

Nippon Paint (Singapore) Co Pte Ltd v ICI Paint (Singapore) Pte Ltd
[2000] SGHC 218

Case Number : Suit 600104/2000
Decision Date : 31 October 2000
Tribunal/Court : High Court
Coram : Amarjeet Singh JC
Counsel Name(s) : Alban Kang (instructed); Leonard Hazra and William Chan (David Lim & Partners) for the plaintiffs; Low Chai Chong; Lee Ai Ming and Ian Fok (Rodyk & Davidson) for the defendants
Parties : Nippon Paint (Singapore) Co Pte Ltd — ICI Paint (Singapore) Pte Ltd

Tort – Passing off – Goodwill – Whether expression "3 in 1" generic or descriptor – Whether distinctive or having a reputation attached – Whether expression had secondary meaning with goodwill attached to it – Whether expression caused confusion

: Introduction

The plaintiffs and defendants are both Singapore incorporated companies of well known pedigree. They have at all material times been carrying on business in the manufacturing, distributing and sale of paints.

Both companies have been manufacturing and marketing a range of paints under their corporate name in Singapore. They have been and are by far the dominant players in the Singapore retail paint market.

The plaintiffs filed proceedings in March 2000 claiming that the defendants were passing off or attempting to pass off or assisting others to pass off one of a range of the plaintiffs' wall paints, namely, an interior wall paint which the defendants introduced and began marketing in October 1999 which they called 'Supreme 3 in 1' for the plaintiffs' interior wall paint introduced in February 1995 which the plaintiffs were successfully marketing under the name or mark '3 in 1'. The plaintiffs consequently prayed for an injunction for delivery and destruction of the offending paint product of the defendants or an order for the obliteration of the offending name or mark 'Supreme 3 in 1' from the defendants' product and damages suffered or at the plaintiffs' option an account of profits.

The undisputed facts

The plaintiffs and defendants have been manufacturing and selling various brand names of paints under their corporate names directly or through a limited number of specially appointed wholesalers to retailers and retailers to customers. On divers dates after 1994 the plaintiffs and the defendants introduced new interior wall paints which had as far as it is relevant the get-up and livery in the following form and impression on their cans.

(a) In May 1994 defendants introduced:

Paint Can: 'D2'

	----- ----	
--	---------------	--

ICI Dulux		

WASH & WEAR		

LOW SHEEN ACRYLIC		

	SINGAPORE`S	
MOST WASHABLE		
LOW SHEEN PAINT		
		[These words `Singapore`s Most Washable Low Sheen Paint` are in a red roundel with yellow lettering]

[`ICI Dulux` are in white letters on a dark blue band. `Wash & Wear` are in white letters on a yellow band. `Low Sheen Acrylic` are in white letters on a blue band. One half of the can is multi-coloured where above letterings appear and light blue in colour with white letterings in English, Chinese and Malay in three columns concerning instructions on use of paint, on the other half of the can.]

(b) In February 1995 plaintiffs introduced:

Paint Can: `P1`

NIPPON PAINT 3 IN 1nNIPPON PAINT	Covers CracksWashableWaterproof	
Covers Cracks		Covers Cracks
Washable		Washable
Waterproof		Waterproof

[The `3 in 1` can is in hues of colours of dark and light blue, green and yellow on black background with raindrops wavy horizontal lines and crooked vertical lines within the figure 1 (representing each of the three above qualities). The instructions in English and Chinese on use appear in two columns on the other half of the can on a light blue colour. The general appearance of the can is pastel.]

(c) In September 1996 defendants introduced:

Paint Can: `D3`

ICI Dulux		

WASH & WEAR		

LOW SHEEN ACRYLIC		

	3-in-1	
1		
The most washable		
2		
Covers more wall area per can		
3		
Covers hairline cracks		
(The above sentences appear within a)		

roundel

[The rest of the get-up or livery is as described in para 4(a) as previously described.]

(d) In October 1997 defendants introduced:

Paint Can: `D4`

	----- -----	
ICI Dulux		

WASH & WEAR		

3-in-1 SOFT SHEEN WALL FINISH		

CONTAINS PROTECTIVE		
ICI POLYSCRUB BEADS		
FOR THAT FRESHLY		
PAINTED LOOK THAT LASTS		
AND LASTS AND LASTS		

[drawing of a white paint roller]

Most washable
Covers Hairline Cracks
Covers Twice The Wall Area
[The above sentences are in black letters on a yellow band background]

[The name `ICI Dulux` and words below that appear against the background of a scene of a living room with furniture all within the outline of a large stylised `D`. `Dulux` is in purple. `Wash and Wear` and `3 in 1` in white with purple outline and the words `Soft Sheen Wall Finish` in white against a purple band. The can is colourfully vibrant. Useful information are printed on the other half of the can.]

(e) In October 1999 defendants introduced:

Paint Can: `D1`

ICI Dulux		

Supreme 3 in 1		

1.	Most washable	
2.	Covers Hairline Cracks	
3.	Better Coverage	

Plus

4.	Pleasant Fragrance
5.	Improved Opacity
6.	Fast Drying
7.	Less Splattering
8.	Smoother Finish
[These smaller words are within a yellow box against a dark blue background]	

[The wordings `ICI Dulux` and `Supreme 3 in 1` are within the same colourful large stylised `D`

covering about half the can as earlier mentioned. `Dulux` is in dark blue. `Supreme` is in white and `3 in 1` is in red on a dark blue bank or background. Below, the wording and numerals the can has green, orange and yellow colours with colourful drawings of a TV, hanging light, a chair etc. The can is colourfully vibrant.]

(f) In October 1999 plaintiffs introduced:

Paint Can: `P2`

n NIPPON PAINT		NIPPON PAINT	
	3 IN 1		
1.	Covers hairline		
	cracks		MEDI fresh
2.	Washable		Anti-Baterial Formula
3.	Waterproof		
		LUXURY LOW SHEEN WALL FINISH	

[Words `Nippon Paint` are on black band with broad red line underneath.

Words `3 in 1` are in white against light purple background.

Appearance of can is generally light coloured with coloured area and words and numerals as described above centred below a curved white and red band. Instructions on use appear on the other half of the can in black on a light blue background.]

