Tay Long Kee Impex Pte Ltd v Tan Beng Huwah (trading as Sin Kwang Wah) [2000] SGCA 22

Case Number : CA 63/1999

Decision Date : 22 April 2000

Tribunal/Court : Court of Appeal

Coram : Chao Hick Tin JA; L P Thean JA

Counsel Name(s) : Adrian Tan (Drew & Napier) for the appellants; N Sreenivasan and Toh Wee Jin (Anthony & Wee Jin) for the respondent

Parties : Tay Long Kee Impex Pte Ltd — Tan Beng Huwah (trading as Sin Kwang Wah)

Civil Procedure – Injunctions – Ex parte application for interlocutory injunction – Deliberate suppression of material facts – Special case for court not to discharge injunction

Civil Procedure – Injunctions – Interlocutory injunction – Ex parte application – Material non-disclosure established – Court's discretion once material non-disclosure established

Civil Procedure – Injunctions – Interlocutory injunction – Discharge and grant of fresh injunction – Factors to consider

Courts and Jurisdiction – Jurisdiction – Inter partes application to discharge ex parte injunction – Whether judge hearing such application sitting in appeal over decision of first judge

Words and Phrases – "Materiality" – "Material facts"

(delivering the judgment of the court): This is an appeal against a decision of GP Selvam J given on 19 March 1999 where he set aside an ex parte interlocutory injunction which the plaintiff-appellants had on 8 January 1999 obtained against the defendant-respondent.

The facts

The appellants are manufacturers and distributors of, inter alia, the common backpacks under the brand name `hayrer`, the sort which we see carried by school children all over Singapore. The appellants` backpacks are distributed to shops in Singapore for sale to the public, including large department stores like Isetan and Carrefour.

The respondent`s business was also in bags. In around November 1998, he started selling backpacks under the brand name, `devico`. In the past, he used to purchase some of the appellants` bags for resale. It was the sale by the respondent of the `devico` backpacks which gave rise to the appellants instituting this action in passing-off, as well as applying ex parte for an interlocutory injunction against the respondent.

The appellants alleged that the respondent had damaged their goodwill by passing off his inferior `devico` bags as their bags, as the respondent`s bags had copied several features of the `hayrer` bags. It should be noted that the appellants` claim does not rest on the brand name `hayrer`. They also alleged that the respondent had breached their copyright in the warranty, which accompanied each of the `hayrer` bags, as the respondent`s warranty on his `devico` bags was in identical terms, except for the difference in the brand names.

When the ex parte application first came up before the court on 7 January 1999, Lee Seiu Kin JC queried why the application was made ex parte. The following day, the appellants` general manager, Mr Low Yang Haw, filed an affidavit to explain the urgency and why the respondent should not be

notified. Basically, what he said was that if notified, the respondent would most likely release all his poor quality stock into the market at an even lower price. Normally, during this period (between the date the schools re-opened for the New Year and before Chinese New Year) the sales of such bags would be high. The grant subsequently of an injunction would have been of no practical use as the losses suffered by the appellants, as a result of the damage to the goodwill, would be incalculable.

Following that clarification, Lee Seiu Kin JC on the same day granted an interim injunction, the relevant parts of which read as follows:

> *1 An injunction is hereby granted restraining the defendant from selling, distributing, importing, manufacturing or otherwise dealing in bags bearing bar code prefix number `8887710` where such bags are not manufactured by or originate from the plaintiffs until trial or further order.*
>
> *2 An injunction is hereby granted restraining the defendant from passing off backpacks and waist pouches bearing the label shown in Annex A not manufactured by or originating from the plaintiffs until trial or further order.*
>
> *3 An injunction is hereby granted restraining the defendant from infringing the plaintiffs` copyright in tags affixed to the plaintiffs` bags by reproducing the contents of the said tags until trial or further order.*

Apparently, the appellants had difficulties serving the injunction order on the respondent, which they only managed to do five days later on 13 January 1999. Thereafter, the respondent filed an application to set it aside. The application to discharge the ex parte injunction was eventually heard by GP Selvam J on 19 March 1999.

