P. T. Swakarya Indah Busana *v* Haniffa Pte Ltd and another
[2012] SGHC 69

Case Number : Originating Summons No 486 of 2010

Decision Date : 30 March 2012

Tribunal/Court : High Court

Coram : Lee Seiu Kin J

Counsel Name(s) : Sukumar Karuppiah and Sue-Ann Li (Ravindran Associates) for the plaintiff; Alban Kang and Deryne Sim Lifen (ATMD Bird & Bird LLP) for the defendants.

Parties : P. T. Swakarya Indah Busana — Haniffa Pte Ltd and another

Trade Marks and Trade Names – Infringement

30 March 2012 Judgment reserved.

Lee Seiu Kin J:

1 In this originating summons, the plaintiff seeks a declaration that the 15 trademarks set out in Table 1 and Table 2 below are invalid. The six marks in Table 1 were initially registered by the first defendant on 11 January 2005. Three of these marks were assigned to the second defendant on 3 March 2009, and the remaining three marks were assigned to the second defendant on 18 January 2010. The nine marks in Table 2 were registered in the name of the second defendant. The defendants are related companies in that two of the directors and shareholders of the first defendant are also the only directors and shareholders of the second defendant. The 15 marks will be referred to as the "Challenged Marks".

TABLE 1

No	Trade Mark	Registration No.	Date registered in name of 1st Defendant	Date assigned to 2nd Defendant
1	Martin ORIGINAL	T0500403C	11 Jan 2005	18 Jan 2010
2	Martin ORIGINAL	T0500405Z	11 Jan 2005	18 Jan 2010
3	MARTIN ORIGINAL	T0500407F	11 Jan 2005	18 Jan 2010
4	Martin EXECUTIVE	T0500402E	11 Jan 2005	3 Mar 2009

5	Martin EXECUTIVE	T0500404A	11 Jan 2005	3 Mar 2009
6	MARTIN EXECUTIVE	T0500406H	11 Jan 2005	3 Mar 2009

TABLE 2

No	Trade Mark	Registration No.	Date of Registration
7	MARTIN GOLD	T0902157I	2 Mar 2009
8	MARTIN ROYAL	T0611999C	21 Jun 2006
9	MARTIN SUPREME	T0901505F	13 Feb 2009
10	MARTIN EMPIRE	T0901507B	13 Feb 2009
11	MARTIN POLO	T0901502A	13 Feb 2009
12	MP Martin Polo	T1000630H	21 Jan 2010
13	MARTIN JUNIOR	T0902524H	12 Mar 2009
14	Martin Classic	T0307663J	28 May 2003
15.	St Martin	T0211991C	13 Aug 2002

2 The plaintiff's application for invalidation of the Challenged Marks is based on two alternative grounds:

(a) pursuant to s 23(1) read with s 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the

Act"), the applications to register the Challenged Marks were made in bad faith ("Bad Faith Ground"); and

(b) pursuant to s 23(4) of the Act, the registrations of the Challenged Marks were tainted with fraud and/or misrepresentation ("Fraud/Misrepresentation Ground").

The Background Facts

The plaintiff

3 The plaintiff is a corporation incorporated in the Republic of Indonesia. It manufactures, *inter alia*, readymade garments bearing the marks: (a) "MARTIN" and "MR" and crown device ("Martin Mark") and (b) "MARTIN PACEMAKER" and "MR" and crown device ("Martin Pacemaker Mark"), representations of which are set out below:





4 The predecessor to the Martin Pacemaker Mark was registered (registration no 145332) in Indonesia by one Pohan Widuri, a director and shareholder of the plaintiff in 1979. This was updated to the present Martin Pacemaker Mark on 2 July 1983 (registration no 179786). This mark was assigned to the plaintiff on 29 June 1987.

