source of the U-LI products and the U-LI mark belonged to the Malaysian Manufacturer.

52 Given that the U-LI mark and the products originate from the Malaysian Manufacturer and not the Applicants, which was also not an exclusive distributor, it was clear that the threshold requirement of distinctiveness could not be met here.

53 As the element of misrepresentation could not be met, it followed that it was not necessary to consider the last element of damage.

Conclusion on Section 8(7)(a)

54 The ground of invalidation under Section 8(7)(a) therefore fails.

Ground of Invalidation under Section 7(6)

55 Section 23(1) of the Act reads:

(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 7.

56 Section 7(6) of the Act reads:

(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

Decision on Section 7(6)

57 The language of s 7(6) provides a clear mandate that an application to register a trade mark will be invalidated if it was made in bad faith. As an absolute and free-standing ground, it highlights the gravity and seriousness associated with a charge of bad faith. As noted by the Singapore High Court in *Nautical Concept Pte Ltd v Jeffery Mark Richard and another* [2007] 1 SLR(R) 1071 ("*Nautical Concept*"), at [15]:

An allegation that a trade mark has been applied for in bad faith is a serious one. In *Royal Enfield Trade Marks* [2002] RPC 508, it was held (at [31]) that:

A plea of fraud should not be lightly made ... and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of ... bad faith made under section 3(6) [of the UK Trade Marks Act 1994.] *It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.* [emphasis added]

58 As mentioned in my earlier decision on the cross-invalidation, the test on what constitutes "bad faith" for the purposes of section 7(6) is fairly well-settled and to this end, it is useful to refer to the High Court decision in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 ("*Weir Warman*"), which held, 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 Tee Jim's *Law of Trade Marks and Passing Off in Singapore* (*Sweet & Maxwell Asia, 2nd Ed, 2005*)].

59 The above holding was endorsed by the Court of Appeal in *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and*

another [2009] 2 SLR(R) 814, which also defined (at [105] – [106]) the “combined test of bad faith” as having both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, whether in the light of that knowledge, the applicant’s conduct would be judged dishonest by ordinary standards of honest persons adopting proper standards).

60 In the present application, the Applicants assert that the Respondent’s bad faith conduct lies in his wrongful claim of proprietorship to the Subject Mark. This was especially egregious when the Respondent knew that he was not authorised to register the trade mark. The Respondent, on the other hand, reiterated the arguments he had mounted in the cross-invalidation proceedings, accusing the Applicants’ director, Ng Chay Hoe, of bad faith instead by surreptitiously registering the Applicants’ trade mark. The Respondent denied that he had acted in bad faith, stating that he had purposely steered clear of the Applicants’ path by registering the Subject Mark in Class 09, a different class from the Applicants’ own mark in Class 06. The Respondent sought to suggest that he owned the U-LI mark given how he had used the mark in Singapore for about 17 years (from 1994 to 2011) even prior to the registration of the Subject Mark, and that the U-LI mark had become well known and long-associated with the Respondent through his own personal efforts in promoting the U-LI products in Singapore over many years.

61 It is clear from the position taken by the Respondent that he has clung to the idea of his entitlement to ownership of the U-LI mark by virtue of his long-time efforts in promoting the products bearing such a mark. However, as detailed in the decision on the cross-invalidation application, I again could find no evidence here which lent weight to the Respondent’s belief. The Respondent had tendered substantially the same evidence in the present application which showed that throughout the time that the Respondent was in the various companies (Choo Chiang, Chastan and U-LI Marketing) promoting the U-LI products, he was always and remained only as an employee. An employee, no matter how hardworking in promoting the employer’s intellectual property rights, does not thereby acquire rights to them. In any case, there was also no evidence that these companies, the Respondent’s respective employers, had themselves acquired any rights to the U-LI mark just by being one of the authorised distributors of the U-LI products.

62 The relevant date for determining whether an application for trade mark registration was made in bad faith is the date of the application: see *PT Swakarya Indah Busana v Dhan International Exim Pte Ltd* [2010] 2 SLR 109, at [91]. At the time of the application, the registration was made by United U-LI Impex Pte Ltd, not the Respondent himself. The Respondent has, however, given clear evidence that he was the alter ego for United U-LI Impex Pte Ltd, which was incorporated by him for the purposes of undertaking administrative services for him (see TBH-1, paragraph 3). In just about 2 months after the registration of the Subject Mark was completed, the registration was also assigned by United U-LI Impex Pte Ltd to the Respondent himself (see TBH-1, paragraph 5). The registration of the Subject Mark was clearly attributable to the Respondent.

