

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1992] SGHC 234

OM 91/1991

Between

Beyer Electrical Enterprise Pte
Ltd

... Plaintiff

And

Swanfu Trading Pte Ltd

... Defendant

GROUNDS OF DECISION

Trade Marks and Trade Names — Rectification of register; Trade Marks and
Trade Names — Rectification of register; Trade Marks and Trade Names —
Rectification of register; Words and Phrases

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Beyer Electrical Enterprise Pte Ltd v Swanfu Trading Pte Ltd

[1992] SGHC 234

OM 91/1991
MPH Rubin JC
31 August 1992

1 This case concerns a dispute between two rival traders in gas and gas rice cookers on the use of the name `ALOHA`. The applicants, Beyer Electrical Enterprise Pte Ltd, applied to the court that an entry styled `ALOHA SWANFU` and registered as No 71923 in the name of the respondents, Swanfu Trading Pte Ltd be expunged. The applicants contended that the said mark should be expunged because up to the date falling one month before 26 September 1991 (the date of the application), a continuous period of five years had elapsed when there had been no bona fide use of that mark. Alternatively, the applicants contended that the use and employment recently of the name `ALOHA` by the respondents is deceptive and such use is calculated to pass off someone else's gas cookers as that of the applicants.

2 At the conclusion of the hearing, after considering the evidence presented by the parties and the arguments thereon, I ordered that the entry `ALOHA SWANFU` in the Trade Mark Registry bearing registration No 71923 be expunged. My reasons follow.

3 The trademark `ALOHA SWANFU` was registered in 1982 in Class 2 in respect of gas cookers and gas rice cookers in the names of Sim Hock Tee and Sim Lee Beng then trading as Swanfu Trading Co (`the firm`). The firm terminated its business on 14 April 1988.

4 More than three years later, the subject mark was assigned to the respondents on 20 July 1991. The application for the assignment of the said trademark together with three other trademarks, ie No 1135/81 (for Izola), No 867/84 (for Crown) and No 1136/81 (for something else) was made on or about 19 February 1990.

5 It was claimed that before the firm terminated its business, it was involved in a substantial way in the importation and sale of gas rice cookers and gas cookers bearing the name `ALOHA` on them. The respondents claimed that the sale of such appliances was carried out by one Hiap Huat Trading Co (`Hiap Huat`). The said Sim Hock Tee and Sim Lee Beng were two of the five partners of Hiap Huat.

6 The evidence presented to the court by the respondents included a number of invoices issued by the firm dating from 24 June 1977 to 22 November 1979. They showed that the firm was selling gas rice cookers and gas cookers under the name `ALOHA` and not `ALOHA SWANFU` though the mark registered with the registry and the certificate issued showed that the trademark was `ALOHA SWANFU`. Substantial arguments were advanced on the effect of the omission of the word or feature `SWANFU`. There was no explanation by the respondents as to why the word `SWANFU` was not used. The issue is of considerable import and is dealt with later in these grounds. However, in order to appreciate the significance or otherwise of the omission, it is convenient

to reproduce the registered mark and the mark as used and employed by the firm.

The registered mark

7 The mark as used by the firm

8 Reverting to evidence, Mr Sim Hock Tee, currently one of the directors of the respondents, in his first affidavit filed on 28 October 1991 said that in the early eighties the firm faced stiff competition from other manufacturers of home appliances and consequently, the demand for home appliances bearing the mark `ALOHA` declined. As the firm had surplus stocks of home appliances, it did not import any further home appliances bearing the ALOHA mark. It was said that whatever surplus stocks left with Hiap Huat were continued to be sold till the end of the year 1986.

9 At this stage, it is useful to remember that the relevant period of alleged non-use for the purposes of this application falls between 26 August 1986 and 26 August 1991 (26 September 1991 being the date of the application).

10 A number of invoices issued by (a) the firm; (b) Hiap Huat; and (c) the respondents were produced by the respondents to support their contention that the mark was indeed in use during the relevant period and before.

11 For the period 24 June 1977 to 22 November 1979 - a period which is not really in issue - the firm`s invoices (Nos 0007-0143) were produced by the respondents (see Sim Hock Tee`s affidavit of 28 October 1991). For the period 7 February 1985 to 16 January 1986, the respondents relied on three invoices issued by Hiap Huat (see Lee Kia Koy`s affidavit of 25 October 1991). For the

period 2 December 1986, the respondents relied on Hiap Huat's invoice No 16580 (see Sim Hock Tee's affidavit of 28 October 1991). For the period 7 September 1991 to 13 September 1991, the respondents relied on some ten invoices issued by Hiap Huat (see Sim Hock Tee's affidavit of 28 October 1991). The invoices thus exhibited reveal one special aspect, that is, from 1977 to 1979 invoices of the firm featured prominently on the top left hand corner the mark 'ALOHA' (without the word 'SWANFU').

12 Hiap Huat's invoices dated 7 February 1985, 22 March 1985 and 16 January 1986 also bear the mark 'ALOHA' on their top right hand corners. But, curiously, neither the invoice No 16580 issued by Hiap Huat on 2 December 1986 nor the invoices of Hiap Huat for the period 7 September 1991 to 13 September 1991 had the mark 'ALOHA' printed thereon. But marks such as Crown, Izola and Yota sold by Hiap Huat appear on the face of those invoices. Crown, Izola and Yota are registered marks of other gas rice cookers sold and distributed by Hiap Huat.