Decision below

GP Selvam J, having heard the parties, lifted the injunction. First, he felt there was no `great urgency` for the appellants` application to be made ex parte. In his view, the peak period for the sales of such bags would be before the school term re-opened for the year 1999. Second, there was suppression of material facts on the part of the appellants, who had failed in their duty to make full and frank disclosure. As this duty to make full and frank disclosure is absolute, in the sense that it is `not based on a corresponding right of the (defendant)`, even a minor breach would ordinarily be a sufficient basis to set aside the order. Thirdly, where there has been a breach of that duty it would be wrong in principle to treat an application to set aside an ex parte order as a fresh hearing of an inter partes hearing. In any event, this was not a case to which an interlocutory injunction should have been granted.

The alleged infringing features

The appellants alleged that the respondent`s backpacks (bags) bore similar features to those of theirs as a result of which the public would think that the `devico` bags originated from the plaintiffs, and as the respondent`s bags were of poorer quality, the appellants` goodwill would suffer. The complaints of the appellants were broadly the following. The first related to the bar-code prefix number `8887710` which had been assigned exclusively to the appellants by the Singapore Article

Number Council (SANC). The appellants said that this bar-code prefix number (BCP number) was assigned to them for the purpose of identifying them as the manufacturers of the product to which the BCP number was affixed. Because of that, retailers had come to regard goods bearing that particular BCP `8887710`, as being distinctive of goods manufactured by the appellants. However, the respondent`s backpacks also had on them a similar number. The appellants asserted that this constituted a grave and deliberate misrepresentation by the respondent that his goods were manufactured or originated from the appellants.

Secondly, the design of the `devico` logo closely resembled that of the `hayrer` logo. Everything was the same except for the difference in the two brand names. They pointed out that the shape of the logo, the choice of colours, the typeface employed, the abbreviations `USA` and `R` and even the central position of the logo on the bags followed those of their `hayrer` bags, making the two logos confusingly similar. This was how the appellants described their `hayrer` logo:

(i) a black rectangle enclosing;

(ii) a red-lined oval enclosing;

(iii) the brand name `hayrer` in white lower-case letters;

(iv) which letters are outlined in red;

(v) on a navy blue background;

(vi) with the words `U.S.A` on the bottom right-hand corner;

(vii) and a letter `R` signifying that the mark is registered as a trademark.

Thirdly, the appellants alleged that the general colour and design of the respondent`s `devico` backpacks were visually the same as the colour and design of their `hayrer` bags. In particular, `devico` bags had the following characteristics, which the appellants claimed were distinctive of their `hayrer` bags - (a) use of one primary dark coloured fabric for the side and rear panels contrasted with a secondary light coloured fabric on the front panels; and (b) use of rugged waterproof fabric material throughout.

Fourthly, on each `hayrer` bag there was a hang-tag attached thereto on which was printed the BCP number 8887710, as well as a lifetime warranty which read as follows:

> *Water Proof Fabric*
>
> *All hayrer products are designed and manufactured to provide maximum carefree service, hayrer products carry a lifetime guarantee to be free of defects in materials or workmanship. This does not cover wear and tear or abuse. Accordingly, hayrer will repair or replace, without cost to our customers, any product which is defective in materials or workmanship promptly after its return to our sole agents.*

The respondent not only used the appellants` BCP number, he also copied the wording of the appellants` warranty with only a change in the brand name.

The appellants claimed that through promotions and advertisements, their customers were aware of the lifetime warranty and did place reliance on that warranty when purchasing `hayrer` bags. By reproducing the same warranty, the respondent has misrepresented to the customers that the `devico` bags originated from the appellants. The public would assume that the respondent`s lifetime warranty was put forth by the appellants and would look to the appellants to honour that warranty. Furthermore, the respondent had infringed the appellants` copyright in the lifetime warranty, when he displayed the same on his bags.

The defendant`s case

The respondent stated that he was not a manufacturer of bags; he merely imported his products from manufacturers in China and Hong Kong. Indeed, he also said that the appellants themselves were not manufacturers of their `hayrer` bags. Like the respondent, the appellants are merely importers and distributors of the bags. The respondent claimed that he did not determine the design or get-up of the `devico` backpacks. Similarly, he had nothing to do with the wording of the warranty which were printed on a hang-tag attached to each bag. In any case, the two brand names were entirely different. There could not be any confusion.

Issues

Before us counsel for the appellants submitted that GP Selvam J should not have discharged the interim injunction as the appellants had more than established that there was a serious question to be tried in passing-off. Furthermore, in relation to the issue of balance of convenience, they claimed that they had amply shown that it should be resolved in their favour.