63 Even if I accept that the Respondent may have been initially misguided or perhaps totally ignorant over his entitlement to the intellectual property rights over the U-LI mark, there are sufficient aspects of his conduct which point towards his intention not

being purely *bona fide*. Firstly, why did the Respondent get United U-LI Impex Pte Ltd to register the Subject Mark instead of doing the registration himself, especially if his intention was to have it assigned to himself soon after the registration was completed? The possible and likely reason was that the Respondent wanted to cloak the application with greater legitimacy through closer “association” if the application was seen to be made by a company bearing the same “U-LI” reference in its name as the mark. Secondly, the Respondent himself gave evidence that at the time of filing the application, he had come to know of the Applicants’ registered mark in Class 06 (see TBH-1, paragraph 26). If the Respondent had thought he was entitled to the U-LI mark, it seemed surprising that he did nothing then about the Applicants’ registration, which he should have thought was wrongful. Instead, the Respondent proceeded to quietly have the Subject Mark registered in an alternative Class 09. The cross-invalidation application against the Applicants’ mark was brought by the Respondent only much later in May 2015, about six months after the Applicants had filed the present application to invalidate the Subject Mark. Finally, the most telling conduct was perhaps the fact that at no point in time did the Respondent seek to clarify the position with the Malaysian Manufacturer. If the Respondent had truly felt so convinced and confident about his entitlement to the Subject Mark in Singapore given his years of efforts and professed good working relationship with the Malaysian Manufacturer, why was there no evidence at all of any attempt on his part to seek clarification? Simply taking the position that the Malaysian Manufacturer never told him that he was not entitled to the U-LI mark, showed that the Respondent chose to keep his head stuck in the sand instead of facing up to the truth. When the letter from the Applicants’ solicitors was sent in November 2014, the response given by United U-LI Impex Pte Ltd, which must have been controlled by the Respondent, again skipped around the issue by merely stating that the mark had been assigned to the Respondent and therefore United U-LI Impex Pte Ltd no longer had the rights or title to the Subject Mark.

64 Taken in totality, there are sufficient grounds to find that the Respondent’s behaviour would not have been commercially acceptable when considered by reasonable and experienced persons in the trade and would amount to bad faith.

Conclusion on Section 7(6)

65 For the reasons as explained above, the ground of invalidation under Section 7(6) therefore succeeds.

Grounds of Invalidation under Section 23(4)

66 Section 23(4) of the Act reads:

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

Decision on Section 23(4)

67 For this ground, the Applicants sought to rely on the fact that the Subject Mark was originally registered in the name of a “U-LI Impex Pte Ltd” which is an entity that did not exist at all at that time. The Applicants argued that this meant that the Subject Mark was obtained by a misrepresentation and cannot be valid mark since it could not

be possible for a trade mark to vest in an entity which does not exist. As the registration was faulty at the outset, the Subject Mark could not fulfil the fundamental definition of being property and was therefore invalid from the start and any subsequent amendment to the identity of the owner could not correct such a fundamental defect.

68 The Respondent's counter was a simple one – that this was simply a typographical error and the register of trade marks had been subsequently corrected to reflect the full name of United U-LI Impex Pte Ltd. The Applicants were aware of this error from an early stage since the filing of the Respondent's Counter-Statement and the Applicants had also informed the Registrar of Trade Marks, as early as June 2015, that they would not pursue this point.

69 On the ground of fraud or misrepresentation under s 23(4) of the Act, the High Court in *Weir Warman* had stated, at [92]:

A registration made under fraud or with misrepresentation is one that succeeds only on the strength of an untrue statement made by the registrant. In *National Dairies Ltd v Xie Chun Trading Pte Ltd* [1997] 2 SLR(R) 969, it was held that the registered proprietor had obtained registration by fraud in that they claimed to be the proprietors of the mark when in fact they were simply the sole agents for products sold under the mark and manufactured in Australia. Further, in *Yomeishu Seizo Co Ltd v Sinma Medical Products (S) Pte Ltd* [1991] 1 SLR(R) 246, Chan Sek Keong J (as he then was) found that there was a serious issue of fraud in relation to the registration of the trade mark "Yomeishu" together with the Chinese characters. There was endorsement during advertisement that the mark had no meaning and the mark had proceeded to registration on the strength of a UK registration which had an identical endorsement. However, an expert in Chinese language subsequently gave evidence to say that the Chinese characters meant "the kind of wine that is tonic, nourishing and good for health". The learned judge concluded that the UK Registry would never have accepted registration of the mark if they knew its meaning. Both these cases involve some form of untrue representation and the consequential reliance on that representation by the Registrar of Trade Marks in accepting the registrant's application.

70 In order to establish the ground of fraud or misrepresentation under s 23(4) of the Act, the Applicants must therefore:

- (a) identify the untrue representation made by the Respondent; and
- (b) prove that there was consequential reliance by the Registrar in accepting the original registration.

71 Here, it was quite clear from the face of the facts that the name used in the original registration was the result of a typographical mistake due to the inadvertent omission of the word "United". This error was corrected subsequently and the amendment was accepted by the Registrar of trade marks. No evidence was shown that there was any intention to specifically mislead or that the wrong name was purposefully given to mislead the Registrar into accepting the original registration. Indeed, there was no reason to have given the name "U-LI Impex Pte Ltd" instead of the correct name. For

the foregoing reasons, I did not find the Applicants' reasons and basis for seeking this ground of invalidation to be made out on the facts.

Conclusion on Section 23(4)

72 The ground of invalidation under Section 23(4) therefore fails.

Overall Conclusion

73 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the application for a declaration of invalidity succeeds on the relative ground under Section 8(2)(a) as well as the absolute ground under Section 7(6) of the Act. The other two grounds of invalidation under Section 8(7)(a) and Section 23(4) of the Act were not made out. In light of the findings that the Applicants have succeeded on only two out of the four grounds of invalidation they had applied for, the Applicants are entitled to 50% of the costs.

Date of Issue: 16 November 2018