13 The respondents also produced two other exhibits to show that at least two traders in Singapore, namely, Lee Kia Koy of Teo Soon Heng Radio & TV Service and Lee Kai Teck of Kwang Wing Electric & Radio Service (Havelock Co) had leftover stocks of ALOHA rice cookers. One such cooker was sold by Lee Kai Teck in 1988 and Lee Kia Koy sold at least three ALOHA cookers on 28 August 1988. Both the Lees claimed that in October 1991 they had some ALOHA rice cookers left in their inventory. In addition to the foregoing, Mr Low Sai Huay of Guan Huat Lee Jwee Kee, in his affidavit filed in support of the respondents on 15 January 1992, claimed that the cookers his firm bought from Hiap Huat on 2 December 1986 (invoice No 16580) were sold to some walk-in customers in 1987. No receipts or invoices of sale were, however,

provided to the court. The respondents maintained that in the premises there was evidence of the use of the mark during the relevant period.

14 Mr Sim Hock Tee claimed that he went to Taiwan between 21 December 1990 and 29 July 1991 on several occasions with a view to placing orders for the design and manufacture of home appliances. Eventually, the respondents issued a purchase order with one Lux Metal Industries Inc to purchase gas cookers with the ALOHA mark. The value of that purchase order was US\$106,125. The gas cookers thus ordered were to be delivered in five shipments and the first consignment of 950 units was to be shipped in August 1991. The respondents produced bank documents and a copy of the bill of lading to lend credence to their averments.

15 Mr Sim further averred that in anticipation of the sale of gas cookers, the respondents caused to be printed guarantee cards at the end of June 1991. The first consignment of the gas cookers arrived on or about 7 September 1991. The sales of some gas cookers from that shipment were reflected in the invoices of Hiap Huat from 7 September 1991 to 13 September 1991. Mr Sim said that the documents produced supported the respondents' contention that there was bona fide use of the registered trademark during the relevant period of five years before the date of the applicants' motion filed on 26 September 1991.

16 Mr Thomas Yeo, the managing director of the applicants, stated in his first affidavit filed on 26 September 1991 that the applicants commenced use of the name 'ALOHA' on the applicants' products in May 1988. Originally, the name was used only on fans without any opposition from anyone and, over the years, they used the name 'ALOHA' on other home appliances. The use of that name was particularized by the applicants as follows:

17 May 1988 - Pans

18 December 1990 - Electric air pots

19 January 1991 - Gas cookers

20 August 1991 - Electric rice cookers

21 September 1991 - Electric slow cookers and oven toasters

22 Mr Yeo claimed that the applicants' annual sale of products under the name `ALOHA` amounted to \$463,610 in 1988 and \$785,691 in 1991. From January 1991 up to 26 September 1991, it was claimed that the applicants had sold 1,908 units of gas cookers.

23 According to the affirmant, the applicants spent substantial sums in advertising and promoting their products. There was sufficient material placed before the court in support of the applicants' promotional efforts and they were not challenged in any serious manner by the respondents. He added that as a result of such promotion, the applicants had acquired valuable reputation and goodwill especially for gas cookers bearing the ALOHA mark.

24 In his second affidavit filed on 30 December 1991, Mr Yeo elaborated how the applicants came to use and adopt the name `ALOHA` on their products. He said that the applicants commenced the use of the name `ALOHA` first on fans which were manufactured in a factory in Thailand known as Bangkok Electric & Enterprise Co Ltd and the said Thai manufacturers were the registered proprietors of the ALOHA trademark in Thailand. According to Mr Yeo, the Thai manufacturers produced a whole range of home appliances under the ALOHA trademark. He claimed that when the applicants introduced

ALOHA fans in Singapore in May 1988, there was no trader in Singapore using the ALOHA name for home appliances. He added that the applicants having built considerable goodwill for ALOHA fans decided to branch out into the sale of cookers. Since they had promoted the ALOHA name, they approached manufacturers in Malaysia to manufacture gas cookers bearing the ALOHA mark. The gas cookers thus manufactured have been marketed by the applicants since January 1991.

25 The applicants charge that the respondents became interested in the sale of gas cookers and rice cookers in 1991 only to take an unfair advantage of the reputation and goodwill which the applicants had built in their business of selling cookers under the ALOHA mark. The applicants further contended that the firm who originally owned the trademark `ALOHA SWANFU` terminated its business on 15 (sic) 14 April 1988 and it was only about seven months after the applicants had commenced use of the name `ALOHA` on their cookers that the firm`s mark was assigned to the respondents. The applicants contended that the use by the respondents of the mark `ALOHA` was not bona fide.

26 The applicants` other argument was that the mark registered in Singapore by the firm and the mark which was assigned to the respondents was the mark `ALOHA SWANFU` and inasmuch as there was a conscious omission of the word `SWANFU` by the respondents over the years in the use of the mark, the respondents would not be entitled to the protection afforded to them under the law since that omission substantially affected and altered the identity of the registered mark.

27 **Law and conclusions**

28 The major issue for resolution in this case is whether there was bona fide use of the registered mark for the relevant period of five years. The applicants in this regard rely on s 40(1)(b) of the Trade Marks Act (Cap 332) (‘the Act’) which reads as follows:

(1) Subject to section 41, a registered trade mark may be taken off the register in respect of any of the goods or services in respect of which it is registered on application by any person aggrieved to the court, on the ground either -

...

(b) that up to the date one month before the date of the application a continuous period of 5 years or longer had elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being: ...

Mr Dedar Singh for the applicants submitted that the applicants were aggrieved parties and that during the relevant period stipulated under s 40(1) of the Act there was no bona fide use of the mark by the respondents.