The defendants

5 The defendants are companies registered under the Companies Act 1967 (Act 42 of 1967). The first defendant was founded by one O K Mohamed Haniffa bin Kader Mohideen ("Mohd Haniffa") who had been selling textiles since 1962. In 1976 he incorporated the first defendant. Since then, the business of the first defendant has grown into a multinational business with stores in Singapore, Malaysia and India selling products ranging from jewellery, electrical and electronic goods, toiletries, ready-made garments and foodstuff. The second defendant was incorporated in 2002 as a product development company to ensure a profitable and continuous supply chain for the first defendant. The second defendant designs, develops, procures and manufactures a wide range of goods almost exclusively for the first defendant. The first defendant's managing director is Abdul Samad bin O K Mohamed Haniffa ("Abdul Samad"), the son of its founder, Mohd Haniffa. Abdul Samad became a director of the first defendant in May 1998 and took over the position of managing director from his father in March 2002. Abdul Samad is also one of two directors of the second defendant. He is the majority shareholder of both defendants and controls both defendants.

The plaintiff's enforcement actions against other parties

6 In 1992, the plaintiff was engaged in litigation in originating motions no 18 of 1992 against Meng Lee Shirt Company ("Meng Lee") in relation to a dispute between them over the "Marfin" trade mark (registration no 1266/85) ("Marfin Mark") which was registered in Meng Lee's name. This was concluded by a settlement agreement dated 22 May 1992 under which Meng Lee assigned the Marfin

Mark to the plaintiff. The plaintiff also subsequently acquired two other marks, viz, the "Leo Martin" and "Martin King" marks, as a result of enforcement actions. The plaintiff registered these three marks in class 25 of the International Classification of Goods and Services ("ICGS"). The details of these three marks are in Table 3 below:

TABLE 3

No	Trade Mark	Registration No	Registration date & Specification of Goods
1	 [MARFIN & Device]	T8501266F	21 March 1985 Men's shirts and slacks
2.		T0007285E	4 May 2000 Shirts for men, women and children; trousers; pants; slacks; tee-shirts; underpants; shorts for men, women and children; all included in Class 25 of the ICGS
3.		T9810739C	26 October 1998 Shirts, T-shirts, jeans, polo-shirts, tops, trousers, jackets, caps; and sweat shirts.

The plaintiff's other registered marks

7 In 2006 and 2007, the plaintiff registered three marks in Singapore, all in Class 25 of the ICGS. The details of these three marks ("Plaintiff's Singapore Marks") are set out in Table 4 below:

TABLE 4

No.	Trade Mark	Registration No.	Registration Date & Specification of Goods
1	 [Martin Mark (see also above at [3])]	T0611966G	20 June 2006 Ready made clothing: men, women and kids' underwear; sandals; shoes and ties.

2	 [Martin Pacemaker Mark (see also above at [3])]	T0611956Z	20 June 2006 Ready made clothing: men, women and kids' underwear; sandals; shoes and ties.
3	 ["MR" and Crown Device]	T0707676G	11 April 2007 Clothing, footwear and headgear.

The plaintiff's use of its marks in Singapore

8 The plaintiff gave evidence that its shirts bearing the Martin Pacemaker Mark have been sold in Singapore since 1982 and continue to be sold through several distributors. As for shirts bearing the Martin Mark, they have been sold from 2004. Since 1995, the plaintiff's Singapore distributor has been Radha Exports Pte Ltd ("Radha Exports"). The plaintiff's witnesses gave evidence that as a result of extensive sales of shirts bearing the Martin Pacemaker Mark and Martin Mark from 1982 to the present, the plaintiff enjoyed substantial goodwill and reputation in Singapore in relation to the sale of the same without carrying out any advertising or promotional activities. The network of retailers selling the above-mentioned shirts was located at Serangoon Road. The majority of the purchasers of the shirts were visitors from the Indian sub-continent as well as foreign workers from the said sub-continent who were based in Singapore. In my view, only the Martin Pacemaker Mark is relevant as the Martin Mark made its appearance much later, *viz*, in 2004 at the earliest. I shall therefore restrict my consideration to the Martin Pacemaker Mark. The plaintiff exhibited invoices as far back as 1982 in which its shirts were referred to as "Martin" shirts and not as "Martin Pacemaker" shirts. The plaintiff also called Naraindas Gangaram ("Naraindas"), the managing director of Radha Exports, to give evidence of the plaintiff's distribution in Singapore of shirts bearing the Martin Pacemaker Mark since 1987. Radha Exports has also distributed in Singapore the plaintiff's shirts bearing the mark "Martin Gold" ("Martin Gold Mark") since 1997. Naraindas gave evidence that the plaintiff's shirts bearing the Martin Pacemaker Mark (I should add, as well as the Martin Mark and Martin Gold Mark) were known by customers as "Martin" shirts.