As the learned judge below had in his grounds of decision dealt mainly with the questions whether in this instance, the application for an injunction should have been made on an ex parte basis and whether there had been a breach of the duty to make full and frank disclosure of material facts, we will address these issues first.

Exparte application

In reliance on **Griffin Steel Founderies Ltd v Canadian Association of Industrial, Mechanical & Allied Workers** [1977] 80 DLR (3d) 634, the learned judge felt that an injunction should be granted ex parte only where the circumstances establish extraordinary urgency and only for such period of time as is necessary to enable notice to be served on those to be enjoined. Applications for an ordinary interlocutory injunction should be treated differently from those which are in the nature of a Mareva injunction or an Anton Piller order, the latter being a class of their own.

As mentioned before, the learned judge was very much troubled by the appellants` allegation that if notice were given to the respondent he would release all his stock at an even cheaper price. He noted that such backpacks were not items which people would buy for Chinese New Year. He thought that the peak period for the sale of such bags would have passed as the new school term had already started by 4 January 1999. The application was made on 6 January 1999. In his view, the allegation was `spurious if not absurd` and that it was something contrived to `blindfold the court`. He felt there was nothing to warrant the issue of an interlocutory injunction without the respondent being notified.

Before we proceed further, we would, at this juncture, like to make an observation of a general nature. Where a judge hears an inter partes application to discharge an ex parte injunction, he is not sitting in appeal over the decision of the first judge who granted the order. He is to determine whether on the full facts and arguments presented by both parties before him, the injunction should be continued or discharged or a fresh injunction be issued. The question whether on the facts presented to the first judge urgency had been sufficiently demonstrated had already been determined by him when he made the order. In this case, the first judge did query why notice was not given to the defendant. An explanation was given and he was satisfied. If it is subsequently shown that there had been misrepresentations, suppression of material facts or material non-disclosure, in relation to the obtaining of that order, then the second judge hearing the discharge application may make such order as he deems fair and just in all the circumstances (see [para] 21-34 below which discuss the issue of material non-disclosure and its consequences).

Be that as it may, reverting to the present matter, the appellants contended before us that the views of the learned judge, that students would have bought their bags before school term re-opened for the year 1999, were not supported by the evidence. In our opinion, this criticism is valid. We note that not only had the respondent not challenged the appellants` claim that sales of such bags during the period between the time when the new school term re-opened and Hari Raya/Chinese New Year, would be brisk, the respondent himself had in December 1998 even ordered 9,000 such bags to be shipped to him in January 1999. So the sales in January of these bags must still be good. Since this point was the foundation upon which the learned judge held there was no urgency, and thus no justification for the ex parte application, it would follow that this aspect of his decision cannot hold good.

Material non-disclosure

It is trite law that there is a clear duty on the part of an applicant for an ex parte interlocutory injunction to make a full and frank disclosure: see **R v Kensington Income Tax Commissioners** [1917] 1 KB 486 at 504. The difficulty here is in determining what facts are material. Any definition of `materiality` has to be, by its very nature, general. In the words of Ralph Gibson LJ in **Brinks-MAT Ltd v Elcombe** [1988] 3 All ER 188 `material facts are those which it is material for the judge to know in dealing with the application.` It need not be `decisive or conclusive` - per Warren LH Khoo J in **Poon Kng Siang v Tan Ah Keng** [1992] 1 SLR 562 . We would add that the duty to disclose applies not only to material facts known to the applicant but also such additional facts which he would have known if he had made proper inquiries. The extent of the inquiries which an applicant should make would have to depend on the facts and circumstances prevailing in the case.

Location of Bar Code Prefix: No reliance was placed on the brand name: Distinctive get-up of `hayrer` bags: Design of `hayrer` logo: Appellants` practice of removing the hang-tag from some `hayrer` bags: GP Selvam J not only held that there was material non-disclosure, he also felt there was in fact deliberate suppression. Besides noting that the appellants were not truthful when they alleged that the respondent was a manufacturer, he identified five instances where he thought the appellants had misrepresented the facts or omitted material facts:

(i) The appellants stated that the BCP number was affixed to the exterior of the bag and was plainly visible to the eye. The judge noted that it was in fact not printed on the bag itself but on a hang-tag attached to the exterior of the bag. On the tag, apart from the bar code, other matters were also stated thereon, including the lifetime warranty, the appellants` name, as well as their telephone and fax numbers.