The annual sales since 1994 in respect of each type of interior wall paint referred to hereinbefore sold by the plaintiffs and defendants with the percentage sales derived from total sales figures may be summarised as follows:

Annual Sales						
1994	Sales		Market Share			
ICI Dulux Wash & Wear						
(launched on 22 May 1994)	-	\$2,436,534				
1995						

ICI Dulux Wash & Wear	-	\$2,409,795	-	27.9%		
Nippon 3 in 1						
(launched in February 1995)	-	\$6,292,000	-	72.09%		
1996						
ICI Dulux Wash & Wear with						
Roundel 3 in 1	-	\$2,409,795	-	25.76%		
Nippon 3 in 1	-	\$6,946,000	-	74.24%		
1997						
ICI Dulux Wash & Wear with		\$4,007,704	-	36.32%		
word and numerals 3 in 1						
appearing below and to the						
side of Wash & Wear instead						
of in a roundel	-					
Nippon 3 in 1	-	\$7,027,000	-	63.68%		
1998						
ICI Dulux Wash & Wear	-	\$4,439,732	-	38.94%		
Nippon 3 in 1	-	\$6,963,000	-	61.06%		
1999						
ICI Dulux Wash & Wear	-	\$5,310,045	-	30.47%	)	
	)					
ICI Dulux Supreme 3 in 1					)	39.24%
(launched in October 1999)	-	\$1,528,940	-	8.77%	)	
Nippon 3 in 1	-	\$6,128,064	-	25.60%	)	
	)	60.76%				

Nippon 3 in 1 MEDIfresh					)	
(launched in October 1999)	-	\$4,462,736	-	35.16%	)	
January to August 2000						
ICI Dulux Wash & Wear	-	\$1,927,904	-	28.87%	)	
	)					
ICI Dulux Supreme					)	57.84%
3 in 1	-	\$1,934,555	-	28.97%	)	
Nippon 3 in 1	-	\$697,499	-	31.72%	)	
	)					
Nippon 3 in 1					)	42.16%
MEDIfresh	-	\$2,118,368	-	10.44%	)	

On 7 February 1995, the plaintiffs had filed an application with the Registry of Trade Marks to register its 'Nippon 3 in 1' mark, ie at about the time the said mark was launched. The Registry objected to the application on the grounds that the mark contained numerals. The application was renewed by the plaintiffs and filed on 5 February 1997. This time the Registry of Trade Marks was only prepared to accept the application subject to a disclaimer to the words and numerals '3 in 1' and the letter 'n'. The plaintiffs' solicitors wrote to the Registry stating that the plaintiffs were agreeable to having the disclaimer imposed on (i) a word and numerals '3 in 1' and (ii) a letter 'n'. The Trade Marks Act (Cap 332) was amended in 1998 (Act 46 of 1998). The amended Act permitted the plaintiffs if they had made an application after the amendments were instituted to register the mark 'Nippon 3 in 1' without a disclaimer. However, the plaintiffs had still not attempted to register such a mark when these proceedings came up to be heard. However, the defendants had proceeded and registered their 'Supreme 3 in 1' mark under the amended Act as appears in the **Trade Mark Journal**, Journal No 69 dated 18 August 2000. Plaintiffs' counsel stated in court that the plaintiffs would in due course be raising an objection to the registration of the said mark 'Supreme 3 in 1'.

It was common ground established by the evidence that:

- (i) over the years paint products had become more sophisticated;
- (ii) both ICI and Nippon conducted their business through wholesalers and retailers and also by selling their paints directly to contractors or end customers;
- (iii) contractors have been and are the largest group of paint purchasers and as that could be considered as professionals, they knew what paint they were buying and that about 80% of the paint sales were being made to such contractors and further that correspondingly only 20% sales were being made to walk-in buyers such as household consumers;

- (iv) household consumers had a very high percentage of loyalty to a brand they were used to;
- (v) all retail outlets sold both ICI and Nippon paints in their shops. Such outlet may give more prominence and exposure to the corporate brand name of a paint where they specially represented one or the other manufacturer to produce volume sales for better discounts;
- (vi) both ICI and Nippon published colourful brochures and colour charts every year for distribution to their customers both at the direct and retail level;
- (vii) retailers presented the brochures and or colour charts to their customers especially the walk-in customers and were in the habit of explaining the different brands of paint to them and left the choice of paints to the customers suggesting an alternative corporate brand name paint only where a choice of colour was unavailable;
- (viii) both the plaintiffs and defendants closely followed the paint products of the other, conducted specialist independent surveys very regularly for self-renewal and to feel the market's needs;
- (ix) the household customers as purchasers of paint were generally a literate lot.

The plaintiffs' case

The plaintiffs' case was that the plaintiffs were the first in Singapore to introduce a '3 in 1' multi-purpose interior wall paint having launched it in February 1995. The '3 in 1' mark for a paint was novel in Singapore. The '3 in 1' paint became successful immediately as the percentage share of sales of '3 in 1' show compared to the 'Wash & Wear' brand marketed by ICI Dulux in the statistics which were provided by the plaintiffs and defendants and which have been set out earlier. The plaintiffs had since the launch in any case, acquired goodwill in the name '3 in 1' and that name had become distinctive of the plaintiffs. The plaintiffs averred that in October 1999 the defendants introduced a new interior wall paint calling it 'Supreme 3 in 1'. This mark was a colourable imitation of the plaintiffs' '3 in 1' mark and since its introduction and to the date of hearing the defendants in the course of trade passed or attempted to pass off or assisted others to pass off 'Supreme 3 in 1' product not being the paint product of the plaintiffs, as a paint product associated with the plaintiffs and caused damage to the plaintiffs' business by reducing their market share of the '3 in 1' paint. Plaintiffs' counsel also submitted that although the defendants' 'Supreme 3 in 1' brand was calling its paint '3 in 1', it in fact listed out eight attributes of the paint on the can and their representation of their paint as '3 in 1' was part of the colourable device to pass off their paint for that of the plaintiffs. Plaintiffs' counsel further submitted that damage to them was also caused by a 'creeping' passing off which the defendants brought about from September 1996 when they had also affixed on their 'Wash & Wear' paint cans the additional mark '3 in 1', first in a small **roundel** and in the following year in 1997 by juxta-positioning the '3 in 1' just below and next to the words 'Wash & Wear' to make it more prominent.