9 I note that the plaintiff commissioned a survey by Forbes Research Pte Ltd to support its position. However the sample size was too small for the conclusion to be safely relied on. I did not take this factor into account in arriving at my decision.

10 Naraindas gave evidence that the first defendant was one of the customers who had bought shirts bearing the Martin Pacemaker Mark, Martin Mark and the Martin Gold Mark. He produced invoices to show that the first defendant had, between 1995 and 2009, purchased some 95,000 such shirts at a total price of about $623,000. The first defendant's witnesses acknowledged purchasing shirts bearing the Martin Pacemaker Mark and the Martin Gold Mark, as well as a "Martin Plus" mark. The total quantity of shirts purchased was not substantively disputed. However they denied purchasing shirts bearing the Martin Mark.

11 The plaintiff pointed out that as far back as late 1995, the first defendant has been purchasing shirts bearing the Martin Pacemaker Mark. This was more than six years before the first registration of the Challenged Marks by the second defendant (on 13 August 2002), and more than nine years before the first defendant registered the six Challenged Marks in Table 1 (on 11 January 2005) (see above at [1]).

12 The defendants did not dispute that the plaintiff had used the Martin Pacemaker Mark in Singapore since 1982. Their challenge was that the Martin Mark was only introduced in 2006. They did not adduce any significant evidence to disprove the plaintiff's assertion that its shirts were associated with the word "Martin".

The defendants' marks

13 Abdul Samad, the first defendant's managing director and the second defendant's director (see above at [5]), gave evidence on how the defendants came to register the Challenged Marks. He said that sometime in April 2002, he met one Marcus Han ("Marcus") in the course of purchasing shirts bearing the "Alvin Prada" mark from Marcus. He found out that Marcus manufactured a brand of men's shirt which sold well at John Little (a chain of departmental stores). Abdul Samad said this at para 39c of his second affidavit:

> … I was impressed with his branding skills and therefore engaged Marcus to create a new brand of men's wear for the 2nd Defendant, and Marcus created the "St Martin" brand based on the colour scheme for the get-up of "ALVIN PRADA" brand and the product specifications of Marcus' "SAINT-GERMAIN" brand.

14 Marcus explained the choice of the words "St Martin" in the following manner at para 21 of his affidavit:

> … came up with this idea because St Germain and St Martin are two neighbouring regions in Paris, France, which are separated by the River Seine. Boulevard Saint-Martin is on one bank of River Seine and Boulevard Saint-Germain is on the other bank. Boulevard Saint-Martin is a quaint district where second-hand bookshops, artists and musicians line the streets. Boulevard Saint-Martin is also located down the street from the famous Boulevard Haussmann shopping belt. I am aware of this because I have been to Paris several times and am familiar with the two regions.