(ii) in respect of both the `hayrer` bags and `devico` bags, the brand names appeared on the outside and inside of the bags. No one could ever possibly confuse the `hayrer` bags with the `devico` bags. The learned judge felt that this was such an obvious fact that the appellants should have expressly stated that they were not placing any reliance on their brand name at all.

(iii) The appellants had misrepresented that there was a single distinctive theme get-up for their `hayrer` bags. In fact the appellants` bags had several colour combinations besides the one which they alleged was copied by the respondent. In one design, there was only a single colour black. He also noted that other brand bags on the market displayed basically similar features from the `hayrer` bags.

(iv) The appellants claimed that the `hayrer` logo was distinctive with specific characteristics. The impression given was that there was only one design of the `hayrer` logo for all their bags. The respondent had shown to the court below that the `hayrer` brand name was depicted in numerous different ways, colours and shapes.

(v) One of the respondent`s witnesses, Mr Tan Yang Ming, deposed that when she made a purchase of a `hayrer` bag from the appellants` own outlet, the sale staff tore off the `hang tag` before delivering it to her. She had no opportunity to peruse the bar code and the lifetime warranty. Neither was she given a substitute warranty. The learned judge found that `this made a nonsense out of the appellants` case based on the bar-code prefix warranty.` The appellants did not deny such a practice, but merely tried to explain it away by saying that they were doing stock-taking.

On non-disclosure (i), while we recognise that what was set out by the appellants in their statement of claim and their affidavits could have been made clearer, too much should not be made out of this point as the judge hearing the ex parte application in fact had sight of the bags in question and he would have noticed that the BCP number appeared on a hang-tag. On non-disclosure (ii), again we do not think the appellants should be faulted for not expressly stating that their case did not depend on their brand-name. That was clearly unnecessary as the marks `hayrer` and `devico` are so obviously different that no case in passing-off could ever be made out based on just those two words. Their case was premised on the overall get-up of the bags. There was no assertion by the appellants that the respondent`s brand name was confusingly similar to the appellants` brand name. Their grounds for alleging passing-off were clearly set out in [para] 9 of the first affidavit of the appellants` general manager. As the learned judge correctly observed in [para ] 30 of his grounds of decision, the appellants `pitched their case on the allegation that the `hayrer` bags had a unique get-up and common characteristics by reason of their shape, colour and design.`

As regards the other three instances of non-disclosure, we agree with the learned judge that they were material: the fact that the appellants` `hayrer` bags came in various designs and colour schemes; the fact that there was in fact more than one way in which the `hayrer` logo appeared; and the practice of removing the hand-tag before handing a `hayrer` bag over to a purchaser - these were facts which would be highly material to the determination whether prima facie there was any likelihood of passing-off, which in turn would affect the question whether an interlocutory injunction should be granted. It is not true that the distinctive colour scheme of the appellants` backpacks was `one primary dark coloured fabric for the side and rear panels contrasted with a secondary light coloured fabric on the front panels.` These were matters wholly within the appellants` knowledge and which they knew or should have known would be very important to the ex parte application. Yet they failed to disclose.

Once material non-disclosure is established, the court has a discretion whether to discharge the interlocutory injunction without looking into the merits. All the more so, where a judge had, as in this

case, found that the omissions were deliberate with a view to misrepresent. In the appellants` case, they did not really seek to explain these three instances of non-disclosure or misrepresentation, though they did explain with regard to the other two, on which we have held that there was no material omission or misrepresentation. With regard to the appellants` practice of removing the hand-tag, we ought to mention that although the appellants had explained that this was on account of stock-check being carried out, it is not clear why stocktaking should involve the removal of the hand-tag if the tag was for the protection of the buyer.

An appellate tribunal should not disturb the discretion exercised by the judge below unless it is shown that the latter had erred in law or principle: see **QBE Insurance Ltd v Sim Lim Finance Ltd** [1987] SLR 15 [1987] 2 MLJ 656 , **Wright Norman & Anor v Oversea-Chinese Banking Corp Ltd** [1992] 2 SLR 710 and **Tang Siew Choy & Ors v Certact Pte Ltd** [1993] 3 SLR 44 .

