

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1994] SGHC 281

Suit 2435/1994

Between

Saga Foodstuffs
Manufacturing (Pte) Ltd

... Plaintiff

And

Best Food Pte Ltd

... Defendant

GROUND OF DECISION

Evidence — Admissibility of evidence — Hearsay; Tort — Passing off —
Goodwill

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Saga Foodstuffs Manufacturing (Pte) Ltd v Best Food Pte Ltd

[1994] SGHC 281

Suit 2435/1994
Warren Khoo L H J
05 December 1994

1 By this action, the plaintiffs seek to restrain the defendants from passing off the defendants' goods as the plaintiffs' by the use of a get-up similar to that of the plaintiffs.

2 The goods in question are **beehoon**, which, for those who do not know, is a vermicelli made of rice. The get-up which the plaintiffs seek to protect consists of a packaging in transparent polythene with a red and green wreathlike design and other words and features arranged in the manner shown in exh AB-1.

3 The plaintiffs manufacture **beehoon** and other products. They started manufacturing **beehoon** in 1980. They had used in succession two forms of packaging before settling down to using AB-1 in 1985. In that year, they embarked on a marketing campaign for all their products, including **beehoon**. This helped to boost sales. They sell to wholesalers and retailers like provision shops. They also sell to the armed forces, hospitals, prisons and schools. Hawkers and canteen operators are important end-users of the plaintiffs'.

beehoon . The plaintiffs` **beehoon** enjoys a dominant market share in Singapore.

4 The defendants were incorporated in 1981. They are also in the business of manufacturing and marketing **beehoon** . The family business started in the 1960s by the grandfather. There are two entities which are related to them in the sense that they are controlled by some or other of the members of the Soh family. These are People Bee Hoon Factory Pte Ltd (People) and Soh`s Foodstuff Agency, a partnership. The defendants and these related concerns have used a succession of packagings for the **beehoon** marketed by them.

5 In 1991, when it was found that the `Golden Axe Brand` which they had been using was not doing well, the defendants decided to use the packaging AB-2, which is the packaging the plaintiffs complain of in these proceedings. The plaintiffs discovered this in late October 1991. They issued the writ in this action on 27 November 1991. They applied for an interim injunction, and this was granted on 5 December 1991 after an inter partes hearing by LP Thean J (as he then was).

6 There are two main issues in this case. First, the plaintiffs` goodwill in AB-1 and, secondly, the likelihood of confusion between AB-1 and AB-2.

7 **Market survey report: admissibility**

8 Before I deal with these issues, I have to deal with the question of the admissibility of the market survey report which the plaintiffs seek to rely upon. Both parties had in fact agreed to the admission in evidence of the market survey reports which they had each commissioned, and there was a note in the agreed bundle of documents that the agreement was to the extent of the authenticity of

the reports, which I understood to mean that the parties had agreed to the admission of the reports but subject to challenge as to their contents. On the first day of the trial, however, defendants' counsel applied to exclude the evidence. He himself offered to exclude the defendants' report. He contended that the reports were hearsay upon hearsay, and that they were in any event not admissible without a representative sample of the respondents in the survey being called. He also submitted that there was nothing in the Evidence Act (Cap 97, 1990 Ed) that allowed such evidence to be admitted.

9 I told counsel that I was not prepared to rule on the admissibility question right away, without having a full grasp of the contents of the evidence. I made a pragmatic but perhaps unorthodox ruling that the evidence should be adduced, and that I would decide the question of admissibility after the trial.

10 In brief, the market survey was conducted by the use of a questionnaire and colour photographs of the mark in AB-1 and AB-2 and of the 'Chilli Pineapple Brand' (AB-7) and the 'Golden Axe Brand' (AB-4). The survey covered 207 provision shop owners and cooked food hawkers at 20 pre-selected HDB estates. The questions were designed or intended to establish, among other things, the level of awareness of AB-1 and its association with the product **beehoon**, the degree of confusion between AB-1 and AB-2, the importance of the 'chilli' element in the mark and with whom or whose product the 'chilli' is associated. The answers of the respondents were recorded by the interviewers on the questionnaires, and these were processed after the field survey and the results analyzed.

11 The hearsay element which defence counsel says exists, as I understand it, lies in the fact that the respondents gave their answers to the questions out of

court. They were not called, nor were the interviewers. Hence, defence counsel says, the double hearsay.