Counsel submitted that based on the evidence of the plaintiffs' Managing Director Philip William Medway ('Medway'), the defendants' conduct in introducing the 'Supreme 3 in 1' mark was according to para 10(d) of the plaintiffs' amended statement of claim calculated to cause both confusion and deception and was intended to mislead the paint buying customers because the defendants saw that their 'Wash & Wear' brand had lost its market share and lost the competition to the plaintiffs' '3 in 1'. This intention of the defendants could be discerned from the defendants' conduct of first disparaging the plaintiffs' '3 in 1' paint after it first appeared by cautioning customers not to be susceptible to the claims of multi-purpose paints and soon afterwards introducing

multi-purpose paints themselves with the '3 in 1' concept. In short, the defendants' conduct amounted to a fraud on the public. It was further averred by the plaintiffs that by October 1999 when the defendants launched their 'Supreme 3 in 1' interior wall paint, the plaintiffs' '3 in 1' was already a distinctive mark and had acquired a secondary meaning on which they had spent from 1995 to 1999 and as at October 1999 a total of \$9,840,000 in promotional and advertising expenditure. Counsel for the plaintiffs further submitted that even assuming as the defendants contended that it was only a descriptive mark it had nevertheless become a distinctive mark having a secondary meaning.

It was also the submission of the plaintiffs that the disclaimer of the plaintiffs dated 21 January 1999 to the use of the letter and numerals '3 in 1' and the letter 'n' by them on their paint cans was not a bar to an action of passing off based on its use of its '3 in 1' mark as the mark had assumed a secondary meaning.

The plaintiffs (through Medway's evidence) claimed damages of \$967,022 basing it on an extrapolated percentage loss of plaintiffs' loss of market share occasioned by the launch of 'Supreme 3 in 1' in October 1999. Before the launch, the plaintiffs' market share was 56.64%. After the launch period, ie up to August 2000 the period up to when the internal management accounts were available, the plaintiffs' market share had been reduced to 42.16%. All this was evident according to Medway in exh P4 (columns A-M) the comparative sales chart (1999-2000). The percentage difference or market loss was put by Medway at 14.48% for the period. Medway expressed the percentage loss of 14.48% as amounting to the sales figure loss of \$967,022 for the plaintiffs on the plaintiffs' and defendants' combined sales of their brands ('Nippon 3 in 1' and Nippon's newly introduced '3 in 1 MEDIfresh' plus ICI's Wash & Wear 3 in 1' and 'Supreme 3 in 1') which amounted to \$6,780,326.

The defendants' case

The pitch of the defendants' case was that the plaintiffs distributed and sold their interior wall paint not by reference to the mark '3 in 1' but by the name 'Nippon Paint 3 in 1'; that the numerals and letter whether in the phrase 'Nippon 3 in 1' or '3 in 1' by itself were used in a descriptive or generic sense to describe the properties or qualities of the paint (three main properties) and not in a trade mark sense. In the circumstances, the plaintiffs could not have acquired goodwill and reputation in the above terms to the exclusion of use by others notwithstanding how extensive or substantial the plaintiffs' use of the term may have been. Further, the defendants sold or referred to their interior wall paint under their own corporate name as 'ICI Dulux Supreme 3 in 1', 'Dulux Supreme 3 in 1' or 'Supreme 3 in 1' from ICI Dulux. Further, the plaintiffs' paint can bearing the marks 'ICI Dulux Wash & Wear' and 'ICI Dulux Supreme 3 in 1' had a colourful and completely distinct and different get up and livery on its above paint cans all of which was incapable of causing any confusion between the defendants' brand of paints and that of the plaintiffs and in the light of all the market conditions in Singapore.

The defendants further averred in their evidence and submitted that whenever they reformatted paints or re-launched them it was done as a result of their continuously monitoring the market for customers' wants in paints and as a result of extensive surveys by their independent surveyors and market feedback from customers. They had only thereafter introduced and positioned their various brands 'ICI Dulux Wash & Wear' brand (in 1994) that with the additional '3 in 1' roundel (in 1995), without the roundel but their words '3 in 1' being given more emphasis by being placed next to the words 'Wash & Wear' (in 1996) and 'Supreme 3 in 1' (in October 1999). The plaintiffs denied they had disparaged multipurpose paints in their advertisements after 'Nippon 3 in 1' multi-purpose paint was introduced. They had merely placed advertisements with a humorous 'tongue in cheek' touch (as was conceded by the defendants in court) hinting to the public that they should be cautious in

reacting to messages carried by multipurpose paints that claimed to do more or performed better than they actually could. The advertisements ended in late 1996. The defendants' own survey results had soon afterwards shown that multiple attributes as a marketing platform was gaining popularity amongst consumers whether it be paints or other products. The defendants began then to adopt a multi-attribute platform for their paints to address the needs of customers. The end result was that the defendants' 'ICI Dulux Supreme 3 in 1' paint was a new product superior to and distinct from their 'Dulux Wash & Wear' product and the product was superior to the plaintiffs' 'Nippon paint 3 in 1' being the best multi-attribute product in the market and was priced slightly higher than the plaintiffs' 'Nippon paint 3 in 1'. The defendants had made a decision in June 1999 to manufacture and sell the paint which was then manufactured and sold from October 1999. Defendants' counsel further submitted that they themselves had introduced the mark '3 in 1' in 1996 on their can for their interior wall paints which the plaintiffs admitted they knew of. As for the eight attributes listed on the can, D1, the others were subsidiary to the main three properties and were listed under the word 'PLUS'.

Defendants' counsel took strong issue with the plaintiffs' counsel on his submission of a 'creeping' passing off since September 1996 when they began using the '3 in 1' mark alongside their 'ICI Dulux Wash & Wear 3 in 1' paint to October 1999 when they introduced 'ICI Dulux Supreme 3 in 1' paint. Defence counsel stressed that the usage by ICI of the label '3 in 1' on their 'Wash & Wear' brand as passing off had never been the subject of any complaint nor pleaded in the statement of claim by the plaintiffs. The plaintiffs' claim was restricted to the introduction of the 'ICI Dulux Supreme 3 in 1' brand. The plaintiffs had therefore acquiesced to the use by the defendants of the mark '3 in 1' on their cans from October 1996 and were now estopped from raising any issue thereon. The defendants had built up their own goodwill on the use of the '3 in 1' mark. Defendants' counsel submitted that the plaintiffs were not the ones to coin the expression '3 in 1' nor was it a fancy concept as could be discerned from enquiries on the internet which showed that some 80,000 products were being sold with '3 in 1' attributes one of which was the 'Hammerite' paint being sold in Scandinavia. The plaintiffs had, to say the least, acquiesced in the plaintiffs' usage of such numerals and letters quite apart from the legal position that the defendants had no exclusive rights to such usage themselves and could not nor raise their heckles over the introduction of their new mark 'Supreme 3 in 1' (which was marketed under their corporate name). One of the three (most washable, covers hairline cracks, better coverage) properties of 'Supreme 3 in 1' was in any case different from the properties canvassed by the plaintiffs' 'Nippon 3 in 1' (covers cracks, washable, waterproof), namely, that 'Dulux Supreme 3 in 1' gave 'Better Coverage'. 'ICI Dulux Wash & Wear 3 in 1' had earlier expressed the three attributes as most washable, covers hairline cracks, covers twice the wall area.