In this case, the learned judge discharged the interlocutory injunction because in his view the duty to disclose was absolute and `even a minor breach will ordinarily be a basis to (set) aside the order`. We wish only to point out that in law the rule is not as strict as that. This is clearly set out in the judgment of Ralph Gibson LJ in ***Brink`s-MAT*** (supra) where, after reviewing the authorities, he said (at p 193):

> *(vi) Whether the fact not disclosed is of sufficient materiality to justify or require immediate discharge of the order without examination of the merits depends on the importance of the fact to the issues which were to be decided by the judge on the application. The answer to the question whether the non-disclosure was innocent, in the sense that the fact was not known to the applicant or that its relevance was not perceived, is an important consideration but not decisive by reason of the duty on the applicant to make all proper inquiries and to give careful consideration to the case being presented. (vii) Finally, `it is not for every omission that the injunction will be* ***automatically*** *discharged. A* ***locus poenitentiae*** *may sometimes be afforded`: see* ***Bank Mellat v Nikpour*** *[1985] FSR 87 at p 90 per Lord Denning, MR. The court has a discretion, notwithstanding proof of material non-disclosure which justifies or requires the immediate discharge of the ex parte order, nevertheless to continue the order, or to make a new order on terms ...*

Balcombe LJ, in the same case, after referring to the rule requiring full and frank disclosure as a judge-made rule said that that rule should not be allowed to become an instrument of injustice and he went on to explain (at p 194):

> *It is for this reason that there must be a discretion in the court to continue the injunction, or to grant a fresh injunction in its place, notwithstanding that there may have been non-disclosure when the original ex parte injunction was obtained: see in general* ***Bank Mellat v Nikpour*** *[1985] FSR 87 at 90 and* ***Lloyds Bowmaker Ltd v Britannia Arrow Holdings plc (Lavens, third party)*** *[1988] 3 All ER 178, a recent decision of this court in which the authorities are fully reviewed. I make two comments on the exercise of this discretion. (i) Whilst, having regard to the purpose of the rule, the discretion is one to be exercised sparingly, I would not wish to define or limit the circumstances in which it may be exercised. (ii) I agree with the views of Dillon LJ in the* ***Lloyds Bowmaker*** *case [1988] 3 All ER 178 at p 187 that, if there is jurisdiction to grant a fresh injunction, then there must also be a discretion to refuse, in an appropriate case, to discharge the original injunction.*

The third member of the quorum, Slade LJ, endorsed the analysis of the law made by Ralph Gibson and Balcombe, LJJ and went on to add that the practical difficulties encountered by a party making ex parte applications should not be overlooked:

> *Nevertheless, the nature of the principle, as I see it, is essentially penal and in its application the practical realities of any case before the court cannot be overlooked. By their very nature, ex parte applications usually necessitate the giving and taking of instructions and the preparation of the requisite drafts in some haste. Particularly in heavy commercial cases, the borderline between material facts and non-material facts may be a somewhat uncertain one. While in no way discounting the heavy duty of candour and care which falls on persons making ex parte applications, I do not think the application of the principle should be carried to extreme lengths.*

He even went further to introduce the element of proportionality in the consideration of the matter as follows:

> *Though in the present case I agree that there was some material, albeit innocent, non-disclosure on the application to Roch J, I am quite satisfied that the punishment would be out of all proportion to the offence, and indeed would cause a serious potential injustice if this court were, on account of such non-disclosure, to refuse to continue the injunction granted by Roch J on 9 December 1986.*

Notwithstanding that the learned judge below seemed to have stated the law on the consequence of non-disclosure in terms broader than is justifiable by the authorities, it is clear to us that the non-disclosures enumerated in [para] 22(iii) and (iv) above could not be viewed as minor. The learned judge felt that there was deliberate suppression. On this, looking at the matter fairly, we do not think we could disagree with him. Those non-disclosures, in our opinion, would have affected the decision of the judge hearing the ex parte application. They were directly relevant to the question of confusion.