12 I should therefore start by saying a word about the rule of hearsay and in what circumstances it may be said to be offended. It is simply this. When evidence is sought to be given of what someone said to the testifying witness, whether such evidence offends the rule against hearsay depends on the purpose for which the evidence is sought to be tendered. If it is sought to be tendered for the purpose of establishing the truth of what was said to the testifying witness, its introduction will offend the rule. On the other hand, if the purpose of tendering the evidence is merely to show that such a statement was made, and not that the statement is true, then the rule is not offended. Prof Peter Murphy, in his excellent book ***Practical Approach to Evidence***, has this to say:

[T]he rule against hearsay does not exclude statements made by others on prior occasions for all purposes, but only when tendered for the purpose of proving that some fact so stated is true. For any other relevant purpose, for example to prove that the statement was in fact made, was made on a given occasion or in a certain way, or had a certain legal effect, such evidence may be freely admitted, if necessary with a limited admissibility direction to the jury.

13 In , it fell upon Mahon J in the Supreme Court of New Zealand to consider this very question in the context of a market survey report. After analyzing English and American authorities, including , (Graham J, CA and HL), , as well as US academic writers, the learned judge held as follows:

A properly drawn market research questionnaire, carefully framed so as to elicit opinions or beliefs held by persons adequately informed, can only reveal, in my opinion, the existence or otherwise, in a defined proportion of the persons interviewed, of the relevant opinion or belief, and I do not think it can be right in cases involving trade mark infringement or passing off where evidence of reputation is relevant, and especially in a passing off action where affidavit evidence is not receivable, to compel a party to produce in the courtroom an

interminable parade of witnesses to depose individually as to their knowledge and understanding of the trade association involved in a particular trade mark or design, so long as there are followed the cautionary procedures recommended in the article in the New York University Law Review above cited. The evidence obtained by research survey is in my view legitimate proof of the fact the opinions obtained had in fact existed, whether rightly held or not, and on that view of the matter it is my opinion that such evidence is not hearsay at all and that, even if it did fall within the technical concept of hearsay or representing a collation of individual statements made out of court, then the evidence would still be admissible by way of exception to the hearsay rule because it exhibits the existence of a state of mind shared in common by a designated class of persons.

14 The article in the which the learned judge referred to suggested as a condition of its admissibility that the evidence must have been obtained by research scientifically conducted `under circumstances where a sincere and accurate statement naturally would be uttered so that there exists at least a circumstantial probability of the reliability of such evidence.`

15 The learned judge himself suggested the following requirements:

There must be a formulation of questions cast in such a way as to preclude a weighted or conditioned response, there must be clear proof that the answers were faithfully and accurately recorded, and there must be evidence that the answers were drawn from a true cross-section of that class of the public or trade whose impression or opinion is relevant to the matter in issue.

16 In , Falconer J accepted the primary view of Mahon J that such evidence is not hearsay but is evidence proving an external fact, namely, that a particular opinion is held by the public or a section of the public.

17 I respectfully agree with this view. It seems to me that evidence of the results of a market survey research of the kind in question in this suit is evidence of the existence of the belief or opinion held by the respondents to the survey. The purpose of tendering such evidence is to show that such belief or opinion

exists; there is no question of tendering it for the purpose of proving the truth or merits of the belief or opinion so held. In my view, evidence as to whether and the extent to which a certain belief or opinion is held by a person or a group of persons, when that is in issue, is evidence of a fact in issue, and its admission falls within the general provision of s 5 of the Evidence Act for the reception of evidence of the existence or non-existence of every fact in issue.

18 **Section 32(h) of Evidence Act**

19 Plaintiffs` counsel contends that the report may be admitted under s 32(h) of the Evidence Act, which provides as follows:

32 Statements, written or verbal, of relevant facts made by a person who is dead or who cannot be found, or who has become incapable of giving evidence, or whose attendance cannot be procured without an amount of delay or expense which under the circumstances of the case appears to the court unreasonable, are themselves relevant facts in the following cases: (h) when the statement was made by a number of persons and expressed feelings or impressions on their part relevant to the matter in question.

20 It seems to me that s 32(h) is probably an attempt at codifying a common law exception to the hearsay rule, under the general concept or *res gestae*. The formulation of the rule appears to have been inspired by the case of , captured in illustration (n) of the section as follows:

sues for a libel expressed in a printed caricature exposed in a shop-window. The question is as to the similarity of the caricature and its libellous character.