As for the defendants' improved market share, the defendants averred that their market share had been doing badly in 1995 because of internal problems. It had to change its management twice that year. They had brought in a new management by 1996 and employed a large team thereafter to build up its market share. The defendants' market share showed positive growth by their better marketing and their market share had much improved by 1999 and even before the 'ICI Dulux Supreme 3 in 1' paint was introduced as shown by the statistics. 'ICI Dulux Supreme 3 in 1' was the best interior wall paint introduced and that the brand sold more of their paint to discerning buyers. The defendants had further been advertising both their 'ICI Dulux Wash & Wear 3 in 1' mark as well as their 'ICI Dulux Supreme 3 in 1' mark.

Defendants' counsel denied any damage to the plaintiffs' business as such.

Decision

Issues

The following main issues therefore arose for determination of the case:

- (i) Whether the mark `3 in 1` was a descriptive term of ordinary usage, if it was descriptive whether the plaintiffs had shown the mark to have acquired a secondary meaning namely that the mark was recognised by the public as distinctive specifically of the plaintiffs' interior wall paint or put in other words, the term `3 in 1` had become well-known in the trade and to the general public as Nippon's paint exclusively or a paint that was connected or associated with Nippon as such.
- (ii) Whether Nippon had by reason of acquiring a secondary meaning acquired goodwill in the said term or name `3 in 1` by 17 October 1999 when the defendants launched their `ICI Dulux Supreme 3 in 1` interior wall paint.
- (iii) Whether the defendants' use of the mark `ICI Dulux Supreme 3 in 1` was a misrepresentation to paint consumers that the said paint was that of or connected with Nippon's paint product or was in any way connected with Nippon or their business.
- (iv) Whether there was acquiescence and/or a disclaimer on the part of the plaintiffs touching and concerning the mark `3 in 1` in respect of which they are now estopped from asserting otherwise.
- (v) If there was passing off, whether damage resulted to plaintiffs and if so what was the quantum.

Law

Generally, the law has a discountenance for a descriptive mark or name to operate as trade mark or name and it jealously guards the usage of ordinary words or numerals from being monopolised by traders for sale of either their goods or services. Any plaintiff claiming that such a trade name is his as such has an onerous burden to discharge in establishing the same. As was put by Lord Herschell in the classic case of **Frank Reddaway & Co v George Banham & Co** [1896] AC 199 at 210; 13 RPC 218 at 228:

The name of a person or words forming part of the common stock of language, may become so far associated with the goods of a particular maker that it is capable of proof that the use of them by themselves, without explanation or qualification by another manufacturer, would deceive a purchaser into the belief that he was getting the goods of A, when he was really getting the goods of B. In a case of this description, the mere proof by the plaintiff that the defendant was using a name, word, or device which he had adopted to distinguish his goods would not entitle him to any relief. He could only obtain it by proving further, that the defendant was using it under such circumstances or in such manner as to put off his goods as the goods of the plaintiff. If he could succeed in proving this, I think he would, on well-established principles, be entitled to an injunction.

It may be instructive to refer to some guiding principles stated by the Court of Appeal in **Super Coffeemix Manufacturing Ltd v Unico Trading Pte & Anor** [2000] 3 SLR 145 and other relevant cases as illustrations in relation to a claim of passing off. The brief facts in the above case were that

the appellants since 1987 sold a '3 in 1' instant coffee mix under the mark 'SUPER COFFEEMIX' comprising of coffee, sugar and a creamer and when mixed with hot water the mixture produced an instant coffee drink. The revenues of the product rose from just over half a million dollars to some \$8.2m in 1997 on the back of aggressive promotional and advertising which by 1997 had cost about \$6m. The respondents were in the coffee business selling INDOCAFE coffee products since 1990. In 1993 they had begun a similar '3 in 1' mixture which bore the name INDOCAFE and an additional style 'Coffeemix' (ie 'INDOCAFE Coffeemix'). The appellants sued the respondents for, amongst other things, a restraining order and damages for passing off their goods as the appellants' product 'SUPER COFFEEMIX'. The appellants' action was dismissed both by the trial judge and on appeal by the Court of Appeal. In dismissing the appeal the Court of Appeal held that whilst the appellants had acquired goodwill in the mark 'SUPER COFFEEMIX' there was hardly sufficient evidence to show that the public had regarded 'COFFEEMIX' exclusively as the mark which linked the product to the respondents. The Court of Appeal noted that the two products had a different design and packaging. The evidence of sales and advertising related to the entire mark 'SUPER COFFEEMIX' and not 'COFFEEMIX'. The appellants had not sold or promoted their products as 'COFFEEMIX'. Chao Hick Tin J (as he then was) in giving the opinion of the court went on to state:

*60 ... The plaintiffs [appellants] must show that part of the mark alone 'COFFEEMIX', which is descriptive in nature had become distinctive of the plaintiffs[appellants] product. Distinctiveness is a term of art in the law of passing off. **Wadlow on the Law of Passing Off** (2nd Ed) explains it in this way at para 6.02:*

'Matter such as a name, mark or get-up is said to be distinctive if it denotes the goods of the plaintiff to the exclusion of other traders. It is the significance which the relevant public attaches to the supposed mark which is all important. Matter which is not relied on by the public in this way is not in law distinctive, irrespective of how novel, striking or different it may be.'