15 Abdul Samad said that he instructed a trade mark agent, Yeong Wee Eng ("Yeong") to register the mark "St Martin" ("St Martin Mark") on behalf of the second defendant. This was the first of the Challenged Marks and it was registered on 13 August 2002. It was also the first brand created by the second defendant. However, the shirts bearing the St Martin Mark ("St Martin shirts") did not sell well for a variety of reasons: the target customers were Hindus and Muslims and the prefix "St" did not appeal to them, also the colour, cut and fabric were not popular with those customers. Abdul Samad said that he was determined to create a line of men's wear for the first defendant to sell and instructed Marcus to use the lessons learnt from the St Martin Mark to create a new brand. In the first half of 2003, Marcus changed the fabric, the cut and the colours for the get-up. The fabric selected was made by a Japanese manufacturer called Toyobo. This fabric was popular among the target customers and had been around for more than 20 years. Because of this, Marcus decided to use the word "classic" and he paired it with the word "Martin". Marcus said that he undertook some market research on shirts sold along Serangoon Road. He discovered that a wide variety of shirts were being sold by different traders and under different brands. He found the following brands with the word "Martin" as part of a composite mark: "Martin World", Emperor Martin", "Martin King" and "Martin Pacemaker". By that time the first defendant was already selling the St Martin shirts. Marcus

noted that the shirts of the various brands had quite different fabric and sewing methods. Marcus said that he did not see any shirts bearing the word "Martin" alone.

16 Marcus deposed that in February 2003, he instructed Yeong to conduct a search of the Registry of Trade Marks across all classes for the word "Martin" as he intended to use that word for the defendants' goods. He found that at least five different traders had registered composite marks with the word "Martin", *viz* "Martine Sitbon" registered under Class 25 of the ICGS in July 1989, "Martin" with sine wave device registered under Class 37 of the ICGS in August 1995, "Martin" with triangle device registered under Class 9 of the ICGS in January 1995, "Leo Martin" registered under Class 25 of the ICGS in October 1998 and "Martin King M" with crown coronet ellipse registered under Class 25 of the ICGS in May 2000. There was no mark registered with the word "Martin" by itself. Based on this, Marcus concluded that "Martin" was a non-exclusive word and that nobody had the exclusive right to its use. The "Martin Classic" mark was registered by the second defendant on 28 May 2003.

17 Marcus also related how he went on to develop the "Martin Original" mark which was registered in January 2005, the "Martin Polo" mark registered in April 2008, and the "Martin Executive" mark registered in July 2010.

18 The plaintiff gave evidence that the defendants had registered the "Martin Original", "Martin Classic" and "Martin Executive" marks (see Table 1 and 2 at [1] above) without any intention of using the mark in the form as registered, but in a form which emphasised the word "Martin". In particular, the plaintiff exhibited shirts sold by the defendants bearing the mark "Martin Classic", but with the word "Classic" in substantially smaller font and in a light gray colour such that the word "Martin" was much more prominent.

Findings of fact

19 I note that in the Martin Pacemaker Mark, the striking feature is the word "Martin" which visually overwhelms the word "Pacemaker" due to the relative sizes of the fonts. At a glance, the word "Martin" is registered in one's mind and it is only upon further examination that the word "Pacemaker" is recognised. This supports the plaintiff's evidence that its Martin Pacemaker shirts were known by its target customers as "Martin" shirts. The plaintiff had sold large quantities of such shirts to the first defendant, and many more to other retailers. As noted earlier, the Martin Pacemaker shirts had been in the market since 1982 (see above at [8]). Indeed the evidence discloses that this had spawned a number of other imitators trying to ride on the word "Martin" and the plaintiff had taken out enforcement proceedings against other traders over that name. On the totality of the evidence before me, I find that the plaintiff's Martin Pacemaker shirts were known as and referred to by consumers and traders as "Martin" shirts, if not since 1982, at least by 1992 when it took out enforcement action against the use of the Marfin Mark in originating motions no 18 of 1992.

20 Having made this finding of fact, I turn to consider whether the defendants' registrations of the Challenged Marks, all of which pair the word "Martin" with another word, were made in bad faith.