29 The preliminary point whether the applicants were aggrieved parties within the meaning of the Act was not disputed by the respondents. Mr Tan Tee Jim, counsel for the respondents, very properly conceded at the outset that the applicants were aggrieved parties and were eligible to apply to this court for relief. In any event, the applicants had satisfied the court that they were aggrieved parties within the wide definitions favoured by the courts in Singapore and elsewhere: see **Re Apollinaris Co’s Trade Marks** [1891] 2 Ch D 186 **Re Powell’s Trade Mark** [1893] 10 RPC 195[1893] 2 Ch 388 (CA)[1894] 11 RPC 4 **Re Wright Crossley & Co’s Trade Mark** [1898] 15 RPC 377 **Re Daiquiri Rum Trade Mark** [1969] RPC 600[1969] FSR 89 **Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co**

Beyer Electrical Enterprise Pte Ltd v Swanfu Trading Pte Ltd [1992] SGHC 234

[1989] 3 MLJ 467 **RH Macy & Co Inc v Trade Accents** [1992] 1 SLR 581
and **Cheng Kang Pte Ltd & Ors v Sze Jishian** [1992] 2 SLR 214

30 Focus then turns to the meaning of the phrase `bona fide`. That phrase appears in s 40 of the Act which is identical to s 26(1) of the UK Trade Marks Act 1938 (Ch 22) (1 & 2 Geo 6).

31 For the purposes of this application, the use which s 40(1)(b) of the Act postulates is (a) the use of the mark in a genuine manner and (b) the use of it as a trademark in relation to goods of the class for which it is registered.

32 It appears from decided English cases that bona fide use as envisaged under

33 s 40(1) of the Act means genuine or authentic use and not spasmodic or temporary use. The use must be perfectly genuine and substantial in amount. The genuine use, authorities note, should be judged by ordinary commercial standards. Brightman LJ in **Imperial Group Ltd v Philip Morris & Co Ltd** [1982] FSR 72 at p 91 observed:

*`Bona fide` has in s 26 [our s 40] the meaning of `genuine`, rather than the meaning of `honest` which it bears in s 8 [equivalent to our s 52]. This court has so decided. In **Baume & Co Ltd v AH Moore Ltd** [1958] Ch 907, this court held that the saving provision in s 8 for the `bona fide` use by a person of his own name referred to the honest use of his name. In **Electrolux Ltd v Electrix Ltd** 71 RPC 23, this court held that the `bona fide use of the trademark in relation to those goods`, ie the goods in respect of which the mark is registered, means not honest use in the sense of being free from deceit, but bona fide use in the sense of being genuine. In his judgment Sir Raymond Evershed chose for the purpose of defining bona fide use, and contrasting the opposite, such expressions as `not capable of being described as a pretended use`, `not merely spasmodic or temporary`, `commercially speaking ... an ordinary or genuine use and ... substantial`. Lord Justice Jenkins held that the use in that case was bona fide, being `perfectly genuine and ...*

*substantial in amount'; Lord Justice Morris said, 'The legislature, in my view, had in mind that someone could not gain immunity from attack by asserting use when there was only some fictitious or colourable use and not a real or genuine use', adding later that 'genuine use' was to be judged by 'ordinary commercial standards'. So there are those authorities, binding upon us, as to the different shades of meaning to be given to the expression 'bona fide' in ss 8 and 22. Both shades of meaning have the authority of Fowler's **Concise Oxford Dictionary**, the primary meaning of the adjective 'bona fide' being given as 'genuine', and of the noun 'bona fides' as 'honest intention'. I think that the difference between the two sections follows naturally from the different context in which each expression is found.*

34 The question to be decided therefore is whether or not anything which occurred during the relevant period amounted to bona fide use of the mark by the respondents. The applicants mount a two-pronged attack. Their main contention was that the said mark was not used at all during the relevant period. Alternatively, they assert that there was no bona fide use of the mark during that period and it is on this basis that the applicants seek to prove their case to have the mark removed. The onus is no doubt on the applicants to establish on a prima facie basis, absence of use in good faith during the period. In this regard, slight evidence on the part of the applicants would suffice. In **Estex Clothing Manufacturers Pty Ltd v Ellis & Goldstein Ltd** [1967] 116 CLR 254 at p 259, Windeyer J observed:

Slight evidence may suffice at this stage, for the applicant has the task of proving a negative and the registered proprietor is probably in a better position to prove user than is the applicant to prove non-user.

35 Evidence of 'non-user' or 'no bona fide use' comes from Mr Yeo, the managing director of the applicants. Mr Yeo declares in para 9 of his affidavit of 26 September 1991 that from his own knowledge of the gas cooker market, the respondents had not made bona fide use of the registered mark for at least the last five years. Mr Yeo, anticipating a challenge to his credentials, asserts in his affidavit filed on 19 February 1992, that prior to his joining the applicants

as their managing director, he had had considerable experience and extensive knowledge in the home appliances market, particularly the gas cooker and rice cooker market in Singapore.

36 Those averments of Mr Yeo are questioned by the respondents. The respondents say that those assertions are inadequate to justify a finding of non-user.

37 Counsel for the respondents in urging the court to disregard the evidence of

38 Mr Yeo, submitted that to prove non-user, persons with the appropriate standing in the trade must testify as to the absence of use of the subject mark during the relevant five-year period. The import of his submission was that so long as there was no evidence from any trade association to fortify the assertions of Mr Yeo, his evidence should not be accepted.

39 It must be observed at this stage that the applicants' evidence as to non-user was all contained in the affidavits of Mr Yeo. Should Mr Yeo's evidence be rejected because there was no supporting evidence from any trade association? In this context, it is instructive to refer to some learning on this matter.

40 The learned authors of ***Kerly's Law of Trade Marks And Trade Names*** (12th Ed) at paras 11-41 say at p 194:

The applicant for removal may make out a prima facie case by inquiries in the trade failing to show any knowledge of use of the mark; it is then for the proprietor to provide evidence of use. But the prima facie case calls for more than just the evidence of one man, unless someone apparently particularly knowledgeable such as an official of a trade association.