*61 As mentioned before, the word 'Coffeemix' is clearly descriptive. Unlike an inventive word it would be harder to acquire distinctiveness in relation to a descriptive word. The evidential burden placed on a plaintiff in such a case would be high, but it would not be impossible to establish it: **CDL Hotels International Ltd v Pontiac Marina** [1998] 2SLR 550 and **Lifestyle 1.99 Pte Ltd v S\$1.99 Pte Ltd** [2000] 2 SLR 766 at [para] 34-46 pp 159I-160F.*

Chao J then went on to hold that no evidence was shown that customers were deceived and that there was no misrepresentation over the respondents' mark. The learned judge observed that where a mark is descriptive, a minor difference would be held to be sufficient to distinguish one mark or name from another as was held in **Office Cleaning Services Ltd v Westminster Office Cleaning Association** 63 RPC 39.

Horlicks Malted Milk Co v Summerkill 34 RPC 63 is another pertinent case in point. The plaintiffs manufactured a food preparation and sold it as 'Horlicks Malted Milk'. The defendants subsequently made and sold a similar preparation but under the name of 'Hedleys Malted Milk' and having done that they were sued by the plaintiffs in a passing off action, the plaintiffs claiming that the plaintiffs' preparation had been a trade secret and they had invented and given the preparation the distinctive name of 'Malted Milk' and the same product had been extensively advertised and persons who asked for 'Malted Milk' intended and expected to receive the plaintiffs' product. The plaintiffs' action was

dismissed at first instance, then in the Court of Appeal and finally in the House of Lords, the Law Lords being of the opinion that the expression `Malted Milk` was merely descriptive of milk which is combined or prepared with malt or with extract of malt. Earl Loreburn had this to say:

*The claim really is for a part of a designation which the plaintiffs have been in the habit of using. They have been in the habit of using the term ` **Horlick`s** Malted Milk`. They now eliminate the word ` **Horlick**` and ask that the remainder of their description shall be prohibited to the defendant. On the ground that they are descriptive words, I do not think that that can be done. The question with which I have been dealing is, of course, the question which lies at the bottom of the rights of the plaintiffs and the defendant; but the real point in issue is this: Ought the House to say that we should expect the public to be misled by the use of the terms Hedley`s Malted Milk into buying it as and for **Horlick`s** Malted Milk? I do not think so;*

In **Canadian Shredded Wheat Co Ltd v Kellogg Co of Canada, Ltd** [1938] 1 All ER 618 and **McCain International Ltd v Country Fair Foods Ltd & Anor** [1981] RPC 69 `shredded wheat` products in the former case and `oven chips` in the latter case made by the respective respondents were held to be descriptive although the manufacturers had intended for the public to be able to tell from the particular name the nature of the novel product. Further, in **Woodward`s TM; Woodward v Boulton Macro Ltd** [1915] 87 LJ Ch 27, 32 RPC 173 it was held that notwithstanding that the plaintiffs were the first persons to offer the proprietary remedy called `Gripe Water` (on which several generations of children have grown up), the term was to be properly regarded as descriptive as the term `gripe water` was applied by pharmacies to preparations made up extemporaneously.

As for misrepresentation, the general considerations to be borne in mind by the court are the possible deception and confusion of a plaintiff`s own customers or the eventual consumers of the goods in question. It is sufficient to show that there will be a likelihood of confusion amongst a substantial proportion of purchasers of the goods. For this purpose careless and indifferent buyers who disregard the get-up and livery on labels of products may be disregarded as customers must `treat the label fairly`: Lord Halsbury LC in **Schweppes v Gibbens** [1905] 22 RPC 601 at 606.

Assessment of evidence: Plaintiffs` mark `3 in 1` - whether descriptive

I return now to the present case. The plaintiffs` pleaded case was an infringement and passing off of their mark `3 in 1` which mark was prominently displayed in a large format on their interior wall paint can (exh P1) since its introduction in February 1995. The defendants had according to the plaintiffs, caused the infringement in October 1999 by labelling their rival paint can as `Supreme 3 in 1` (exh D1) wherein the portion of the mark `3 in 1` after the word `Supreme` was the offending portion. It had been submitted that the offending portion was intended to cause and caused confusion and deception in the market as it was passing off the defendants` product as that of the plaintiffs` `3 in 1` interior wall paint of which mark the plaintiffs were the originators in the paint market in Singapore and the distinctive mark had assumed a secondary meaning, namely, that it had become distinctive of the plaintiffs` business with goodwill attached to it. The defendants` forceful contention, on the other hand, was that the plaintiffs` case was misleading as the plaintiffs` paints were being marketed as `Nippon Paint 3 in 1` and not just `3 in 1`. The get up and livery on the cans of paint of `Nippon Paint 3 in 1` and `ICI Dulux Supreme 3 in 1` was so different that there was no possibility of any confusion in the minds of the paint buying public.

It was plain to me from the outset that the plaintiffs were severing or eliminating the words `Nippon

Paint` just as the plaintiffs had severed the word `Malted Milk` from **Horlicks** in **Horlicks Malted Milk Co v Summerkill** professing then to have goodwill in the remaining words `Malted Milk` which two words were held in that case to be descriptive words as I have stated earlier. The plaintiffs in the present case had similarly pressed that the defendants be prohibited from using `3 in 1` being the remainder of the mark and that they also be compensated for trade losses.

I am of the opinion that the `3 in 1` concept is not really in any form, a mark that can identify meaningfully a product by that expression alone without the manufacturer also linking to that expression either his corporate name or other unique or distinct name so that the composite of the two can identify the product or its source. There is no inherently identifiable characteristic or source in a product simply called `3 in 1` or for that matter `2 in 1` as that mark appears alongside some other **proper** trading marks. Clearly, the expression `3 in 1` is a generic one, a descriptor and the `3 in 1` mark on the plaintiffs` interior wall paint can, in my opinion, was an indicia or reference to the inherent qualities of the paint which were boldly spelled out across the can three times as `Covers Crack, Washable, Waterproof`. Indeed, when questioned, Medway made this admission:

Q: The name `3 in 1` describes your product?

A: Yes. The 3 main attributes are described.

[NE p 24 line 8.]

Counsel for the defendants had submitted that a search for the tag `3 in 1` on the Internet today reveals some 80,000 `hits` on the `3 in 1` tag for products. I had no reason to doubt him as plaintiffs` counsel took no issue on this. Thus, shampoos (Herbalife 3 in 1 Shampoo (cleanse, condition and rinse), WD-40 oil (lubricates, cleans, prevents rust) and Hewlett-Packard `3 in 1` (print, fax and scan) are a few examples of `3 in 1` products. Defendants` counsel submitted that the plaintiffs were submitting their case within a paint and not a shampoo context and were the first to use the term `3 in 1` as such. Also, the plaintiffs were using the term `3 in 1` as a fanciful term within a paint context in Singapore.