21 The defendants' director, Abdul Samad was well aware of the first defendant's purchases of the plaintiff's Martin Pacemaker shirts, although he attempted to fudge this during cross-examination. The explanation he gave on how the word "Martin" was chosen was that it was Marcus who proposed it. Marcus' explanation of how he narrowed down to the word "Martin" (involving a stroll down Parisian boulevards) might have been acceptable if not for my finding of fact that, at the time, the plaintiff's shirts were well-known in the market as "Martin" shirts. The first defendant would also have been aware of this as it was in this business and was selling the Martin Pacemaker shirts. Furthermore,

Marcus himself had said that he discovered at least five different marks with the word "Martin" had been registered: see [16] above. It would not make sense for the defendants to invest in developing a brand that would be confused with or diluted by the plaintiff's existing brand as well as the other existing brands, particularly when this was the first time that the defendants were developing a brand.

22 Further evidence of the defendants' intentions in relation to the use of the word "Martin" in the Challenged Marks can be found in its registration of one of those marks, the one with the words "Martin Gold" (item 7 in Table 2 at [1] above). The plaintiff had given evidence that it had supplied shirts to the first defendant bearing the Martin Gold Mark from 2001 to 2004. Yet in March 2009 the second defendant procured the registration of a trade mark with the same words. Another aspect pertains to the actions of the defendants after registration of the two earliest Challenged Marks, *viz*, the "St Martin" mark registered in August 2002 and the "Martin Classic" mark registered in May 2003 (The other Challenged Marks were registered between 2005 and 2010). There was no sample shirt available of the "St Martin" mark, but the shirt procured by the plaintiff bearing the "Martin Classic" mark clearly emphasised the word "Martin" and virtually hid the word "Classic". This is an indication that the defendants were relying on the word "Martin" rather than the word pair and supports the plaintiff's contention that the defendants were trying to take advantage of the word "Martin".

23 In view of the foregoing, I find that the defendants had registered the Challenged Marks in order to take advantage of the fame of the "Martin" name and not to develop their own range of brands.

Bad Faith Ground

24 Section 23(1) of the Act read with s 7(6) concerns the invalidation of the registration of a trade mark on the bad faith ground and the sections provide as follows:

> 23(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.
>
> 7(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

25 The burden of proving that a mark is registered in bad faith lies in the party asserting it, see *Mobil Petroleum Co, Inc v Hyundai Mobis* [2008] 4 SLR(R) 427 at [41]. A high standard of proof is required, see *Nautical Concept Pte Ltd v Jeffery Mark Richard and another* [2007] 1 SLR(R) 1071 at [15]. The relevant time is the date of application to register the mark, see *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 at [100].

26 As to what constitutes bad faith, the Court of Appeal in *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another and another appeal* [2009] 2 SLR(R) 814 reviewed the authorities and summarised bad faith in the following manner at [107]:

> … to succeed in invalidating the registration of the Opposed Mark on the basis that the application for registration was made in bad faith, the Plaintiff must show not only that the conduct of Qinghai Meheco (the First Defendant's predecessor in title) in applying for the registration of the [trade mark] in Singapore *fell short of the normally accepted standards of commercial behaviour*, but also that Qinghai Meheco *knew of facts which, to an ordinary honest person, would have made the latter realise that what Qinghai Meheco was doing would be*

regarded as breaching those standards … [emphasis added]