Issue of a fresh injunction

An alternative argument put before GP Selvam J was that he could and should in the circumstances of this case treat the hearing as a fresh inter partes hearing and grant the injunction prayed for. Here the learned judge took much the same approach as he did in considering the question of the continuation of the existing injunction. As mentioned before, his basic premise was that the duty to make full and frank disclosure was an absolute obligation and `even a minor breach will ordinarily be a basis to (set) aside the order.` The court hearing an ex parte application was often short of time to scrutinize the matter closely and had to rely on the plaintiffs. Thus he concluded:

> *Unless the breach of duty entails some effective sanction, human nature will tempt the applicant to angle his case in his own favour.*
>
> *For the same reason* ***it is wrong in principle to treat an application to set aside an ex parte order as a fresh hearing of an inter partes hearing and***

> ***ignore the principles outlined above****. However, in a case where there is ample justification for an ex parte application, a different procedure would naturally be followed.*

It will be seen that the learned judge seemed to be of the view that because of the non-disclosure of material facts, that fact per se excluded the appellants from applying for the issue of a fresh injunction. However, the last sentence of his, quoted above, would appear to indicate that his refusal to make a fresh interlocutory injunction had something to do with the fact that in his opinion there was no urgency in the case that the application should have been made ex parte in the first place. As discussed above ([para] 27 to 31), the court still retains, even where there is a material non-disclosure, a discretion to either continue the ex parte order or grant a fresh order. It depends on the nature of the non-disclosure and the circumstances of the case. We would hasten to add that while the learned judge did quote the passage of Ralph-Gibson LJ in ***Brink`s-MAT Ltd*** cited above, we are, however, left in some doubt whether he did fully appreciate that there was still a discretion in the court to continue the ex parte injunction or grant a fresh injunction, even where there had been a material non-disclosure.

We would at this juncture refer to the case, **Yardley & Co & Ors v Higsons & Ors** [1984] FSR 304, which was concerned with an ordinary interlocutory injunction, to illustrate the application of a less rigid approach towards material non-disclosures. There, which was an action to prevent passing-off, it was held that even though there had been a material non-disclosure when the plaintiffs first obtained a three-week interim injunction, that did not preclude the plaintiffs from seeking a second interim injunction against the defendants after full disclosure. It was against this second injunction that the defendants had appealed, arguing that as the plaintiffs had failed to disclose material facts to the judge who granted the first injunction, no further equitable relief should be granted to the plaintiffs. The Court of Appeal demurred and held that the fact that there had been non-disclosure of a material fact to the first judge did not prevent the grant of further relief at a subsequent application when that fact was fully before the court. Lawton LJ said:

> *I do not find it necessary to go into the law about this matter in any way, because it is clear that in cases of injunctions, even if there has to be a discharge of one injunction because there has not been proper disclosure, that does not prevent a further application for an injunction being made. I will accept for the purposes of my judgment that before Nourse J there was a failure to make as full disclosure as should have been made and that the omissions were material omissions. But after that there was a further application, and when the matter came before Goulding J on the further application he was apprised of all the material facts ...*

Our decision

In the light of the fact that the statements of principle enunciated by the learned judge below regarding the continuation of an existing interlocutory injunction or the grant of a fresh injunction on account of material non-disclosures are not entirely in line with modern authorities, it thus behoves us to determine afresh whether in this instance the existing interlocutory injunction should be continued or a fresh injunction should be granted. The learned judge had found that there was some deliberateness in the non-disclosure amounting to suppression. On this ground alone we are of the view that the interlocutory injunction granted on 8 January 1999 should be discharged. It is

necessary to drive home to the parties and their solicitors the point of the serious consequences of non-disclosure. Where there is suppression, instead of innocent omission, it must be a special case for the court to exercise its discretion not to discharge the ex parte injunction.

The next question is whether a fresh injunction should have been granted by GP Selvam J, since all the facts were before him. In ***Brinks-MAT*** that jurisdiction was recognised. In **Lloyds Bowmaker Ltd v Britannia Arrow Holdings** [1988] 3 All ER 178, Glidewell LJ said.

> *... even though a first injunction is discharged because of material non-disclosure, the court has a discretion whether to grant a second Mareva injunction at a stage when the whole of the facts, including that of the original non-disclosure, are before it, and may well grant such a second injunction if the original non-disclosure was innocent and if an injunction could properly be granted even had the facts been disclosed.*

We ought to mention that in ***Lloyds Bowmaker*** Dillon LJ went a step further when he said (at p 187):

> *There is no doubt that there is jurisdiction to grant a fresh injunction, even though there has been culpable non-disclosure when the original injunction was applied for.*

We agree there is this jurisdiction.