I reject the submission. The term `3 in 1` is too generic that it should be arrogated for any one particular usage for a particular type of product in Singapore to the exclusion of others. The Christian Bible, if I might say so, when it refers to the word `Trinity` which represents God in its plural form, may well be the first and earliest connotation of the concept of `3 in 1`. Presently, the term has become a common expression used to describe various properties of a product offered for sale highlighting three main properties within a product as indicating its multi-purpose multi-attribute content or use. The number `3` in the expression `3 in 1` is probably used by market makers as representing and thereafter describing an optimum number of properties that the general public has a memory for spontaneous recall.

It was drawn to my attention that in the field of paints, `Hammerite paints` in Scandinavia also expressed itself on its can as a `3 in 1` paint and lists the three outstanding qualities of that paint. In **Super Coffeemix Manufacturing Ltd v Unico Trading Pte & Anor** (discussed earlier) the plaintiffs and the defendants` respective brands both carried the `3 in 1` mark or sub-mark. The plaintiffs wisely had not sued the defendants for passing off that mark or sub-mark although they had introduced it six years earlier than the defendants. No issue was raised there by the plaintiffs on the adoption of such a mark by the respondents.

This is not to say that letters and numbers alone or in combination would always remain common and therefore descriptive. They can be accepted as distinctive or having a reputation attached to them, over long user such as the notorious cologne `4711` and perfume `Chanel No 5`. To my mind, however, there is nothing inventive, novel, conjured or unique in the mere expression `3 in 1`.

The term `3 in 1` is, therefore, in my opinion, a descriptor. A mere descriptor name cannot have goodwill attached to it unless the descriptive term or name becomes distinctive and acquired a secondary meaning with long user.

Whether `3 in 1` mark as descriptor, acquired secondary meaning and goodwill

The question then is as to whether the plaintiffs' `3 in 1` paint had taken on a secondary meaning because it had become known in the trade and to the general public as `Nippon`s paint distinctively or a paint that was connected or associated with Nippon and had as such, acquired goodwill. As stated earlier, unlike an inventive word, it is harder to acquire distinctiveness in relation to a descriptive word. The word `distinctive` in the law of passing off does not, I might emphasise bear an everyday meaning. It denotes the goods of the plaintiffs to the exclusion of other trades.

Had therefore the descriptive name or words `3 in 1` become distinctive of the plaintiffs' goods? If it did, the plaintiffs failed to prove the same on a balance of probabilities. The plaintiffs had, in my opinion, failed to surmount a number of hurdles, in proving the same. `3 in 1` name was not used in isolation but was a composite of words `Nippon Paint` so that the product that was marketed by the plaintiffs was `Nippon Paint 3 in 1`. The goodwill that the plaintiffs acquired was in the composite name `Nippon Paint 3 in 1` with the corporate name `Nippon` being the significant mark which linked the product to the term `3 in 1`. In other words, `3 in 1` on the plaintiffs' cans was not a stand alone mark. The plaintiffs did not sell their interior wall paint nor advertised or sold it simply as `3 in 1`. The publicity, promotional material and advertisements always referred to the paint as `Nippon Paint 3 in 1`. Medway had admitted to this in the following evidence:

Q: Look at Core 22/23. In all your publicity and promotional material plaintiffs describe their paint as `Nippon 3 in 1`?

A: Yes

Q: Also in TV advertising reference is to `Nippon 3 in 1`?

A: Yes

Q: All the marketing and promotional material use term `Nippon 3 in 1`?

A: Yes.

[NE p 24 lines 20-26 and p 25 line 4.]

Plaintiffs' counsel made reference to one write-up in a Television Corporation of Singapore (TCS) in-house journal. In one of the lines of a brief article the paint was referred to as `3 in 1` but having read the article, I was satisfied that in the earlier paragraphs the words `Nippon Paint` had been used and the `3 in 1` expression later was a short-hand way of referring to it as Nippon's paint. The

short article must be read as a whole not in parts. It appeared to me as if the plaintiffs were clutching straws to build goodwill on an obscure article where the paint was referred to as '3 in 1' in the particular sense.

Medway also admitted in cross-examination that the plaintiffs' amended statement of claim containing the references that the plaintiffs sold and marketed paints by reference to the name '3 in 1' was 'strictly not correct': [NE25 lines 23-24.]

The plaintiffs had attempted to show that the '3 in 1' mark had become associated or connected with Nippon and therefore had become exclusive or distinctive in view of the evidence of some seven surveys done between 12 October 1995 and 27 December 1999 by Liew Lee Sah @ Chong Lee Sah, PW2 ('Ms Chong'), the plaintiffs' independent market researcher and surveyor and Managing Director of CLS Research Solutions. The plaintiffs also relied on some of the survey evidence of the defendants' witness Kenneth Chih-Sien Tan, DW3 ('Kenneth Chih'), the Managing Director of Acorn Marketing Research Consultants ('Acorn'). The results of some ten surveys done between March 1999 and April 2000 were tendered in evidence as conducted by the plaintiffs.

I am unable to place any sufficient weight on the accuracy of the survey results. I agree with defendant counsel's submission that formulation of the questions in the surveys leave much to be desired. The totality of the answers given were not produced or recorded nor the exact answers recorded or answer sheets made available. Moreover, Ms Chong retracted in cross-examination important aspects of the evidence which she had stated in favour of the plaintiffs as follows:

(i) Paragraph 14: 'Based on the survey results, my conclusion is that the name and mark '3 in 1' has therefore become very well known in the trade and to the general public as the plaintiffs paint exclusively or a paint associated with or connected with the plaintiffs. 'Ms Chong was asked if she will now withdraw the said para 14, agreed to withdraw her said paragraph after being asked and replying as follows to questions:

Q: Paragraph 12c of your affidavit: When you asked respondents: 'If you ask your painter to use "3 in 1" there was no exclusive association of "3 in 1" with Nippon?

A: Yes because there is another '3 in 1' in the market.

Q: Paragraph 12c(ii) - of 302 consumers only 12% or 36 consumers knew '3 in 1' as belonging to Nippon?