41 In the **Revue Trade Mark** case,¹⁰ Mr Myall, the hearing officer, observes at p 29:

If a registered proprietor is to be made to assume the burden of showing the extent to which he has used his mark over a five-year period and of showing, in appropriate cases, that other goods within his registration are of the same description as those in relation to which he is able to show use, it should, in my opinion, rest on more than the testimony of one individual, unless he were a person particularly well placed and knowledgeable in the trade, such as, for example, an official of the relevant trade association might be, especially if the industry concerned were one which kept a record of marks in use such as is referred to in para 130 of the Mathys Report, Cmnd 5601.

42 But the observations of the hearing officer in **Flashpoint Trade Mark** [1988] RPC 531 with whom I agree, sets out the position correctly. The hearing officer observes at

43 p 564:

... Each case will be decided on its own facts but in general I see no reason why a prima facie case could not be made out by a single person provided he satisfied the tribunal as to the nature and extent of his enquiries.

44 In my view, the evidence of Mr Yeo cannot simply be argued away. Mr Yeo's affidavit not only purports to throw light on the alleged non-user but it also highlights the respondents' omission to use the word or feature 'SWANFU' and the respondents' inaction when the applicants started using the mark 'ALOHA' on cookers from January 1991. Moreover, there is no evidence placed before the court to conclude that there exists in Singapore a trade association for the gas and rice cooker trade. In the premises, I am satisfied that the applicants had indeed made out a prima facie case and I am content to restate what Windeyer J observed in the **Estex** case,⁹ that slight evidence may suffice at this stage.

45 Reverting to the contentions concerning the removal of the mark for non-user, counsel for the respondents submitted that: (a) the mark was used in the course of trade during the relevant period of five years; (b) the goods bearing the mark were displayed or offered for sale during the period; and (c) the use of the mark was by registered proprietors, dealers or distributors or other persons during the said period. This, counsel said, was substantiated by evidence of one sale by Hiap Huat on 2 December 1986, sales in the course of 1988 by Lee Kai Teck and Lee Kia Koy, the printing of the guarantee cards in June 1991, the subsequent import of ALOHA gas cookers from Taiwan on 7 September 1991 and the consequent sale of those cookers.

46 The respondents' counsel contended that even a single act of user during the period relevant to the application is sufficient to establish bona fide use if it is supported by convincing proof. The case of **Nodoz Trade Mark** [1962] RPC 1 was cited.

47 In the **Nodoz Trade Mark** case,¹² an application was made for the deletion of the trademark from the register on the grounds that there had been no bona fide use during the period of five years which had elapsed since the trademark was registered. The registered proprietors adduced evidence of one sale of a pharmaceutical preparation using the registered trademark 'Nodoz' which was made to an American traveller in England. The evidence showed that the product had been despatched by the registered proprietors in the United States but there was no evidence of receipt in England. The registrar held that this sale constituted a bona fide use within the statutory period. The applicants appealed. On allowing the appeal, it was held that **acts of user, if few, must be established by overwhelmingly convincing proof**, and that the prima facie case made out by the appellants (applicants) had not been displaced, the onus of

proof having been shifted to the respondents. In the event, the mark was ordered to be expunged.

48 Wilberforce J (as he then was) observed at p 7:

*The respondents are relying upon one exclusive act of user, an isolated act, and there is nothing else which is alleged or set up for the whole of the five-year period. It may well be, of course, that in a **suitable case one single act of user of the trademark may be sufficient; I am not saying for a moment that that is not so; but in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof. It seems to me that the fewer the acts relied on the more solidly ought they to be established, ...** (Emphasis added.)*

49 The respondents' counsel next invited my attention to the Australian case of **Estex** [1967] 116 CLR 254 In that case, the High Court of Australia, affirming the decision of Windeyer J, held that when an overseas manufacturer projects into the course of trade in Australia by means of sales to Australian retail houses goods bearing his mark and goods bearing that mark are displayed or offered for sale or sold in Australia, the use of the mark is that of the manufacturer as registered proprietor for the purposes of s 23(1)(b) of the Trade Marks Act of Australia. (The Australian s 23(1)(b) is equivalent to our s 40(1)(b) with the exception that in Australia, the relevant period is three years and the words used in the Australian section is 'good faith' as against the phrase 'bona fide' in our Act.)

50 The **Estex** case⁹ was relied on by the respondents' counsel to support the respondents' contention that so long as the respondents' goods were on display and were offered for sale by the respondents' dealers, such display and sale constituted use of the mark by the respondents. The case referred to, however, was not helpful to the situation at hand. Windeyer J's decision, it must

be presently observed, was based on his taking cognizance of the respondents' documents relating to the disposition and destination of the goods - altogether some 13 entries of genuine transactions covering the relevant period. The High Court of Australia in affirming the decision of the court of first instance observed at p 270:

*that during periods relevant to each of the applications, **the respondent manufactured and sold to Australian retail traders for resale in Australia substantial quantities of garments** with 'Eastex' tags and labels sewn on or otherwise attached to the garments and further affirmed that during the relevant periods there had been use of the trademark by the registered proprietor. (Emphasis added.)*

51 To summarize, the authorities referred to the court support the view that a single act of sale, **if conclusively proved**, will suffice to constitute user. But the fewer the use, the heavier is the onus: see **Nodoz Trade Mark** [1962] RPC 1 Cases also lay down the principle that the use must be genuine and substantial as judged by commercial standards: see **Electrolux Ltd v Electrix Ltd & Anor** [1953] 71 RPC 23 at p 43. By genuine, I mean authentic and if the chief purpose of use is merely to validate the registration, then the use is not bona fide: see **Imperial Group Ltd v Philip Morris & Co Ltd** [1982] FSR 72 which distinguishes the **Electrolux** case.¹³