21 The remarks of a crowd of spectators on these points may be proved.

22 The purpose of the rule is to allow the admission of evidence of what persons who are not called as witnesses said in reaction to an event or thing as it presented itself to them in circumstances which exclude the opportunity of

reasoned reflection and possibility of concoction and distortion. Such statements may be admitted to prove the truth of what was stated. They may also be admitted to explain the nature of an act, as in , where evidence of what the deceased said to the telephone operator (‘Please call the police!’) at about the time of the deceased being shot was held to be admissible to negative the accused’s assertion that the shooting of the deceased was a pure accident.

23 In the case of a market opinion survey, the results of the survey are sought to be admitted to show the extent to which certain views, opinions and perceptions are held by the respondents or sections of them. As stated before, the truth or validity of these views, opinions and perceptions is not in question. This being the case, s 32(h) does not seem to me to be capable of forming the basis for the admission of such evidence.

24 Before leaving the general question of market research surveys, I would make two observations. In the first place, the reliability of a survey is always subject to proof. The requirements mentioned by Mahon J in the case were directed to this need for ensuring reliability. Secondly, the evidence of such surveys should be considered as part of the totality of the evidence and not be given unduly decisive weight. Thus, in regard to the issue of similarity in a passing off action, it is essentially a judgment based on the visual impression of the court, and the evidence should be used to assist in that task, but not to conclude the matter. It is possible, and I am sure this often happens, that two surveys done by two equally reputable organisations following the same generally acceptable methodology, can yield quite different results, just as two perfectly honest witnesses or sets of witnesses in the witness box presented with the same questions as would be presented in a survey could honestly give two quite different views. The court at the end of the day has to make up its own mind.

25 **Goodwill**

26 Turning now to the question whether the plaintiffs enjoy goodwill in their get-up, the plaintiffs' evidence is that they have been using the form of packaging AB-1 since 1985. They have spent a lot of money in promoting their products and the mark with the wreathlike device. This takes the form of advertisements on television, in the Chinese newspaper *Lian He Zao Bao* , and magazines like *Tradelink* . In all these advertisements the mark as well as the name 'Tai Sun' appear. It is accepted by the defendants that the amount spent by the plaintiffs on advertisements and other forms of promotion prior to the institution of the suit had been quite substantial.

27 The defendants, however, contend that the most prominent element of the plaintiffs' packaging for their *beehoon* is the words 'Tai Sun', rather than the mark. They point out that the Chinese words for 'Tai Sun Bee Hoon' appear in very large blocks on the side of the plaintiff's lorries. They also point out that there were occasions, during promotions of the plaintiffs' *beehoon* at the IMM Mega Mart and at the NTUC outlets, when the plaintiffs' *beehoon* was described in the shelf display cards as Tai Sun Bee Hoon. The defendants also point out that at one time when there was some confusion among customers between the plaintiffs' *beehoon* and People's pineapple chilli brand *beehoon* , the plaintiffs themselves told their customers to identify their *beehoon* as the Tai Sun *beehoon* .

28 The defendants submit, therefore, that as of the date of the writ the plaintiffs did not enjoy a reputation and goodwill in their *beehoon* sold in the get-up AB-1.

29 In view of the considerable efforts which the plaintiffs had put into the promotion of their products, the fact that they had enjoyed a predominant market share for their products, and the fact that their 3kg **beehoon** had always been packaged in that get-up, I do not have the slightest doubt in my mind that the plaintiffs enjoyed at the date of the writ a considerable goodwill in that packaging in relation to the **beehoon** marketed by them in Singapore. This conclusion is fortified by the findings of the market research conducted by Frank Small & Associates. About 72% of the respondents claimed to have seen the Tai Sun mark, and 71% of them associated the mark with the product **beehoon** .

30 I do not accept the defendants` contention that the predominant part of the packaging is the Chinese words `Tai Sun Bee Hoon` rather than the mark. It is obvious, visually, that if anything is predominant, the mark is more prominent than the words. I also do not accept the suggestion that the occasional description of the plaintiffs` **beehoon** as the Tai Sun **beehoon** would detract from the association of the mark and the packaging with the plaintiffs` **beehoon** .

31 I now turn to the question of possible deception, specifically whether the defendants` get-up may be said to be a colourable imitation of the plaintiffs` .