A: Yes.

...

Q: There is never a survey that shows '3 in 1' refers to Nippon exclusively?

A: None.

In this regard, it is pertinent to recall the conceding evidence of Medway in cross-examination as follows [at NE35 lines 11-13]:

Q: Based on the figures there is no exclusivity in sub-brand recognition for 'Nippon 3 in 1'?

A: Correct.

Q: The public did not think that '3 in 1' was a name connected with Nippon and none other?

A: Correct.

These answers were telling.

(ii) Further admission by Ms Chong were made when she gave these answers:

Q: So 'Nippon 3 in 1' has a much higher brand awareness over 'Dulux Wash & Wear'?

A: Yes.

Q: Awareness of customers lies in the word 'Nippon'?

A: That's natural. Yes. Nippon has been the parent brand. It is so the way it is marketed '3 in 1'. [NE63 line 20-25.]

Earlier she had stated:

Q: Look at 1PBAEC pp 90-91 ...

On the face of documents, the 1% of respondents replied 'Nippon 3 in 1' and under column 'Total unaided', 18% of respondents also on face of documents said 'Nippon 3 in 1'. On face of this survey not one single respondent replied '3 in 1'?

A: Nobody said '3 in 1'. They also referred to it as 'Nippon 3 in 1'. I am quite sure that's what the respondents said. [NE61 lines 8 and 18-25.]

Indeed on the face of Ms Chong's survey documents that were exhibited, the respondents' answers reflect that the answers were 'Nippon 3 in 1' rather than '3 in 1'.

In my opinion, the evidence in court of Ms Chong and Medway showed unequivocally that it was not the term '3 in 1' simpliciter that Nippon was marketing but the composite 'Nippon Paint 3 in 1' brand. It was in that composite name that the plaintiffs' goodwill lay.

Faced with Ms Chong's retractions the plaintiffs' counsel relied on the defendants' surveys which they had asked for and conducted by Acorn to establish exclusivity and hence goodwill but the surveys did not help the plaintiffs as they were no more satisfactorily conducted. The plaintiffs relied on Acorn's survey report of 23 September 1999 conducted for the defendants where the surveyor

had made these statements amongst other things:

- (i) 'Conclusions & Recommendations "3 in 1" is now associated with Nippon' (p 1405).
- (ii) 'Brand Awareness...Nippon has established some ownership of "3 in 1" idea (50% respondents are aware at prompted level' (p 1417).
- (iii) 'Association of Brands with Different Variants' -

see column that shows 51% interviewed recalled "3 in 1" (when asked to think of paints).

The 50% figure above is no doubt an approximation of the 51% figure in the survey documented at 4AB1416. The document also shows 12% identified the mark '3 in 1' with ICI, and 8% with other brands. Whilst 29% were not able to make an association, defendants' counsel's submission was that the 50% or 51% itself did not show exclusivity even if the survey was accurate. Counsel for the plaintiffs stressed that the 51% figure was sufficient to establish distinctiveness and exclusivity for the mark '3 in 1' as the public could recall '3 in 1' which was the mark that Nippon employed. Indeed, I observed that Ms Chong, the plaintiffs' surveyor, had stated in her cross-examination that there was no exclusive association of '3 in 1' with Nippon because there is another '3 in 1' in the market. Ms Chong no doubt had in mind the defendants' ICI Dulux Wash & Wear 3 in 1' paint which had come into the market in 1996 - just 18 months after the plaintiffs had introduced their 'Nippon Paint 3 in 1'. Medway himself when questioned on the survey statistics at 4AB1416 answered:

Q: Based on these figures there is no exclusivity in sub-brand recognition for 'Nippon 3 in 1'?

A: Correct.

Q: The public did not think that '3 in 1' was a name connected with Nippon and none others?

A: Correct.

In fact exh 4AB1415 shows a 'Top of Mind Awareness for a "3 in 1" paint simply described as such at 7%, but an awareness of 50% for ICI brand and 34 for Nippon brand. To my mind, this tended to show that the respective paints are bought predominantly on the recognition of the corporate names rather than their sub-names. Ms Chong herself agreed in **cross-examination** for instance it was natural that awareness of customers lies in the word 'Nippon' as it was the parent brand. Anyway, the actual survey documents were not before the court, only the keyed in results and they were therefore not sufficiently intelligible. The full basis of statistical information could not be substantiated to the court whether the surveys were conducted by the plaintiffs or defendants. Again, the defendants' surveyor Kenneth Chih on whose results the plaintiffs were relying, had also stated that in the same survey 19% of respondents identified the 'Wash & Wear' brand with Nippon although Nippon did not sell such a paint: [NE147 lines 19-24]. This hardly spoke well of the accuracy of the recall by respondents of the products of the plaintiffs and the defendants. In the circumstances, I placed little weight on the surveys.

In any case, I am further satisfied that the 50% or 51% result even if it was accurate does not establish exclusive association of the '3 in 1' mark with Nippon in a paint mark which Nippon and ICI

were the dominant players having cornered the paint market between their competing brands. Medway himself admitted that the public did not think that '3 in 1' was a name connected with Nippon exclusively. Fifty one per cent constituted therefore, only a slim majority not exclusivity. There was, as such, no secondary meaning to the mark '3 in 1' as that of Nippon's and consequently no secondary meaning with goodwill attached to it was proved by the plaintiffs having regard primarily (as well) to the incontestable fact that the plaintiffs manufactured and sold their paint under the composite name 'Nippon Paint 3 in 1' in which composite name the true goodwill was built up as shown by the advertising, the brochures and the cans of paint themselves and in which composite name the true goodwill resided.

As for plaintiffs' counsel's submission that damage had also been caused to Nippon's '3 in 1' brand by the defendants by attaching the term '3 in 1' on their 'Wash & Wear' brand in October 1996 and that there had since been a 'creeping' passing off of the 'Wash & Wear' brand for the plaintiffs' '3 in 1' paint, I agree with the submission of defence counsel that this had never been the subject of any complaint by the plaintiffs and that the defendants had built up their recognisable 'Wash & Wear 3 in 1' brand over the subsequent three years before introducing their 'ICI Dulux Supreme 3 in 1' paint. Only the defendants' 'ICI Dulux Supreme 3 in 1' brand was the subject of the plaintiffs' claim and the plaintiffs' pleaded case only asked for damages against the said 'Supreme 3 in 1' brand.