While we do not think that culpable non-disclosure would ipso facto disentitle the party who is in breach thereof to a fresh injunction, if the circumstances would otherwise warrant it, it is nevertheless a very significant factor to be taken into account by the court, always bearing in mind that there are degrees of culpability and the relative importance of the omitted fact or facts. However, in relation to the circumstances of the present case, we are not inclined to hold that the learned judge below should have granted a fresh injunction not only because the non-disclosures (iii) and (iv) were significant, but also because having seen the various samples that were placed before us, we do not seriously think there would be any real likelihood of confusion. While there are common features between the backpacks of the appellants and the respondent, there are also differences. In fact, in the market place such backpacks are common and they have been around for quite a while and they come in various brands. Equally important to note is the fact that even the appellants` backpacks come in various designs; similarly their logo. We see that the particular logo design of `hayrer` which the appellants alleged the respondent copied is in fact similar to those of other third party brands (eg `Outdoor`, `Classa`). In our view, what distinguishes the appellants` backpacks from similar backpacks of other importers/manufacturers is really their name or mark. On this there can be no dispute that `devico` is entirely different from `hayrer` and no confusion can conceivably arise on account of that.

As for the point about the similar BCP numbers, there is nothing to indicate that the consumers were aware of the significance of that. All the more so, the consumers would not think they were the same, when the further six numbers that followed the BCP numbers were different from those of the appellants. As for the retailers, while they would know the significance of the BCP numbers, they would not likely be misled. The invoice from the respondent, plus the different brand name, would have alerted the retailer that he was dealing with a different importer/manufacturer. A phone call would have straightened out any misconception.

There is another factor which this court is entitled to take into account in determining whether we should grant a fresh injunction. The object behind the grant of an interlocutory injunction is to protect the plaintiff`s rights and to prevent irreparable harm to the plaintiff during the period up to the trial. We note that since the decision of GP Selvam J to lift the ex parte injunction a year ago, no steps had been taken by the appellants to move the action along, other than asking for further arguments before the learned judge on his decision to lift the injunction. If steps were taken, the trial of the action would probably have been completed some time ago. The appellants took 21 days to file their notice of appeal. Neither did they apply for an expedited hearing of the appeal. If they were suffering because of GP Selvam J`s refusal to grant a fresh interlocutory injunction we would have expected them to move the case to trial with due despatch. However, no urgency was shown at all. The impression created by their conduct is that there is no real risk of irreparable harm.

In the Canadian case **Havana House Cigar & Tobacco Merchants Ltd v Naeini** [1998] 79 CPR (3d) 496 the following remarks of Rothstein J are germane (at pp 500-501):

> *After receiving a negative decision on their first interlocutory injunction application, one would think that if the plaintiffs had a serious case to pursue and are suffering harm with the passage of time, whether irreparable or not, they would have attempted to move the case forward to trial with expedition.*
>
> *...*
>
> *The court will take a dim view of a second interlocutory injunction application when a plaintiff has not aggressively been advancing the case toward trial.*

It is pertinent to note that a similar principle is also applied in the analogous situation where a plaintiff has obtained an interlocutory injunction but failed to advance the case to trial expeditiously. In ***Newsgroup Newspapers Ltd v Mirror Group Newspaper*** (1986) Ltd [1991] FSR 487 Hoffmann J said (at pp 489-490):

> *An interlocutory injunction is an order which restricts a defendant`s liberty at a time when there has been no finding of wrongdoing by the court. It is done in order to preserve the position, pending a determination of the merits, in cases when the court thinks that justice so requires. In my judgment it is incumbent upon a plaintiff whose position has been protected in that way by an interlocutory injunction to proceed with the action with due diligence so as to limit as far as possible the period during which the defendant`s liberty is restricted without there having been any determination of the merits.*
>
> *...*
>
> *A plaintiff who has obtained an interlocutory injunction is not in my view entitled simply to rest upon that injunction, to assume, as the plaintiff in this case expressly said he assumed, that in the absence of complaint the defendant is content to treat the injunction as permanent without any further steps having to be taken and to wait until the defendant finds the situation sufficiently burdensome to prompt him to make an application for variation of its terms.*

In all the circumstances of the case, and applying the test of the `lower risk of injustice` pronounced by this court in **Chuan Hong Petrol Station Pte Ltd v Shell Singapore (Pte) Ltd** [1992] 2 SLR 729 at 743, we do not think that the appellants have demonstrated that there would be a `lower risk of injustice` if we should grant an injunction. In fact, we think that the reverse is probably true. The appellants have also asserted that the respondent`s bags were of a poorer quality. This was a bare assertion without any objective evidence in substantiation.