52 Counsel for the applicants argued that the sale by Hiap Huat was highly suspect. As to the sales by Lee Kai Teck and Lee Kia Koy, he submitted that they could not be equated with bona fide use of the mark. The essence of his submission was that any sale by the two Lees in 1988 was just the disposal or clearance of leftover goods and they could not be regarded as sales effected in the course of trade by the proprietor of the mark. He submitted further that the subsequent import and sale were blameworthy efforts by the respondents to ride on the reputation and goodwill of the applicants. The applicants placed great

emphasis on the fact that they were the persons who made the name `ALOHA` well known in Singapore since May 1988 - first for fans (which they imported from their source in Thailand and whose registered mark in Thailand is `ALOHA`) and later for cookers and home appliances by substantial promotion of the ALOHA name in Singapore.

53 As I prefaced earlier, the main issue in this case is whether there has been bona fide use of the mark during the relevant period - in the sense not merely spasmodic or temporary but genuine and substantial. It was contended on behalf of the respondents that the evidence of Thomas Yeo in this regard should not be accepted since his evidence is not fortified by other evidence from any trade association. As I observed earlier, Mr Yeo has satisfied me both as to his standing and knowledge concerning the market and his evidence that there was to the best of his knowledge no gas cookers or rice cookers being marketed as `ALOHA` within the relevant period establishes a prima facie case.

54 As to the respondents` evidence of one sale by Hiap Huat on 2 December 1986 and the alleged disposal thereof by Guan Huat Lee Jwee Kee, a few sales effected by the two Lees in the course of 1988 and the display of ALOHA gas cookers and rice cookers in shops belonging to those Lees, I am unable to accept such evidence as establishing user in the course of trade for reasons which follow.

55 There is a clear admission by the respondents that they stopped importing cookers in the early eighties when the demand for cookers suffered a setback. The balance of the stock was with Hiap Huat from which they could evidence only a single sale on 2 December 1986. In the circumstances, whatever sales done by Guan Huat Lee Jwee Kee in 1987 and those sales effected by Lee Kai Teck and Lee Kia Koy in the course of 1988 were all clearance of leftover

goods. Those sales, to my mind, do not constitute commercially speaking, sales in the normal course of trade by the registered proprietors or their authorized dealers or distributors. The facts of the case at hand are quite dissimilar to the fact situation in the *Estex* case.⁹ The respondents' predecessors' conduct clearly suggests that there was an abandonment of the mark sometime after January 1986. In this regard, it can be seen that the invoices issued by the firm between the period 24 June 1977 and 22 November 1979 (invoices numbered 0007-0143) bore prominently the mark 'ALOHA'. Hiap Huat's invoice No 15353 dated 16 January 1986 (see Lee Kia Koy's affidavit) had also the mark 'ALOHA' printed on it. However, the invoice issued by Hiap Huat on 2 December 1986 (invoice No 16580), whilst featuring the Crown mark, noticeably omitted 'ALOHA'. Subsequent invoices issued by Hiap Huat in 1991 feature the Izola, Crown and Yota marks. The omission of the mark 'ALOHA' in Hiap Huat's invoices since about December 1986 has driven me to conclude that there was indeed an abandonment in the use of the mark 'ALOHA' prior to the import of cookers by the respondents in mid-1991.

56 It must also be noted that the marks Izola and Crown were respectively registered as Nos 1135/81 and 867/84 for gas rice cookers and gas cookers, electric rice cookers and electric fans by the firm. The dates of the respective registrations are 17 March 1981 and 27 February 1984. Such registration in March 1981 and February 1984 for gas rice cookers and gas cookers raised further doubt as to the respondents' averment that in the early eighties the respondents faced stiff competition from other manufacturers of home appliances and demand for home appliances bearing the ALOHA mark declined.

57 There is yet another aspect. The respondents' counsel in the course of his submission conceded that the respondents raised objection to the applicants'

use of the ALOHA mark on gas cookers only on 18 September 1991 - that is about nine months after the applicants' introduction of ALOHA gas cookers in January 1991. He said that the reason for the respondents' delay in lodging their objection was that the respondents were awaiting the assignment of the mark under reference in their favour. According to counsel, application for registration was filed with the Registry of Trade Marks on 19 February 1990 but approval was given only on 20 July 1991. Why then was there a further delay? There was no explanation. In any event, there is little doubt that the sudden interest, the huge outlay and a substantial order for cookers by the respondents in mid-1991 were all calculated steps to thwart the applicants' endeavours in the promotion of the applicants' gas and rice cookers bearing the ALOHA mark, to obfuscate the situation and to take an unfair advantage of the market developed and being developed by the applicants. I will revert to this topic when dealing with the issue whether the respondents' conduct as a whole is blameworthy.

58 Touching upon the omission of the word 'SWANFU', counsel for the respondents argued that such omission was immaterial and did not substantially affect the identity of the subject mark. Counsel contended that the subject mark was a device mark and not a word mark. According to counsel, the word 'ALOHA' was the distinguishing and essential feature of the mark and the omission of the feature 'SWANFU' would not cause confusion or deception.

59 The contentions of the applicants naturally were to the contrary. I need not expand upon them. Suffice it if I say that Mr Dedar Singh maintained that it was incorrect to describe the registered mark as a device mark but in fact and in essence it was a combination mark; the word 'SWANFU' was an invented word and was clearly registrable and the omission was a crucial and critical factor

that should weigh in the mind of the court in deciding the issues of non-use and bona fide use.