32 The learned editors of **Kerly`s Law of Trade Marks and Trade Names** (12th Ed) para 16/67, taking examples from decided cases, make the following helpful statement of what is meant by get-up:

What is compendiously called the get-up of goods - the dress in which they are presented to the buyer - comprises, in particular, the size and shape of the packages; where the goods have no definite outline, or none which is shown to the buyer, the material, colour and decoration of their wrappers, and the lettering and arrangement of their labels. Where what the buyer

sees are the goods themselves, not the packaging, get-up may consist in some capricious or fanciful addition to the goods themselves: paintwork, for instance, or colouring or fanciful shaping of the goods.

33 The principles applicable

34 The question of resemblance is to be judged by the overall impression given to the eye, and, as stated above, this impression is entirely a matter for the judgment of the court, not the witnesses. It is impossible to define as a matter of law the degree of resemblance which is necessary to give rise to a right of action. All that can be done is to ascertain in every case as it occurs, whether there is such a resemblance as to deceive a purchaser using ordinary caution. In , Lord Denning stated the principle in the following terms:

The test is whether the ordinary, sensible members of the public would be confused. It is not sufficient that the only confusion would be to a very small, unobservant section of society: or, as Foster J put it recently, if the only person who would be misled would be a 'moron in a hurry'.

35 In , Solomon J said:

I take it that the ordinary purchaser is a man who knows more or less the peculiar characteristics of the article he wants; he has in his mind's eye a general idea of the appearance of the article, and he looks at the article not closely, but sufficiently to take in its general appearance.

36 In , a trade mark case, Lord Radcliffe said:

The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and that marks are remembered rather by general impressions or by some

significant detail than by any photographic recollection of the whole.

AB-1

38 The plaintiffs` and defendants` packagings are reproduced, unfortunately in black and white and not in colour, in the attachment to this judgment. The main part of both labels which need to be considered is from the top down to the words `Tai Sun Bee Hoon` in the plaintiffs` case and down to the words `Ben Heng Bee Hoon` in the defendants` case.

39 Approaching the matter in the manner indicated by the authorities, I think the following features of AB-1 and AB-2 are relevant when considering the question of possible confusion. There are certain similarities. First, there is the use of colour. The Chinese characters at the top, showing the name of the plaintiffs and the defendants, are in red in both cases. The Chinese characters below the mark, `Tai Sun Bee Hoon` in one case and `Ben Heng Bee Hoon` in the other, are both in red. The English equivalent is green in both cases. As for the mark, the chilli-like objects in the plaintiffs` mark and the chillies in the defendants` mark are both red. The Chinese words at the top of the mark enclosed by the chilli-like objects in the plaintiffs` mark and the chillies in the defendants` mark are in red in both cases.

40 Secondly, the sizes of the various components of the label. The Chinese words at the top (showing the name of the company concerned) are somewhat larger and the strokes somewhat thicker in the plaintiffs` label than in the defendants`, but the main line of the words occupy the whole breadth of the label. Below the central mark, the Chinese words `Tai Sun Bee Hoon` in one case, and `Ben Heng Bee Hoon` in the other, are about the same size.

41 Thirdly, the size of the labels. The whole label, including the smaller writings at the bottom, is of about the same size in both cases, although the main part of the defendants' label occupies a larger space than the plaintiffs'. Since both packagings are intended for the 3kg packets of **beehoon**, the volume of the packet is also about the same in both cases.

42 Finally, both labels are enclosed around the four sides by a green, threadlike border of a roughly similar design.

43 As Lord Radcliffe said in , one must not consider the question by placing the two labels side by side. One must allow for imperfect recollection and for the fact that marks are remembered by their general impression and not by a detailed comparison of the differences and similarities. Although a listing of the differences and the similarities is a good starting point for purposes of discussion, in the end one has to place oneself in the position of a customer in a real marketing situation. He may have seen or bought **beehoon** packaged in AB-1. He is subsequently presented with goods packaged in AB-2. The question I ask myself is this: allowing for imperfect recall, what are the chances of him thinking that he is presented with the same thing that he had bought before or seen before. I have to bear in mind the fact that some of the customers, particularly the cooked food hawkers (such as PW3, Mdm Tan Swie) are illiterate or have little education.