It is significant to note that the 'Wash & Wear 3 in 1' brand continues to sell even after the introduction of the 'ICI Dulux Supreme 3 in 1' brand and alongside it without objection by the plaintiffs to the brand. The defendants had therefore built up their own reputation on the mark '3 in 1' as used on their 'Wash & Wear' label and they were *a fortiori* entitled to use and exploit the mark as their top-end grade of interior wall paint when they introduced the 'ICI Dulux Supreme 3 in 1'.

Acquiescence, disclaimer, estoppel

I further noted that the Registry of Trade Marks had in 1995 rejected the plaintiffs' application for the numbers and letters in '3 in 1' 'n' for registration alongside the brand mark 'Nippon Paint' no doubt because of their generic or descriptive nature rather than distinctive nature. The plaintiffs had therefore probably acquiesced when the defendants adopted and used the '3 in 1' mark on their 'Wash & Wear' brand from October 1996 that they had no exclusivity in the numbers and letters '3 in 1'. The plaintiffs were estopped now from asserting otherwise.

The plaintiffs' renewed their application in 1997. The plaintiffs' full mark 'Nippon Paint 3 in 1' 'n' was listed as a pending mark by the Registrar as one belonging to them only after the plaintiffs had **disclaimed** exclusivity to the mark '3 in 1' and the letter 'n' (exh D7(1-2)) as requested by the said Registrar. Whilst a disclaimer is not necessarily a bar to an action of passing off, I found however that the plaintiffs did not have the necessary ingredients in place to establish exclusivity and goodwill arising therefrom as stated earlier.

Misrepresentation

I next come to the question of misrepresentation which ground in my assessment of the evidence also fails.

The gist of the plaintiffs' submission was that the defendants copied their marketing strategy of adopting the '3 in 1' mark. The defendants added the word 'Supreme' before it to read 'Supreme 3 in 1'. It was insufficient for the defendants to distinguish 'Supreme 3 in 1' from the plaintiffs' brand

name '3 in 1' and the defendants' use of the '3 in 1' mark coupled with the word 'Supreme' was intended to cause and had caused confusion in the market among paint buyers. The '3 in 1' sales of Nippon had dropped by 14.48% from the time of the introduction of 'Supreme 3 in 1' to August 2000 and had cost them a market loss of \$967,022 as put by the plaintiffs earlier.

No evidence was adduced before me except for the hearsay evidence of a number of plaintiffs' witnesses (which I disregarded) that the plaintiffs had intended to deceive or had caused deception through confusion or otherwise in gaining a market share of 14% for themselves on their 'Supreme 3 in 1' over the plaintiffs' '3 in 1'. The plaintiffs' allegation in their pleaded case and affidavit evidence was that the defendants had up to October 1999 been losing and had lost market share on their 'Wash & Wear 3 in 1' brand. Defendants' counsel pointed out by referring to the sales figures in exh P3(B) (Amended) that this was incorrect. I accepted counsel's submission. Medway had admitted the plaintiffs' allegation was flawed and that the plaintiffs had been working on the defendants' figures as a 'guesswork'. The defendants' figures were only made available at the trial. The defendants' 'Wash & Wear 3 in 1' brand in fact after the defendants had revamped their management by appointing new managers, had begun to increase from \$2.4m in 1995 to \$4.007 m in 1996 and from \$4.0007 to \$4.439m in 1998 and thereafter to \$5.31m in 1999 before the launch of their 'Supreme 3 in 1' paint. The defendants had been narrowing the gap between their two respective dominant competing brands of paint with the new management and had been resorting to increased advertising. Indeed it was the case of both the plaintiffs and defendants that their sales from the end of 1999 (when the defendants' 'ICI Dulux Supreme 3 in 1' paint was introduced and the plaintiffs had brought out their new paint at the same time with the mark 'Nippon Paint 3 in 1 MEDIfresh') to August 2000 had been adversely affected by the Housing & Development Board's (HDB) announcement at about the same time that for the year 2000, HDB would be reducing the building of new flats from 24,000 to 10,000. In my opinion, that is a significant reduction in public housing and has impacted on both the plaintiffs' and defendants' paint sales especially to a greater extent on the party that supplied more paint for use on HDB flats. No statistics were placed before me on this aspect. The burden was, however, on the plaintiffs which they did not discharge that they had not lost their market share due to the implementation by HDB of their new housing policy and at that not lost a greater proportion of the market share than the defendants had lost.

I could not in any way see the possibility of a confusion arising between Nippon '3 in 1' and ICI Dulux 'Supreme 3 in 1'. The get up, make up or livery of the two brands was totally different as can be seen from the description of the cans I have given earlier and more significantly if one views the cans. ICI's livery of all its brand is very colourful and vibrant. Nippon's cans have pastel appearance and the livery is very different. To put it shortly, the difference in the cans between that of 'Nippon Paint 3 in 1' and 'ICI Dulux 3 in 1' are discernable at first glance by anyone. The real selling names are the corporate names 'Nippon' and 'ICI' as I have already stated. The word 'Supreme' on the 'ICI' can before the mark '3 in 1' also constituted a differentiation between the two brands. Then again the witnesses of both sides were agreed that the paint market in Singapore was a sophisticated one. The buyers were a literate lot. About 80% of the sales were through contractors. Contractors were in my opinion unlikely ever to make a mistake of one brand for another being habitual users. About 20% of the users were walk-in customers. The evidence from both plaintiffs and defendants show that these customers make at least two visits to a retailer and would be shown charts and colourful brochures of paints and it was only then that they make up their minds. Both plaintiffs and defendants introduced colourful brochures every year. Purchasing paints was not an impulse buying. Then again there was the brand loyalty factor. In view of all these circumstances I was of the opinion that the defendants could not have intended to cause any deception or confusion hoping to sell ICI Dulux paint for that of Nippon whatever sub-mark was put on the paint cans. Confusion was highly unlikely to have occurred in the circumstances. There was no evidence of confusion.

Findings

For all the reasons given, I hold that the plaintiffs have failed to establish a claim of passing off and no issue of ensuing damages as computed by the plaintiffs or otherwise arises. The plaintiffs' claim is therefore dismissed with costs to be taxed or agreed.

Outcome:

Plaintiffs' claim dismissed.

Copyright © Government of Singapore.