60 Counsel for the applicants added that the registered mark consisted of two word marks, namely, `ALOHA` and `SWANFU` but the evidence produced by the respondents showed, at the most, the use of only `ALOHA` and not the use of both `ALOHA` and `SWANFU`. In the circumstances, it was submitted on behalf of the applicants that there was clearly non-user of the registered trademark and that the omission did substantially affect the identity of the mark.

61 Dealing with the issue of alteration or addition, proviso (a) to s 29 of the Act vests the court with a discretion in that when the user of a trademark is required to be proved for any purpose, the court may accept user of the trademark with additions or alterations so long as such additions or alterations do not substantially affect the identity of the registered mark.

62 Section 29 of the Act reads as follows:

Associated trade marks shall be assignable or transmissible only as a whole and not separately, but they shall for all other purposes be deemed to have been registered as separate trade marks:

Provided that -

(a) where under the provisions of this Act user of a registered trade mark is required to be proved for any purpose, the court or the Registrar may, if and so far as it or he thinks right, accept user of an associated registered trade mark, or of the trade mark with additions and alterations not substantially affecting its identity as an equivalent for such user; and

(b) the foregoing provisions apply in relation to proof of use of any registered trade mark and not in relation only to proof of use of a trade mark which is one of two or more associated trade marks.

63 The meaning of the phrase `not substantially affecting its identity` has received detailed treatment in many trademark cases. Before making reference to those decisions, it should be remarked that the said phrase features also in s 38(1) of the Act (see its equivalent: s 35(1) of the UK Act 1938) dealing with alteration of trademarks. The phrase is employed in s 29 as well as in s 38 of the Act in a similar vein and is intended to obtain a not dissimilar interpretation.

64 Decided cases lay down that, in practice, the requirement that the alteration must not substantially affect the identity of the mark is strictly applied and the practice allows no substantial change of either appearance or pronunciation: see 48 *Halsbury's Laws of England* (4th Ed) para 221.

65 In **Re British Hoist & Crane Co's Trade Mark** [1955] 72 RPC 66 the mark comprised two concentric circles forming a border around a simple design. The name of the company appeared at the top of the border and the place name `Slough` at the bottom. The proprietors of the mark having moved their works from `Slough` to `Compton` in Berkshire, applied to alter the word `Slough` on their mark to `Compton`. Lloyd-Jacob J upheld the registrar's refusal of alteration on the ground that `Compton` being a well-known surname, might not be understood as having merely a geographical significance. In the registrar's view the introduction of an entirely new factor, ie a common surname, altered this identity.

66 In **Otrivin Trade Mark** [1967] RPC 613 the British Board of Trade, on appeal from the registrar, refused leave to alter the mark from `Otrivin` to `Otrivine` (the letter `e` being the only addition). Tookey QC observed that s 35 draws no distinction between word marks and device marks and that the addition of the letter `e` might effectively change the pronunciation and look of

the mark and that the applicants had not established that the proposed alteration would not substantially affect the identity of the mark.

67 The **Otrivin** case¹⁵ was distinguished in **Pelican Trade Mark** [1978] RPC 424 where the Board of Trade permitted an alteration of `Pelican` in italic script to `Pelikan` in similar script on the basis and appreciation that the alteration did not affect the meaning or pronunciation.

68 Another reason for refusal both in the **British Hoist & Crane** case¹⁴ and the **Otrivin** case¹⁵ was the concern of the tribunal that the mark as altered would be different from that for which the examiners` search had been made before acceptance so that the alteration could possibly lead to conflict with other registered marks: see Shanahan in **Australian Law of Trade Marks and Passing-Off** (2nd Ed) at p 268.

69 A number of other cases were referred to by both counsel to fortify their respective stands. A few of them are extremely instructive.

70 First, the case of **Re Morny`s Trade Mark** [1951] 68 RPC 55 In that case, Morny Ltd owned two registered trade marks, one comprising the word `Morny` in special lettering and with conventional embellishments, and the other consisting of the same word in block capitals. In the course of proceedings for rectification of the register, it was alleged that neither mark had been used by Morny Ltd. The word `Morny` had been used by Morny Ltd but only in special lettering of various sorts and when the lettering of the first mark was used the embellishments were omitted or varied.

71 On the issue of the omission of the embellishments, it was held that the embellishments were of a conventional form and therefore such omission did not substantially affect the identity of the mark. Lloyd-Jacob J observed at p 57:

Of course that is not to say that where the form or design or embellishment forms part of the distinguishing matter, that can ever properly be disregarded by the registered proprietors; but where, as here, I find that the matter alleged, and indeed, established, to have been omitted from user consists solely of a conventional form of embellishment appropriate to the labels upon perfumes or cosmetics or toilet preparations, I find no difficulty whatsoever in applying the provisions of s 30 [our s 29] of the Trade Marks Act; which, so far as is material for this purpose, and disregarding the references to associated trademarks, provides that where the use of a registered trademark is required to be proved, use of the trademark with alterations not substantially affecting its identity can be treated by the court as equivalent to the use required to be proved.