44 Giving the best consideration I can to this not an entirely easy case, I am inclined to find that there are sufficient dissimilarities between the two packagings as to make the case of a colourable imitation not proven. It seems to me that the main part of both the packagings that attracts the eye immediately is the mark in the centre. There are the thick markedly curved chilli-shaped objects in AB-1 contrasted with the much thinner smooth chillies pointed almost

vertically upwards in AB-2. There is the predominant green mass at the bottom of the defendants' mark, accentuated by the green mass in the centre, contrasted with the sparser use of green in the mark in AB-1. Generally, there is much more empty space in and around the defendants' mark than is the case with the plaintiffs' mark. Another gross feature in AB-1 is that the red Chinese characters for Tai Sun Bee Hoon in the plaintiffs' mark are placed much closer to the bottom of the chilli-like objects so that, together with the red chilli-like objects and the features enclosed by these objects, you have a relatively large mass of red concentrated together, whereas in AB-2, the corresponding Chinese words are more clearly separated by the rather large green leaves and stalk. These grosser features of the two labels, seen, as they must be, at some distance rather than compared close up, do have the effect, it seems to me, of giving two sufficiently distinct mental pictures as to reduce to insignificant proportions any confusion on the part of the ordinary purchaser.

45 My best judgement is, therefore, that the defendants have succeeded in making enough distinction in their mark to make the get-up of their goods sufficiently different from that of the plaintiffs' goods to avoid a liability for passing off.

46 **Intention to deceive**

47 The plaintiffs submit that their case is strengthened by the fact that there is evidence of an intention on the part of the defendants to deceive. An intention to deceive is not an essential ingredient in the tort of passing off. However, if such an intention is established, the burden on the plaintiffs to show confusion is lessened. In *Earl Loreburn* said:

When once you establish the intent to deceive, it is only a short step to proving that the intent has been successful, but still it is a step, even though it be a short step.

48 As stated earlier, the defendants and their related entities had used a succession of marks. People and its predecessor used a packaging in the form of AB-8, with a couple of red chilli hanging vertically downwards from a leafed stalk. The brand name was 'Red Chilli Brand'. That packaging and brand continue to be used today.

49 When the defendants were incorporated in 1981, they marketed their **beehoon** under the 'Golden Axe Brand' mark. In 1986, the defendants used a packaging AB-3, with the two serrated chilli-like objects like those in AB-1 enclosing a mountain shape. The mark contained the words in bold Chinese characters 'The original Tai Sun **beehoon**'. The plaintiffs took objection to this, and started proceedings in Suit No 4520/86. The parties eventually negotiated a settlement whereby the defendants agreed not to 'pass off or use such packaging bearing the said wreath device and/or design.' The plaintiffs contend that AB-2 is another attempt at approximation to AB-1, and that is an indication of intention to deceive.

50 In conjunction with the decision to use AB-2, the defendants allege that they entered into an agreement with a Thai entity in which the father and grandfather of DW1 have a substantial interest purporting to provide for the importation at least 1 million 3kg packets of **beehoon** a year for sale in Singapore with provision for the imposition of hefty liquidated damages on failure to meet the target. The plaintiffs question the authenticity of this document, having regard to the fact that even at the best of times the defendants had not been able to sell anything like such a quantity. They say that this fortifies their point that defendants intend to deceive.

51 My views on these contentions are as follows. In the first place, if, as has been found, there is little likelihood of confusion between AB-1 and AB-2, it is not right to draw any inference of a fraudulent intent to deceive from AB-2 itself. The appearance of AB-2 suggests that there was an attempt to imitate the plaintiffs' get-up or at least that AB-2 was inspired by AB-1. However, the defendants also took care to introduce sufficient differences, which I have set out, to reduce or eliminate confusion. Even if there was an intention to deceive, that intention was not carried out. So it is my view that the intention cannot be inferred from the get-up itself.

52 The plaintiffs then seek to rely on the conduct of the defendants in proffering the alleged agreement whose authenticity they say is questionable. In this respect, I have to say that when one speaks of intention to deceive in this context, one is referring to an intention to use the get-up as a means of deceiving people into thinking that the defendants' goods and the plaintiffs' goods are from the same source. It appears that the document in question was introduced in support of the defendants' counterclaim for damages, which was abandoned in August 1992, when they amended their defence. Any intention there might be in proffering this document for that purpose would have nothing to do with any intention to deceive in the sense I have indicated. For this reason, I do not think that this document assists the plaintiffs in any way on this point.

53 I conclude therefore that the plaintiffs have failed in their claim, and it is dismissed with costs.

54 ***Plaintiffs' claim dismissed.***

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Warren Khoo L H J

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