Copyright infringement

There is a related point about copyright infringement which we must address. The respondent was by the order of 8 January 1999 restrained from infringing the appellants` copyright in the wording of the lifetime warranty of the appellants. This action instituted by the appellants is for passing-off, to protect their alleged goodwill in the backpacks. The similarity in the wording of the lifetime warranty was one of several aspects relied upon by the appellants to substantiate the claim of passing-off. While the wording of the lifetime warranty of the appellants is in a broad sense a piece of literary work, it really cannot subsist on its own as a literary work. In itself, the warranty as a literary work is hardly consequential. Really, it is de minimis. Thus, we do not think that any injunction should be granted solely on account of this alleged infringement.

Miscellaneous observations

Before we conclude this judgment, we think it necessary to comment on a few general observations made by the learned judge below. First, he seemed to think that there is a clear distinction between interlocutory injunction and interim injunction, the former to be made only `on an inter partes application after full affidavit evidence and in appropriate cases, after it is tested on the anvil of cross-examination,` and the latter `on the basis of less than full evidence and arguments` and it is to be operative until full evidence and arguments could be heard leading to the making of an interlocutory order. Secondly, relying upon the opinion of O`Sullivan JA in ***Griffin Steel Founderies*** (supra), he said that an ex parte injunction, which is an interim injunction granted without notice to the defendant, should never be granted for an indefinite period.

In our opinion, the terms `interim injunction` and `interlocutory injunction` are not terms of art, and in their ordinary sense, an interim injunction means an injunction made in the meantime and until something is done, eg the final disposal of the matter; and an interlocutory injunction means an injunction made prior to the final disposal of the suit or action, ie at the interlocutory stage of the suit or action. An interim injunction is an interlocutory injunction, and vice versa. We do not think that there is any material difference between the two.

Even in the ***Supreme Court Practice 1999*** the two terms are used interchangeably. As illustrations, we will quote the following passages:

> *Paragraph 29/1A/2*
>
> *Where an injunction is claimed in a party`s writ, originating summons, etc, and an interlocutory injunction is granted in similar terms that injunction may be described as an interim injunction*
>
> *Paragraph 28/l/2*

> *The grant of an interlocutory injunction is a very important matter as a defendant can be sent to prison for breach ... When an application is made for an interim injunction, the court has a very difficult jurisdiction to exercise. It is sometimes impossible to make an order which may not do some injustice to one party or the other ... The procedure to be adopted by the court in hearing applications for interlocutory injunctions, and the tests to be applied were laid down by the House of Lords in ...*

A clear exposition of the two terms is also set out in the book ***David Bean on Injunctions*** (7th Ed) as follows:

> *Injunction may be further classified according to the period of time for which the order is to remain in force. A **perpetual** injunction is a final judgment, and for that reason is usually only granted (except by consent of the defendant) after a trial on the merits. An **interlocutory** injunction, by contrast, is a provisional measure taken at an earlier stage in the proceedings, before the court has had an opportunity to hear and weigh fully the evidence on both sides. It is generally expressed to continue in force `until the trial of this action or further order`. An **interim** injunction is still more temporary, and remains in force only until a named day, eg `until 10.30am on Tuesday 4 October (or so soon thereafter as counsel may be heard)`. The terms **interim** and **interlocutory** are often used interchangeably.*

Turning to the second point, we must point out that our courts have in the last ten years or so adopted a practice different from that advocated by O`Sullivan JA in ***Griffin Steel Founderies*** . It is true that previously our courts had granted ex parte interim injunctions until the next Motion Day when counsel would move for the continuation of the injunctions. This resulted in a situation where on each Motion Day there were numerous applications for continuation of the interim injunctions. For this reason, a practice had developed and been adopted by practically all the judges, though no formal discussion or decision was taken on it, to grant an interim injunction, even if it is ex parte, until trial or until further order and sometimes with an express provision (not that it is absolutely necessary), giving liberty to the defendant to apply to court to have the ex parte order set aside.

Judgment

In the result, we would dismiss the appeal with costs, with the usual consequential orders.

Outcome:

Appeal dismissed.

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