72 The case of **Morny** [1951] 68 RPC 55 came up for consideration in the case of **Express Newspapers Ltd v Star Newspaper Co** [1984] IPD 7090 (UK Reg). Shanahan notes at p 281:

*Morny was distinguished in the recent case of **Express Newspapers Ltd v Star Newspaper Co**, where the title 'The Star' had been registered in Gallic script with the device of a man standing in a star between the words 'The' and 'Star' but had been used only in italic script and without the device. The hearing officer, Mr Myall, explained:*

'[I]f registration of a name or word or other mark takes a particular form, then it is to be inferred that it is intended to confine the mark and its use to that form. If not registered in a particular form, then a mark may be safeguarded by use in some different form, provided that its name or other significance comes shining through. This leaves unresolved the question: "what constitutes a particular form?" In a certain sense, every mark registered may be said to have a particular form, that is the form in which it is registered. But what it seems to me that the Master of the Rolls was saying was that "particular form" means "out of the ordinary". Thus "MORNY" in plain block capitals is not a registration in an out of the ordinary form and may be used as a trademark with various embellishments provided "MORNY" remains discernible as the essential feature. In the case in suit,

by way of contrast, "THE STAR" does seem to me to be registered in a particular or "out of the ordinary" form.`

73 The result was that the use of `The Star` in italic script was not sufficient use of `The Star` in Gallic script. **Rowland v Mitchell** [1896] 13 RPC 457 was relied on by the respondents` counsel. In that case, Rowland, the plaintiff was the registered owner of a trademark consisting of his portrait in an oval and the words `The New Conqueror` just above the head of the portrait and the words `Never known to fail` appearing just about and below the right ear of the portrait (left of the mark as one looks at it). There was a disclaimer to any exclusive right to the words.

74 The plaintiff sold `Army and Navy Paregoric Tablets,` in tins and packets, with pink and white wrappers respectively, which wrappers bore the plaintiff`s trade mark, the description `Rowland`s Army and Navy Paregoric Tablets,` and certain particulars as to place of manufacture and price, and directions for use. The plaintiff, having discovered that the defendant was selling goods not the plaintiff`s as `Army and Navy Paregoric Tablets,` in tins and packets, with wrappers similar to the plaintiff`s, and calculated to pass off the defendant`s goods as the plaintiff`s, brought an action to restrain infringement of his trademark and passing-off.

75 The defendant alleged that the plaintiff had not the exclusive use of the name `Army and Navy Paregoric Tablets`, and that one H had manufactured and sold cough tablets under that name, and that the defendant`s tablets were also recognized in the trade as `Army and Navy Paregoric Tablets`. The defendant further denied the allegations in the statement of claim, and alleged that H was the original maker to the plaintiff; that the plaintiff had varied his general description and `get-up` from time to time; and that the plaintiff was not

using his trademark as registered. The plaintiff, in effect, omitted certain of the disclaimed words.

76 As respects the omission by the plaintiff of the words `Never known to fail`, Romer J observed during arguments (at p 462) that the non-user of the part did not make the registration bad. Later in his grounds, Romer J said at pp 465 and 466:

In my opinion it would be pushing the cases to which I have been referred too far to say that in a case like this the plaintiff has lost all right to relief in this court because he has omitted the words that I have mentioned upon his labels, and stated that his trademark is what appears on the labels. What he has stated to be his registered trademark on his labels is, in substance, in all essential particulars, his trademark. He has only omitted unessential particulars. Nobody could be deceived; no injury could occur to anybody by reason of that statement on the labels; and that being so, it appears to me that it would be extremely hard upon the plaintiff, and, I think wrong, for the court to allow the matter which I am now considering to interfere with the plaintiff's rights. As I have said, nobody could be deceived; nobody could be injured; and I think that this objection also fails, and that the plaintiff is entitled to enforce the rights which he claims before me.

77 The court in that case clearly regarded the words `Never known to fail` as `unessential` bearing in mind that there was an express disclaimer.

78 The other case of any relevance is the case of ***Cluett Peabody & Co Inc v McIntyre Hogg Marsh & Co Ltd*** [1958] RPC 335 where the dispute concerned an addition of a word. In that case, the plaintiffs were the registered proprietors of a trademark consisting of three intercrossed arrows with a ribbon on a shield and the words `Arrow Brand`. The defendants were the registered proprietors of a trademark consisting of a horizontal arrow. The plaintiffs brought an action against the defendants when the defendants were found to be using a mark consisting of a single arrow with the word `Arrow`. The complaint

was in respect of the use of the word mark. The defendants relied on their registered trademark and the provisions of s 30 of the UK Trade Marks Act 1938 (equivalent to our s 29). The question before the court was whether the use of the defendants' registered device with the addition of the word 'Arrow' was a use of the defendants' registered trademark with additions or alterations not substantially affecting its identity. The court held that to the eye (though not, it may be, to the ear) the addition of the word 'Arrow' was a material and substantial addition affecting the identity of the mark.

79 It is clear from the above cases that whether an alteration or addition has substantially affected the registered mark is a question of fact. To my mind, the word or feature 'SWANFU' is not just an immaterial embellishment as in the **Morny Trade Mark** case¹⁷ or an alteration without affecting the pronunciation and script style as in the **Pelican** case.¹⁶ Neither is it a feature common to the trade. It is an invented word and is therefore clearly registrable under the Act. It is an essential part of the registered mark. Cases referred to hold that 'Otrivin' cannot be altered to 'Otrivine': see the **Otrivin** case¹⁵ and the user of the mark 'Electrolux' could not be deemed to be user of the mark 'Electrux': see the **Electrolux** case.¹³ Similarly, the user of the mark 'ALOHA' cannot be deemed to be the user of the mark 'ALOHA SWANFU'. The omission is a striking one. The respondents' contention that the omission does not substantially affect the identity of the registered trademark is wholly unmeritorious and in my view, fails at the threshold.

80 The respondents' counsel next submitted that s 39(1)(a) of the Act confers on the court a discretion to refuse rectification. Section 39(1)(a) provides:

(1) Subject to the provisions of this Act-

(a) the court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongfully remaining on the register, or by any error or defect in any entry in the register, make such order for making, expunging or varying the entry as it thinks fit;

81 No doubt under the preceding provisions and under s 40(1) of the Act, the court is vested with a discretion, but the exercise of discretion is to be based on public interests and not on unmeritorious conduct of a party.