27 The Court of Appeal cited with approval the English Court of Appeal decision in Harrison v Teton Valley Trading Co Ltd [2004] 1 WLR 2577. In that case, a trade mark application was rejected on the ground of bad faith under the equivalent provision in the English Trade Marks Act 1994 (c 26). The opponent operated a night club named "Chinawhite" (the "Chinawhite club"). This name was coined in September 1998 and was used since November of that year. The Chinawhite club was favourably mentioned in various press articles and enjoyed a good reputation as nightclub which culminated in it receiving the Best New Club award in March 1999. In October 1998, before its opening, the director of Chinawhite club instructed the bar manager, one Matt Rymer ("Rymer"), to develop a recipe for a signature cocktail which was to be white in colour and oriental in flavour. Rymer and his team, which included one Arnold de Fort ("de Fort"), came up with a recipe in early December 1998 and the Chinawhite club started to serve it under the name "Chinawhite" (the "Chinawhite cocktail"). Rymer was informed that when the opponent came to bottle and exploit the drink he would be rewarded with bonus payments. Rymer and his team, including de Fort, signed a confidentiality agreement with the opponent to keep secret the recipe for the Chinawhite cocktail. However in November 1998, Rymer approached the applicant and told him that he had developed a premium cocktail called the Chinawhite cocktail and a derivative of it was to be served at a new venue to be called the Chinawhite club which was to open in December 1998. Rymer said that he would be working at the Chinawhite club as barman, but was not bound by any formal contract. It was not disputed that the applicant had believed Rymer's representation that he owned the right to the recipe. The applicant chose the working title of China White for the drink and carried out trade mark and company searches. Finding nothing of importance, the applicant incorporated a company called China White Ltd on 18 March 1999 with Rymer as director and applied for registration of China White as a trade mark for the drink. William Aldous LJ said as follows at [38]:

> The applicant believed Mr Rymer when he told him that he owned the name and the recipe of a cocktail called China White. The applicant knew of the club called Chinawhite and that neither he nor Mr Rymer had any right or interest in it. He knew that a cocktail called Chinawhite was being served at the club. With that knowledge he then applied for a trade mark registration which … would, when granted, have enabled him to prevent use by the opponents of the word Chinawhite upon price lists in their club. The suggestion that the name Chinawhite, being used in relation to a cocktail, added nothing to the reputation of the club is neither here nor there. A person in the position of the applicant adopting proper standards would despite believing Mr Rymer have not applied for a monopoly which would have enabled him to prevent the opponents carrying on their business of selling their Chinawhite cocktail and drinks under that name as they presently were. To make such an application, as he did, amounted to bad faith …

28 In the case before me, the defendants knew that the plaintiff's shirts were well-known among their target customers as "Martin" shirts. The defendants had registered the Challenged Marks with the intention of taking advantage of the plaintiff's fame and not to develop its own brand. This clearly falls within the scope of bad faith in s 7(6) of the Act.

Fraud/Misrepresentation Ground

29 In relation to invalidation on the Fraud/Misrepresentation Ground, s 23(4) of the Act covers this and reads as follows:

> 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.

30 The High Court in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073 stated as follows 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. [emphasis in original]

31 Therefore, to succeed on the ground of fraud or misrepresentation under s 23(4) of the Act, the plaintiff must:

(a) identify the untrue representation made by the defendants; and

(b) prove that there was consequential reliance by the Registrar in accepting the defendants' registrations.

32 The plaintiff's case on misrepresentation is based on the submission by the defendants of Form TM 4 of the Trade Marks Rules (Cap 332, rule 1) at the time of application for each of the Challenged Marks. Under s 5(2)(e) of the Act, an applicant is supposed to make the following declaration, which is reproduced at item 14 of Form TM 4:

> The trade mark is used in the course of trade, by the applicant or with his consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used.

33 The plaintiff's contention is that there was no *bona fide* intention to use the Challenged Marks. However the plaintiff did not adduce evidence before me that could lead to the conclusion that the defendants did not have any *bona fide* intention to use the Challenged Marks. I note that some of those marks were in fact used by the defendants. Therefore the plaintiff's challenge on this ground fails.

Conclusion

34 I find that the first and second defendants had made their applications to register the Challenged Marks in bad faith within the meaning of s 7(6) of the Act and pursuant to s 23(1) of the Act, I declare those registrations to be invalid.

35 Unless there is any reason to order otherwise, for which the parties have liberty to apply, I order the first and second defendants to pay the plaintiff costs on the standard basis, to be taxed if not agreed.

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