82 In **GE Trade Mark** [1973] RPC 297[1972] 2 All ER 507[1972] 1 WLR 729 Lord Diplock, dealing with the aspects of deception and confusion under s 11 of the UK Trade Marks Act 1938 (s 15 of our Act), said at p 326:

The interest of the general public requires that they should not be deceived by the trademark. It ought not to tell a lie about the goods. Two main kinds of deception had been the subject of consideration. These were misrepresentation (a) of the character of the goods to which the trademark was attached, and (b) as to their origin, ie that they were the product of some other manufacturer.

83 Then at p 334, he further observed:

(1) The fact that the mark is entered upon the register is prima facie evidence of the validity of the original registration and of the right of the registered proprietor to the exclusive use of the mark, subject however to the rights of concurrent user by any registered proprietor of an identical mark or one nearly resembling it.

(2) If the mark was likely to cause confusion at the time when it was first registered it may be expunged from the register as `entry made in the register without sufficient cause` unless the proprietor of the mark at that time would have been entitled to have it entered on the register by reason of his honest concurrent use of the mark as a trademark before the original registration of the mark.

(3) If the likelihood of causing confusion did not exist at the time when the mark was first registered, but was the result of events

occurring between that date and the date of application to expunge it, the mark may not be expunged from the register as an entry wrongly remaining on the register, unless the likelihood of causing deception resulted from some blameworthy act of the registered proprietor of the mark or of a predecessor in title of his as registered proprietor.

(4) Where a mark is liable to be expunged under (2) or (3) the court has a discretion whether or not to expunge it and as to any conditions or limitations to be imposed in the event of its being permitted to remain on the register.

84 There are two well-entrenched principles emerging from the authorities referred to: one is that the prohibition of registration of a deceptive trademark applies equally to the act of keeping the mark on the register (see **GE Trade Mark** [1973] RPC 297[1972] 2 All ER 507[1972] 1 WLR 729) and the other principle is that the mark may not be expunged from the register as an entry wrongly remaining on the register, unless the likelihood of causing deception resulted from some blameworthy act of the registered proprietor of the mark or of a predecessor in title of his as registered proprietor.

85 The use of the term `blameworthy act` was considered by the High Court of Australia in *New South Wales Dairy Corporation v Murray Goulburn Co-Operative Co Ltd* [1991] RPC 144 Dawson and Toohey JJ observed at p 177:

The use of the term `blameworthy act` is, we think, no more than a shorthand method of referring to all those circumstances which might disentitle an applicant to relief in a court of equity. It was not intended to posit an all-embracing test. As Lord Diplock said (WLR at p 752; All ER at p 527): `It seems to me to be impossible to hold there was any such blameworthy conduct by the [appellants] as would amount to an equitable ground for disentitling them to protection for the use of the mark.` It would, in our view, be quite wrong to use the term to erect an independent standard against which a registered proprietor's conduct must be judged. Not only would it be an impermissible extension of the language of the section, but it would shift the focus from the true question and introduce notions of a subjective kind.

86 Mason CJ commented at p 163:

*... the Act [s 28 of the Australian Trade Marks Act 1955 (Cth) which is similar if not identical to our s 15(1)] proceeds on the fundamental assumption that the registered proprietor of a mark will protect the integrity of his mark by exercising his statutory right to restrain infringement of it. **It is scarcely to be supposed that the legislature intended that a registered proprietor who failed to protect the integrity of his mark by restraining infringing use in the circumstances already outlined and who seeks to make a deceptive or confusing use of that mark should be permitted to do so.** (Emphasis added.)*

87 Brennan J said at p 166:

... In evaluating the conduct of a registered proprietor in such a case, much depends on what he knew or ought to have known of the other person's use of a trademark in respect of the relevant class of products, the length of time during which the registered proprietor remained supine, the opportunities for objection and the scale of the deception or confusion that is likely to result from the further use of his registered trademark. It may be going too far to say that the registered proprietor must, in all circumstances, protect his statutory right by applying for an injunction; some other injunction may suffice in particular circumstances.

88 In my view, the respondents' conduct in trying to cast a net over the industry and effort of the applicants is clearly blameworthy. The sudden and frantic activities in the course of 1991 by the respondents to renew a long abandoned mark are, to my mind, not a legitimate exercise of the respondents' legal rights but, as suggested by the applicants, a ploy in expediency. Moreover, the delay of nearly nine months before taking action to protect their statutory rights, if any, naturally weighs against them. The use of the mark as effected by the respondents at present would clearly deceive and cause confusion and, in the circumstances, though the court has discretion under ss 39(1)(a) and 40(1) of the Act, in my judgment that discretion is not exercisable in favour of the respondents.

89 The assignment applied for to the registrar in February 1991 and approved on 20 July 1991 was probably primarily intended by the respondents only for their active marks such as Izola and Crown. The respondents also caused to be assigned to them whatever registration rights the firm originally had simply for convenience. Whatever the case, to my mind, the respondents' order for gas cookers in mid-1991 lacked good faith.

90 I have read the affidavits and carefully considered the submissions of the respondents. What appears to me clear is that the respondents most certainly abandoned the use of the mark in the early eighties and whatever use which is being projected is not bona fide use.

91 In the premises, I held that the applicants were entitled to the relief claimed and ordered that the register of trade marks be rectified by expunging therefrom the trademark registered as No 71923 with consequential directions to the Registrar of Trade Marks. The applicants were also awarded costs of the proceedings. ***Application allowed.***

MPH Rubin JC

Dedar Singh Gill (Drew & Napier) for the applicants
Tan Tee Jim and Genevieve Tan (Allen & Gledhill) for the
respondents
